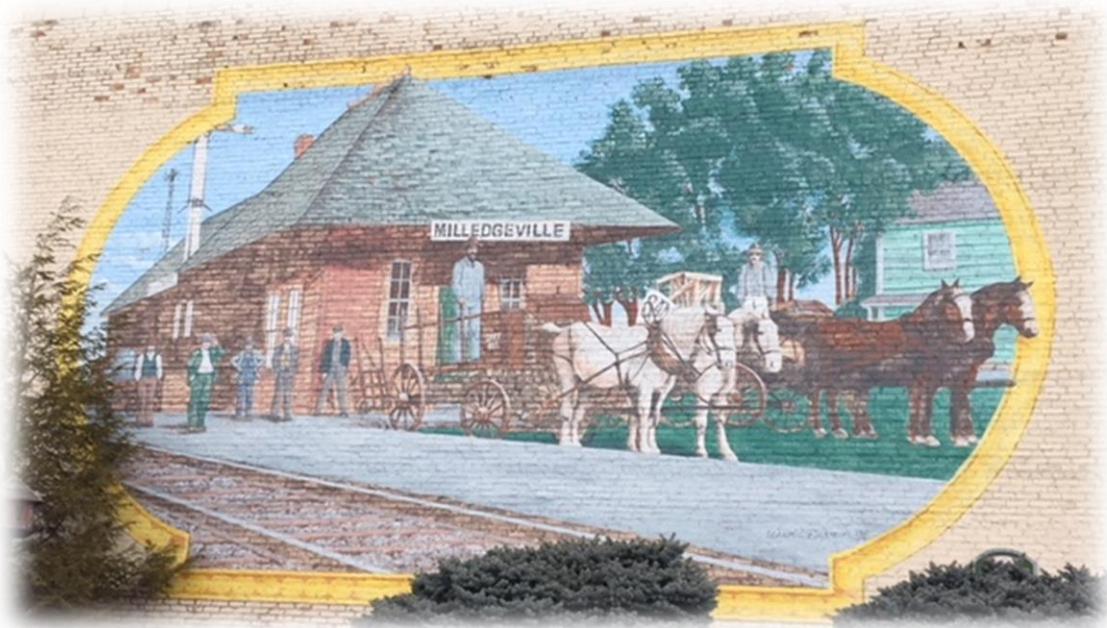


VILLAGE OF MILLEDGEVILLE

Carroll County, Illinois



MILLEDGEVILLE BUSINESS DEVELOPMENT DISTRICT

DEVELOPMENT PLAN

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I. The Village of Milledgeville

The Village of Milledgeville (the “*Village*”) is located in Carroll County, Illinois approximately 110 miles west of Chicago, 45 miles southwest of Rockford, and approximately 15 miles north on Route 40 from the Cities of Sterling and Rock Falls.

The area which would eventually be incorporated as the Village of Milledgeville was originally settled after construction of a saw mill was completed in 1834. The saw mill was purchased by Adam L. Knox and later converted into a grist mill to which area farmers would travel in order to make flour for consumption and sale. Knox, along with surveyor Philander Seymour, originally plotted the Village May 19, 1850. Homes were constructed on both sides of what was then Main Street (now Old Mill Road) from the mill west to what is now Route 40. Among other businesses, the four block stretch extending west from Route 40 played host to several general stores, two hotels, a livery stable, a shoe shop, taverns, a pool hall, several blacksmiths, a bank, and a post office, originally led by its first postmaster, Jacob McCourtie.

The makeup of the Village changed vastly after \$16,000 was raised by the town fathers to encourage the Chicago, Burlington and Quincy railroad to build a track through the Village which was completed in 1886. It was at this time that the Village officially incorporated, adopting the name “Mill-edge-ville” in tribute to the mill around which the settlement had grown. With ease of travel and connection to interstate commerce, a new business district quickly developed along the two blocks north of the railroad tracks. The addition of new two-story brick buildings, smaller wood frame buildings, and amenities such as oil burning street lamps combined with the ever busy train depot resulted in several of the business on the old Main Street, including the two hotels, relocating to the new business district in order to benefit from increased business opportunities.

Eventually, the production of wheat by area farmers diminished, the mill was shut down in 1901, and disassembled shortly thereafter. Pieces of the old mill could be found throughout the Village as sections were used to help create new structures and portions of private residences.

Modernization continued as the streets were paved and first modern street lights installed in 1914 and sewers in 1916. The building housing the high school was constructed in 1920. The Mary Fletcher library was built in 1923. The original Route 40 came through the Village in 1926 and the current Village hall was constructed in 1939.



After locating its main plant in Stockton, Illinois in 1914, Kraft Foods opened a plant conducting research and development in the Village in 1918 which later expanded for production of Kraft's Swiss cheese in 1945. The Kraft factory closed in 1985.

Today, the Village, which is located in Wysox Township, has a current estimated population of 1,052 with the 2010 census population set at 1,032.

The Village is served by Chadwick-Milledgeville Community Unit District #399 and the K-3 and high school building is located within the Village. The high school goes by the moniker "missiles" and the marquee is home to a real decommissioned nuclear warhead developed during the Cold War. The Milledgeville Park District boasts two lighted regulation-sized ballparks, a 10-acre park with a fitness trail, and two lighted outdoor tennis courts in addition to offering summer youth activities and sports leagues.



