

# NEW DOWNTOWN TAX INCREMENT FINANCING DISTRICT

Redevelopment Plan & Program



*February 17, 2021*



Prepared By:  
Teska Associates, Inc.



*New Downtown TIF District*

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# TAX INCREMENT FINANCING REDEVELOPMENT PLAN & PROGRAM

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## INTRODUCTION

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The City of Kankakee has committed to investing significant time, efforts, and funds into the revitalization of its downtown. Recent streetscape enhancements along Schuyler Avenue, early efforts to implement the City's Riverfront Plan, and development of several new businesses in the area are evidence of the beginning of a revival. However, challenges such as deteriorating buildings, lack of maintenance, and adaptation of older structures to modern uses all suggest the need for a cooperative effort between the City and the private sector to continue this positive momentum.

There has also been solid developer interest in redevelopment in recent years. However, it is clear from conversations and review of financial information with these developers that a funding gap exists with many of these proposals and that Tax Increment Financing (TIF) is an important tool that the City can employ to help address this gap. As evidenced by goals identified in the recent strategic plan developed for downtown Kankakee, there is a renewed focus on: **building a strong downtown community for both commercial and residential occupants, attracting more people into downtown for a vibrant and urban experience, and pushing for infrastructure that bolsters downtown's role as an area hub.**<sup>1</sup>

In 2019 the City of Kankakee adopted the Riverfront TIF, which included property along the Kankakee River and portions of downtown Kankakee. The City also created an East Court Street TIF District that included significant industrial property east of I-57 and extended west along Court Street to Harrison Street. This New Downtown TIF would be located in between these two TIF Districts and include several significant redevelopment sites in the central and north end of downtown.

The City of Kankakee did have an earlier TIF in Downtown that expired in 2018. That TIF was somewhat successful in that it helped to slow decline and enhance the overall tax base which increased by over \$5.7 million dollars over the life of that TIF. However, there is more work that needs to be done to revitalize downtown Kankakee, and City officials have determined that without direct involvement and financial assistance, planning goals and objectives for the study area, the New Downtown TIF Project Area (the "Project Area"), cannot be achieved. Utilization of Tax Increment Financing ("TIF") can encourage new investment and facilitate redevelopment in the downtown.

Tax Increment Financing can be used to make the Project Area more attractive for redevelopment by eliminating the conditions which inhibit private investment, weaken the City's tax base, affect the safety of community residents, and hinder the City's ability to promote a cohesive development of compatible land uses as articulated in the City's Comprehensive Plan. In accordance with the Illinois TIF Act, public improvements may be constructed, and incentives provided to encourage the type of private investment that will allow the City to achieve its vision and goals.

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<sup>1</sup> [https://citykankakee-il.gov/post\\_custom.php?s=2020-11-12-kankakee-development-corporation-kdc-introduces-strategic-plan-for-downtown-kankakee](https://citykankakee-il.gov/post_custom.php?s=2020-11-12-kankakee-development-corporation-kdc-introduces-strategic-plan-for-downtown-kankakee)

With the New Downtown Kankakee TIF District in place, the City can further economic development and other goals towards physical improvements, removing blighted conditions, and providing funding sources for improvement projects. These improvements will not only help enhance the physical