II. *Proposed Business District*

The proposed Milledgeville Business Development District includes the real estate identified in *Exhibit A* hereto. The area contains a mix of commercial, industrial, residential and public uses as well as vacant areas. As a whole, the Proposed Business District, as defined below, is characterized by aging properties, deteriorated buildings and site improvements, and vacant land. The proposed Milledgeville Business Development District covers approximately 214 acres and can be generally described as follows:

All of the properties that border the west end of the Village limits south of Illinois Route 40, north of the BNSF railroad tracks, and bound on the east by Stover Avenue; properties south of the railroad tracks and north of 1st Street, that border the west end of the Village limits and Meyers Avenue to the east; properties south of W. 6th Street, north of W. 3rd Street and bound by Stover Avenue on the west and Holcomb Avenue on the east; generally, properties west of Holcomb Avenue and east of Meyers Avenue from 1st Street on the south to Illinois Route 40 on the north; properties fronting on the north and south sides of the BNSF railroad from the west end of the corporate limits to the east end of the corporate limits; properties from 1st Street on the south to Evelyn Drive on the north and bounded by Illinois Route 40 on the east and Hager Avenue on the west; and all properties bounded by the east end of the Village limits and east of Illinois Route 40 (the “*Proposed Business District*”).

The Village has determined that, once approved, the Proposed Business District shall have a term of twenty-three (23) years.

III. *Business District Development and Redevelopment Plan.*

The Village engaged the services of Community Funding & Planning Services (“CFPS”) and Kathleen Field Orr & Associates, as legal counsel (“KFO”) to assess the eligibility of the Proposed Business District for designation as a “Business District” pursuant to the Business District Development and Redevelopment Law, 65 ILCS 5/11—74.3-1 et seq. (the “BDD Act”). The BDD Act provides municipalities with the means to redevelop and revitalize commercial and industrial areas and has been successfully used in the redevelopment of commercial highway districts, aging downtown districts and industrial areas which lack essential components mandated by modern retailing, manufacturing and business operations.

The objectives of the BDD Act are to attract sound industrial and commercial growth; to reduce or eliminate blighting conditions in order to attract private investment; and, to assure opportunities for development and redevelopment thereby enhancing the tax base of the municipality and all affected taxing districts.

A. *Statutory Basis for a Business District.*

The declaration of the public purpose of the BDD Act is found at Section 11-74.3-1:

“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 and 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.” [Emphasis added]

Moreover, the BDD Act declares that:

“The exercise of the powers provided in the BDD Act 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.”

B. Required Findings:

In order to designate a Business District and approve a plan for its development and redevelopment, the BDD Act mandates the Village to make the following findings:

1. That the area within the proposed Business District on the whole has not been subject to growth and development by private enterprise;
2. That the area within the proposed Business District would not reasonably be anticipated to be developed or redeveloped without the adoption of a business district plan;
3. That the plan for the Business District conforms to the comprehensive plan, if any, for the development of the Village as a whole; and,
4. That the proposed Business District is a contiguous area which includes only those parcels of real property which directly and substantially shall benefit from the proposed plan for the Business District.

IV. Milledgeville Business Development District Development Plan

A. BD District Documents

As a result of the survey and investigation by CFPS, the Village has been advised that the Proposed Business District qualifies as a business district pursuant to the BDD Act as stated in the Village of Milledgeville, Carroll County, Illinois Milledgeville's Business Development District Development Plan Eligibility Report attached hereto as *Exhibit B*, which survey and investigation analyzes the blighting factors now found in the Proposed Business District. This planning document (the "*Business District Plan*") provides a development and redevelopment plan for those properties included in the Proposed Business District and, as required by the BDD Act, must include, at a minimum, the following:

- A general description of each project proposed to be undertaken within the Proposed Business 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 property to be improved within the Proposed Business District;
- The name of the Proposed Business District;
- The estimated Business District Project Costs;
- The anticipated sources of funds to pay Business District Project Costs;
- The anticipated type and term of any obligations to be issued; and,
- The rate of any tax to be imposed pursuant to subsections (10) or (11) of Section V as hereinafter set forth or Section 11-74.3-3 of the BDD Act and the period of time for which the tax shall be imposed.

B. Business Districts Goals and Objectives

General Goals and Objectives for the Milledgeville Business Development District are:

- To upgrade existing buildings by eliminating and improving the deteriorating components while preserving the character of the historical downtown;
- To increase activity in order to create an environment that will contribute to the health, safety and welfare by inducing new businesses and services not currently locally available to Village residents;
- To increase employment opportunities;

- To improve roadways and storm water facilities thereby eliminating certain factors qualifying the Proposed Business District as blighted;
- To improve the infrastructure within the Proposed Business District to provide safe and efficient areas to commercial operations;
- To encourage private investment that will increase the value of properties thereby improving real estate values and the tax base of the Village and all affected taxing districts; and,
- To create a positive visual image in the Proposed Business District through landscaping, site improvements and high quality signage.

C. Strategies

- Provide financial assistance to those property owners who are prepared to renovate or rehabilitate their properties from increased revenues generated by such development;
- Provide technical assistance in the planning and design of new development or the redevelopment of existing buildings;
- To provide a welcoming atmosphere to encourage innovative ideas to improve the character of the Proposed Business District;
- To create efficient procedures to review development and redevelopment proposals without compromising zoning and building code requirements; and,
- To utilize funds for infrastructure projects that will improve municipal services provided to property owners and businesses.

V. Powers Conferred by the BDD Act

The Village believes that the area comprising the Proposed Business District would benefit from the designation as a “business district” as such designation grants the President and Board of Trustees of the Village of Milledgeville the following powers:

- (1) 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, service occupation taxes (including, without limitation, taxes imposed pursuant to subsection (10)) 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 any successor President and Board of Trustees 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.
- (2) 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.
- (2.5) To acquire property by eminent domain in accordance with the Eminent Domain Act.
- (3) 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.
- (4) 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.

- (5) To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within a business district.
- (6) To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district.
- (7) 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.
- (8) 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. A municipality shall adopt such accounting procedures as shall be necessary to determine that such business district project costs are properly paid.
- (9) 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.
- (10) If the municipality has by ordinance found and determined that the business district is a blighted area under the BDD Act, 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.
- (11) If the municipality has by ordinance found and determined that the business district is a blighted area under the BDD Act, 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.

In order to impose a tax pursuant to item (10) or item (11) cited above, the President and Board of Trustees shall undertake the following:

1. Hold a public hearing prior to designation of the business district and approval of the business district development plan.

2. Affirm that the area proposed to be designated as a business district is contiguous and includes such parcels of real property as shall be directly and substantially benefitted by the proposed development.
3. Shall find that the proposed business district is a blighted area and has not been subject to growth and development through private investment and without a business district development plan is not reasonably anticipated to be developed.

Upon the finding that the Proposed Business District is “blighted,” the Retailers’ Occupation Tax may be imposed in quarter percent (.25%) increments at a total rate not to exceed one percent (1%) of the gross receipts from such sales made in the Proposed Business District in the course of selling tangible personal property, other than an item of tangible personal property titled and registered with an agency of the state’s government. A Service Occupation Tax may also be imposed in a quarter percent (.25%) increments at a total rate not to exceed one percent (1%) of the selling price of tangible personal property sold within the Proposed Business District incident to making sales of service. These taxes may not be imposed for more than 23 years and may not be imposed on “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), 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. The Retailer’s Occupation Tax and Service Occupation Tax, if imposed, shall be collected by the Illinois Department of Revenue and then disbursed to the Village. The Retailer’s Occupation Tax and Service Occupation Tax shall hereafter collectively be referred to as “Taxes.”

The finding that the Proposed Business District is a “blighted” area also authorizes the Village to impose a hotel operators’ occupation tax in quarter percent (.25%) increments at a total rate not to exceed one percent (1%) on the gross receipts of the hotel for a period not to exceed twenty-three (23) years (the “Hotel Tax”). This tax must be collected by the Village directly from any hotel operating within the Proposed Business District.

VI. Milledgeville Business Development District Projects

The Village proposes to achieve its development and redevelopment goals and objectives for the Proposed Business District through the use of public financing techniques and the imposition of the Taxes as authorized under the BDD Act to undertake the activities, improvements and projects described below. The Village also maintains the flexibility to undertake additional activities, improvements and projects authorized under the BDD Act and other applicable laws, if the need for activities, improvements and projects changes as redevelopment occurs during the term of the Proposed Business District:

- Improve roadways, curbs and gutters in order to provide for storm water runoff, eliminating cracked paving, potholes and deteriorating road conditions;
- Revitalize and upgrade buildings through site planning, façade improvements, and construction methods that provide coordinated design features, provide focus to the streetscape and buildings in the Proposed Business District;
- Construct sidewalks where needed and improve existing uneven sidewalks, streetscape design, pedestrian access, distinctive lighting, landscaping, and other appropriate site amenities;
- Create parking areas to serve future business development;
- Provide and upgrade infrastructure to serve the development, including the construction of and improvements to utility and stormwater management infrastructure;
- Construct or provide accent paving in crosswalks, street trees and ornamental plantings, and community banners;
- Undertake site clearance and site preparation, to permit subdividing or combining parcels to attract commercial and industrial development; and,
- Make access improvements to provide safe, convenient, efficient and effective access to the businesses in the Proposed Business District for automobiles, trucks and delivery vehicles;
- Review current signage and the need to provide attractive coordinated designs and positive visual images; and,
- Encourage use of directional signage to assist potential customers to find products and services provided within the Proposed Business District.

VII. Business District Project Costs

Section 11-74.3-5 of the BDD Act defines “Business district project costs” as the sum total of all costs incurred by a municipality, other governmental entity, or nongovernmental person in connection with a business district, in the furtherance of a business district plan, including, without limitation, the following:

- (1) Costs of studies, surveys, development of plans and specifications, implementation and administration of a business district plan, and personnel and professional service costs including architectural, engineering, legal, marketing, financial, planning, or other professional services, provided that no charges for professional services may be based on a percentage of tax revenues received by the municipality;
- (2) Property assembly costs, including but not limited to, acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by that developer or other nongovernmental person;
- (3) Site preparation costs, including but not limited to clearance, demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements and clearing and grading of land;
- (4) Costs of installation, repair, construction, reconstruction, extension, or relocation of public streets, public utilities, and other public site improvements within or without the business district which are essential to the preparation of the business district for use in accordance with the business district plan, and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by the developer or nongovernmental person;
- (5) Costs of renovation, rehabilitation, reconstruction, relocation, repair, or remodeling of any existing buildings, improvements, and fixtures within the business district, and specifically including payments to developers or other nongovernmental persons as reimbursement for costs incurred by those developers or nongovernmental persons;
- (6) Costs of installation or construction within business district buildings, structures, works, streets, improvements, equipment, utilities, or fixtures, and specifically including payments to developers or other nongovernmental persons as reimbursements for such costs incurred by such developer or nongovernmental person;

- (7) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued under the BDD Act that accrues during the estimated period of construction of any development or redevelopment project for which those obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of those obligations; and
- (8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law.

VIII. *Anticipated Project Costs*

The following is a list of “business district project costs” that are to be funded with the Taxes generated from business operations within the Proposed Business District exclusive of any costs incurred in connection with financing costs as explained in Section IX hereof.

(1) Costs of studies, development plans engineering and professional services	\$ 100,000.00
(2) Land assembly	\$ 500,000.00
(3) Site preparation, including land clearance	\$ 300,000.00
(4) Repair and remodeling of existing buildings	\$ 800,000.00
(5) Improvements to public utilities	\$ 1,000,000.00
(6) Streetscape improvements	\$ 1,000,000.00
(7) Construction of improvements	\$ 2,500,000.00
(8) Interest costs	\$ 350,000.00
(9) Relocation costs	<u>\$ 50,000.00</u>
	\$ 6,600,000.00

The Village reserves the right to exceed budgeted costs in particular estimated development project costs categories so long as the total estimated cost is not exceeded over the 23 year life of the Proposed Business District, unless otherwise amended.

VIII. Sources of Funds to Pay Development Project Costs

Upon designation of the Milledgeville Business Development District by Village ordinance, the Village intends to impose the retailers' occupation tax, at a rate not to exceed one percent (1%) of the gross receipts from sales made in the course of any business within the Milledgeville Business Development District. Such tax shall not be applicable to the sales 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), prescription and nonprescription 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.

The Village also intends to impose a service occupation tax upon all persons engaged within the boundaries of the Milledgeville Business Development District in the business of making sales of service at a rate not to exceed one percent (1%) of the selling price of all tangible personal property transferred by such serviceman as an incident to a sale of service. Such tax may not be imposed on 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), prescription and nonprescription 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.

As hereinbefore provided, the retailers' occupation tax and the service occupation tax shall be collectively referred to as the "*Taxes*."

The proceeds of these Taxes shall be used during the term of the designation of the Milledgeville Business Development District (not to exceed 23 years from the date of adoption of this Business District Plan) for the planning, execution and implementation of the Business District Plan, the payment of business district project costs as set forth in the Business District Plan and permitted by the BDD Act and the payment of obligations of the Village issued to provide for the payment of business district project costs.

A Village ordinance shall also be adopted by the Village President and Board of Trustees to create a separate fund entitled the "Milledgeville Business Development District Tax Allocation Fund" in order to receive the revenues generated by the Taxes. Pursuant to the BDD Act, all funds received from the Taxes must be deposited into this special fund.

Funds necessary to pay for business district project costs and to secure municipal obligations issued for such costs are to be derived primarily from the Taxes. Other sources of funds which may be used to pay for business district project costs or to secure municipal

obligations are state and federal grants, investment income, private financing and other legally permissible funds the Village may deem appropriate. All such funds shall be deposited in the Milledgeville Business Development District Tax Allocation Fund.

IX. *Issuance of Obligations*

The Village may issue obligations pursuant to the BDD Act and other authorities in order to pay for business district project costs. The obligations may be secured by the Taxes, and other sources that the Village may deem appropriate. Additionally, the Village may provide other legally permissible credit enhancements to any obligations issued pursuant to the BDD Act.

All obligations issued by the Village pursuant to this Business District Plan and the BDD Act shall be retired within twenty-three (23) years from the date of adoption of the ordinance approving this Business District Plan. One or more series of obligations may be issued from time to time in order to implement this Business District Plan.

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

X. *Establishment and Term of the Milledgeville Business Development District*

The establishment of the Milledgeville Business Development District shall become effective upon adoption of an ordinance by the Village President and Board of Trustees adopting the Business District Plan and designating the Milledgeville Business Development District. Development agreements between the Village and any developers or other private parties shall be consistent with the provisions of the BDD Act and this Business District Plan.

Pursuant to the BDD Act, the Milledgeville Business Development District Taxes and Hotel Tax described in Section V may not be imposed for more than twenty-three (23) years pursuant to the provisions of the BDD Act. The Milledgeville Business Development District shall expire upon the termination of the imposition of the Taxes and the final payout of the same from the Milledgeville Business Development District Tax Allocation Fund, which shall be no later than 23 years from the date of adoption of the ordinance approving this Business District Plan.

XI. Formal Findings

Based upon the information described in the attached *Exhibit B*, the Village President and Board of Trustees of the Village of Milledgeville finds and determines the following:

- (a) the Milledgeville Business Development District is a contiguous area and includes only parcels of real property directly and substantially benefitted by this Business District Plan;
- (b) the Village of Milledgeville does not have an official comprehensive plan but the Milledgeville Business Development District Plan is consistent with the Village's plan for the development of the Village as set forth in its zoning ordinance;
- (c) the Milledgeville Business Development District is a blighted area as defined in the BDD Act by reason of obsolete platting and improper subdivision, defective streets, deterioration of structures, and deterioration of site improvements;
- (d) the Milledgeville Business Development District constitutes an economic liability to the Village in its present condition and use; and,
- (e) the Milledgeville Business Development District on the whole has not been subject to growth and development by private enterprises or would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district development or redevelopment plan.

XII. Provisions for Amending the Business District Plan

The Village President and Board of Trustees of the Village of Milledgeville may amend this Business District Plan from time to time by adopting an ordinance providing for such amendment.

Proposed Business District - Legal Description

Part of the Southeast Quarter of Section 22, Part of Section 23, and Part of the Northeast Quarter of Section 26, all in Township 23 North, Range 6 East of the Fourth Principal Meridian, Carroll County, Illinois, more particularly described as follows: Beginning at the Northwest corner of the parcel of land conveyed to Terry Lenhart with a Warranty Deed recorded in Deed Book 57, at Pages 232-233 in the Office of the Carroll County Recorder; Thence Easterly, along the South Right of Way line of Illinois Route 40, to where it intersects with the East Right of Way line of Stover Avenue in Milledgeville; Thence South, along said East Right of Way line of Stover Avenue, to where it intersects with the North Right of Way line of West 6th Street in Milledgeville, said point being the Southwest corner of Block 1 of Walker's Addition to the Village of Milledgeville; Thence East, along said North Right of Way line of West 6th Street, to where it intersects with the West Right of Way line of North Meyers Avenue, said point being the Southeast corner of Lot 5 in Block 2 of Puterbaugh Addition to the Village of Milledgeville; Thence North, along said West Right of Way line of North Meyers Avenue, to where it intersects with the South Right of Way line of Illinois Route 40, said point being the Northeast corner of Lot 1 in Block 1 of Puterbaugh Addition to the Village of Milledgeville; Thence East, along said South Right of Way line of Illinois Route 40, to where it intersects with the Southerly extension of the West line of Lot 5 of A.B. Puterbaugh's Subdivision, being part of the Southeast Quarter of the Northwest Quarter of Section 23, Thence North, along said West line of Lot 5 and the Southerly extension thereof, to the Northwest corner thereof, Thence East, along the North line of Lots 1-5 in said Subdivision, being the North line of the property owned by Cleone E. Stanley having a parcel identification number of 11-15-23-103-005, to the Northeast corner of said Lot 1; Thence South, along the East line of said Lot 1 and the Southerly extension thereof, to where it intersects with the South Right of Way line of Illinois Route 40; Thence West, along said South Right of Way line, to the Northwest corner of Lot 1 in Block 1 of Meyer's Addition to the Village of Milledgeville; Thence South, along the East Right of Way line of the alley running North and South through Blocks 1, 4, and 5 of said Meyer's Addition to the Southwest corner of Lot 6 in said Block 5; Thence East along the North Right of Way line of 5th Street in Milledgeville, to the Southwest corner of Lot 7 in Block 3 in Meyer's 2nd Addition to the Village of Milledgeville; Thence South, along the East Right of Way line of Holcomb Avenue in Milledgeville, to the Southwest corner of Lot 7 in Block 5 of said Meyer's 2nd Addition; Thence East, along the South line of Block 5 in said Meyer's 2nd Addition, and the South line of Block 2 of Meyer's 3rd Addition to the Village of Milledgeville, to the Southeast corner of Lot 6 in said Block 2; Thence North, along the West Right of Way line of Hager Avenue, being the East line of Block 2 and Block 3 in said Meyer's 3rd Addition, to where it intersects with the Westerly extension of the South line of Lots 1 & 2 in Block 2 of Hannas Subdivision to the Village of Milledgeville; Thence East, along the Westerly and Easterly extension of said South line of Block 2, to where it intersects with the West line of Lot 5 in Block 3 of said Hannas Subdivision; Thence South, along said West line of Lot 5, to the Southwest corner thereof; Thence East, along the South line of said Lot 5, to where it intersects with the West Right of Way line of Illinois Route 40; Thence Northerly, along said West Right of Way line, to where it intersects with the North line of the Southeast Quarter of Section 23; Thence East, along said North line, to the Northeast corner of the property conveyed to MBA Milledgeville, LLC with a Special Warranty Deed, recorded as Document No. 2015R-1038 in said Recorder's Office; Thence South, along the East line of said property, to the Southeast corner thereof; Thence East, along the North line of Lots 4 & 5 of Elkhorn Industrial Park, a subdivision in the Southeast Quarter of the Southeast Quarter of Section 23, to the Northeast corner of said Lot 5; Thence South, along the East line of the Southeast Quarter of said Section 23, to the Southeast thereof; Thence West, along the South line of the Southeast Quarter of said Section 23, to

the centerline of Elkhorn Creek; Thence South, along said centerline of Elkhorn Creek, to where it intersects with the centerline of East Milledgeville Road; Thence Southwesterly, along said centerline, to the Northeast corner of the parcel of land conveyed to CGH Medical Center with a Trustee's Deed, recorded in Book 347, at Page 259 in said Recorder's Office, and having a parcel identification number of 11-15-26-200-004; Thence South, along the East line thereof, and the East line of the parcel of land conveyed to Mark & Jennifer Dettman with a Warranty Deed, recorded in Book 687, at Page 318 in said Recorder's Office, and having a parcel identification number of 11-15-26-300-003; Thence West, along the South line of said parcel, to the Southwest corner thereof, said point being 40' South of the Southeast corner of Dingman's Addition to the Village of Milledgeville; Thence West, 40 feet South of, and parallel with the South line of said Dingman's Addition, to where it intersects with the East Right of Way line of Washington Street (Illinois Route 40), Thence Northwesterly, to the point which intersects the South Right of Way line of East Adams Street and the West Right of Way line of Washington Street (Illinois Route 40); Thence North, along said West Right of Way line of Washington Street, to where it intersects with the South Right of Way line of East Old Mill Street; Thence West, along said South Right of Way line of East Old Mill Street, to where it intersects with the Southerly extension of the West line of Lot 2 and Lot 7 in Block 1 of the Original Town of Milledgeville, according to the Plat thereof recorded in Plat Book 9, Page 47 in said Recorder's Office; Thence North, along said West line of Lots 2 & 7 and the Southerly Extension thereof, to the Northwest corner of said Lot 2; Thence Northwesterly, to the Southeast corner of Lot 6 in Block 1 of Carters Subdivision to the Village of Milledgeville; Thence North, along the East line of said Block 1, to the Northeast corner of Lot 1 in said Block 1; Thence West, along the North line of said Block 1 and Block 2 of Carters Addition, and the Westerly extension thereof, to the boundary of the parcel of land conveyed to Ronnie and Marilyn Selman with a Quit-Claim Deed recorded in Book 549, Pages 110-114 in said Recorder's Office, having a parcel identification number of 11-15-23-400-018; Thence Westerly, along the Southerly boundary of said parcel, to where it intersects with the East Right of Way line of Holcomb Avenue; Thence South, along said East Right of Way line of Holcomb Avenue, to where it intersects with the North Right of Way line of East 1st Street; Thence West, along said North Right of Way line of East 1st Street, to where it intersects with the East Right of Way line of Main Avenue; Thence North, along said East Right of Way line of Main Avenue, to where it intersects with the South Right of Way line of East 2nd Avenue; Thence West, along said South Right of Way line of East 2nd Avenue, to where it intersects with the West Right of Way line of North Meyers Avenue; Thence North, along said West Right of Way line of Meyers Avenue, to where it intersects with the South Right of Way line of West 3rd Street; Thence West, along said South Right of Way line of West 3rd Street, to where it intersects with the East Right of Way line of Cochran Avenue; Thence South, along said East Right of Way line of Cochran Avenue, to where it intersects with the North Right of Way line of West 1st Street; Thence West, along said North Right of Way line of West 1st Street, to the Southwest corner of the parcel of land having a parcel identification number of 11-15-23-306-024; Thence South, along the Southerly extension of the West line of said parcel, to the South line of the Southwest Quarter of Section 23; Thence West, along said South line, to the Southwest corner of the parcel of land having a parcel identification number of 11-15-23-300-007; Thence North, along said West line, and the Northerly extension thereof, to where it intersects with the North Right of Way line of Railroad Avenue; Thence Westerly, along said North Right of Way line of Railroad Avenue, to the Southwest corner of the parcel of land having a parcel identification number of 11-15-23-300-008; Thence North, along the West line of said parcel, to the Northwest corner thereof; Thence Northwesterly, to the Southwest corner of the parcel of land owned by the Milledgeville Park District, having a parcel identification number of 11-15-23-406-005, said point being on the Northerly Right of Way line of the Burlington Northern and Santa Fe Railway Company; Thence Northwesterly, along said Northerly Right of Way line of the Railway, to the Point of Beginning.

EXHIBIT B

ELIGIBILITY REPORT

VILLAGE OF MILLEDGEVILLE,
CARROLL COUNTY, ILLINOIS



**MILLEDGEVILLE
BUSINESS
DEVELOPMENT
DISTRICT**

DEVELOPMENT PLAN

ELIGIBILITY REPORT

VILLAGE OF MILLEDGEVILLE, CARROLL COUNTY, ILLINOIS

MILLEDGEVILLE BUSINESS DEVELOPMENT DISTRICT

ELIGIBILITY REPORT

The Village of Milledgeville's (the "Village") proposed Milledgeville Business Development District includes the real estate identified on Exhibit A of the proposed Milledgeville Business Development District Development Plan. The Proposed Business District, as defined below, covers approximately 214 acres and is generally described as follows:

All of the properties that border the west end of the Village limits south of Illinois Route 40, north of the BNSF railroad tracks, and bound on the east by Stover Avenue; properties south of the BNSF railroad tracks and north of 1st Street, that border the west end of the Village limits and Meyers Avenue to the east; properties south of W. 6th Street, north of W. 3rd Street and bound by Stover Avenue on the west and Holcomb Avenue on the east; generally, properties west of Holcomb Avenue and east of Meyers Avenue from 1st Street on the south to Illinois Route 40 on the north; properties fronting on the north and south sides of the BNSF railroad from the west end of the corporate limits to the east end of the corporate limits; properties from 1st Street on the south to Evelyn Drive on the north and bounded by Illinois Route 40 on the east and Hager Avenue on the west; and all properties bounded by the east end of the Village limits and east of Illinois Route 40 (the "Proposed Business District").

The Proposed Business District is legally described as set forth on Exhibit A attached hereto.

In order for the Village of Milledgeville to designate the Proposed Business District as a "business district" under the Business District Development and Redevelopment Law (65 ILCS 5/11-74.3-1 *et seq.*) (the "BDD Act") and to implement a sales tax or a hotel tax to fund improvements to the Proposed Business District, the Village is required to make a formal finding that the Proposed Business District is a "blighted area" which is defined by the BDD Act as:

"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.”

The BDD Act also requires the municipality to determine that the Proposed Business District has not been subject to growth and development through private investment and would not reasonably be anticipated to experience investment and redevelopment without the adoption of the proposed Milledgeville Business Development District Development Plan.

I. ANALYSIS OF THE PROPOSED BUSINESS DISTRICT

The Proposed Business District encompasses the Village's downtown corridor, industrial and business parks, highway districts and railroad corridor. The Proposed Business District contains a mix of commercial, industrial, residential and public uses in addition to several vacant areas. As a whole, the Proposed Business District is characterized by aging properties, deteriorating buildings and site improvements, and vacant land.

The Village is located in the southeast corner of Carroll County. There has been some economic growth in the community, mainly due to the Village's desire and commitment to make something of the community. Despite the Village's involvement, the community is an 'older' town, with deteriorated infrastructure and many old and deteriorated buildings that need major investment in order for the community to economically grow.

In order to determine if those factors necessary to constitute a "blighted area" under the BDD Act are significantly present throughout the Proposed Business District, an investigation was conducted of the existing conditions including:

- 1) a survey of the properties and use of the structures within the Proposed Business District;
- 2) a survey of the adequacy of existing streets, the condition of the streets, lighting and parking facilities;
- 3) review of county records as deemed necessary; and,
- 4) discussions with Village officials and local residents to ascertain the existing conditions acting as hurdles to new development and improvement.

The Proposed Business District is comprised of 242 parcels, of which approximately 224 are improved parcels containing structures. A majority of the structures in the Proposed Business District are 'deteriorated', in fact, more than 75% of the area suffers from deteriorated site improvements. On the improved parcels, 40% (roughly 167) of the structures are more than fifty years old and another 39% (roughly 159) were built prior to 1918 and are more than 100 years old. In total, at least 79% of the structures in the Proposed Business District are more than 50 years old.

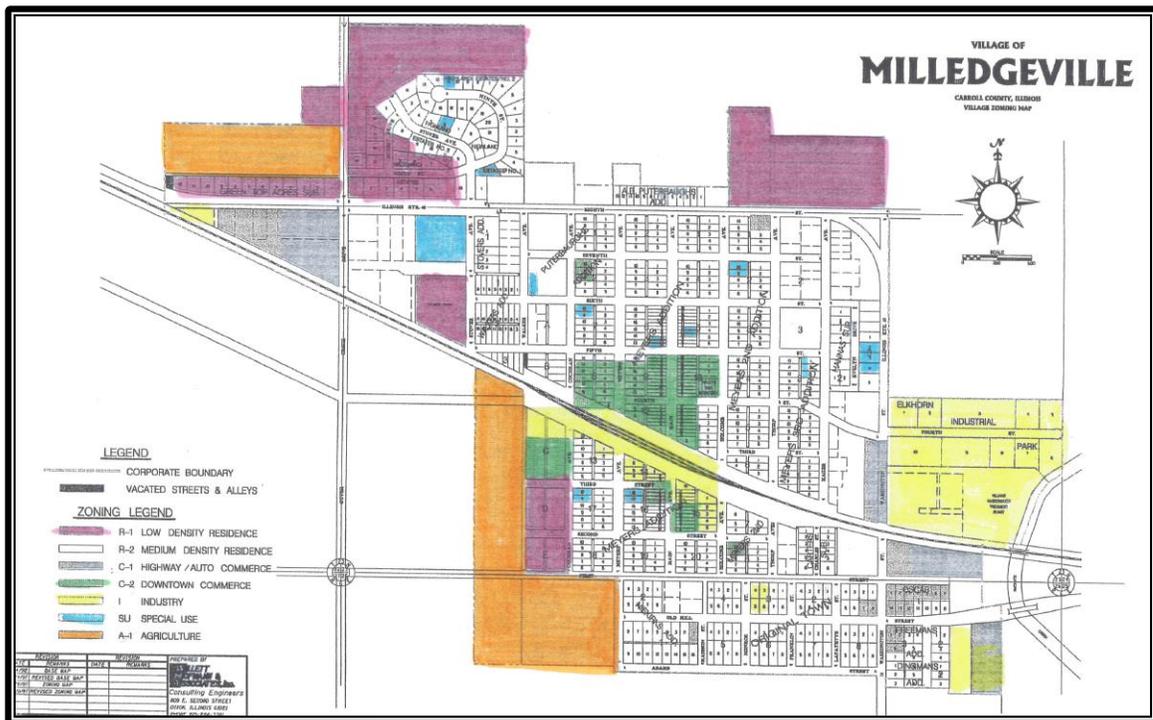
In 2008, the Village purchased a 30-acre parcel of farm land, extending its corporate boundaries to the east, with the main goal of providing improved industrial lots to attract manufacturing businesses. For many years, the Village spent its own funds marketing the acquired farm land, establishing a tax increment financing district and an enterprise zone, and hiring engineers and planners to identify infrastructure needs and costs and potential funding sources. In 2015, the Village sold the land to an industry leader in biological agriculture for the construction of an office and distribution facility in Illinois. The business partnered with the Village to secure federal and state funding that would allow for the construction of infrastructure and the creation of several improved industrial lots to be made available for sale at a reduced price.

The Village is hopeful that the availability of improved industrial lots will attract more industry, increase property values, and provide more jobs to the region.

The Proposed Business District is plagued by deteriorated structures, deteriorated streets and inferior roadways, lacking curb and gutter and storm water services, lacking and deteriorated sidewalks, and archaic street lighting.

The Proposed Business District has several land uses and includes the following zoning districts:

- R-1 – Low Density Residential
- R-2 – Medium Density Residential
- C-1 – Highway/Auto Commerce
- C-2 – Downtown Commerce
- I – Industry
- SU – Special Use
- A-1– Agricultural



II. EXISTENCE OF BLIGHTING FACTORS

A. Deterioration of Buildings and Site Improvements

Field surveys were conducted to identify the physical condition of buildings, parking lots, service and loading areas, lighting, streets, curbing, and sidewalks. A significant number of the properties and sites within the Proposed Business District exhibit deterioration.

Of the 413 structures within the Proposed Business District, 366 (88%) were identified as deteriorated. Such a large number of deteriorated structures is inevitable given that 79% of the structures are more than 100 years old. This determination was based upon visible defects of building components from the exterior surveys, along with a review of parcel information available at the Carroll County Courthouse. Additionally, many of these buildings, as well as others throughout the area, do not meet the Americans with Disabilities Act standards for commercial properties.



Illinois Route 40 traverses the Highway/Auto Commerce corridor and is maintained by the State of Illinois' Department of Transportation. The other roadways within the Village are basically chip-n-seal roadway surfaces, which have many layers of chip-n-seal, creating a very high crown on the roadway and sometimes making the roadway higher than the curb area. Some of the roadways are simply gravel roads with no pavement markings, no curb and gutter, no storm water facilities and limited street lighting. There is a lot of heavy truck traffic and farm implement equipment that utilize the Village's roadways, causing considerable wear and tear as the roads were not built to accommodate the weighted vehicles/equipment. The Village has one weighted roadway in town located within its new business park which was recently constructed with the assistance of federal and state grant funding to attract a new manufacturing business to town.



Parking areas, curbing, and sidewalks (or lack thereof) throughout the Proposed Business District were found to have deteriorated conditions in the form of missing and cracked pavement and concrete, potholes, loose paving materials, and weeds protruding through paved surfaces. With the assistance of tax increment financing and federal grants, the Village replaced its crumbling, non-ADA compliant sidewalks, reconstructed the roadway and purchased new street lights along a 2-block area on Main Avenue within the downtown district. This was done by the Village Board as a means to address its deteriorated and ghostly downtown district and as a result of the closing of the local grocery store and the vacancies in several other downtown buildings. The improvements have provided a significant 'facelift' to the Village's downtown, which has resulted in the attraction of new businesses and fewer vacancies. However, given the age and condition of the structures and the necessary site improvements needed within the Proposed Business District, private investment and a lasting economic impact is not reasonably expected to occur without substantial investment and assistance from the Village.

B. Obsolete Platting; Improper Subdivision

A very significant blighting factor found in the Proposed Business District is obsolete platting, a factor which contributes to deleterious use of properties. A majority of the parcels in the Village's downtown corridor were first platted in the late 1800's and many have retained their original dimensions. The result is a significant number of the parcels in the downtown are too narrow in width (the smallest being twenty-five feet wide) and far too shallow (a majority being one hundred and forty-two feet in length) to permit modern commercial development.

Most of the original development of the Village occurred prior to the benefit of guidelines requiring proper land use arrangements, building setbacks and loading or service requirements. In 1974, the Village adopted a Zoning Ordinance, with the main purpose of ensuring public health, safety and general welfare in accordance with the development goals, plans and policies of the Village. Towards this end, the Zoning Chapter divides geographic areas into use districts and establishes regulations pertaining to the location, erection, construction, reconstruction, alteration and use of structures and land within said area.

Excessive land coverage and overcrowding of structures and community facilities is present within the Proposed Business District as indicated primarily by buildings that cover most or all of the parcels upon which they are situated, or single tax parcels with multiple buildings. The properties affected are mainly commercial and do not contain adequate setbacks, off-street parking space, access to public right-of-way and adequate loading and service areas.

III. DETERMINATION OF ELIGIBILITY UNDER THE BDD ACT

The Proposed Business District meets the requirements of the BDD Act for designation as a blighted area. Blight, as defined in the BDD Act, is present and the presence of these blighting conditions has hindered growth and development in the Proposed Business District. The blighting conditions in the area have been present for an extended period of time, and the market alone has not been able to support new development to mitigate these conditions. The Village has tried for several years to encourage economic investment, by means of being the applicant for grant funding and adopting incentive programs such as Tax Increment Financing and Enterprise Zones. Although the various programs are utilized, limited success has been achieved, and it is apparent that private investment alone cannot be reasonably expected and some financial incentive is required.

The conclusion of this Eligibility Study is that the Proposed Business District qualifies as a blighted commercial area under the requirements of the BDD Act and the area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic and social well-being of the Village of Milledgeville.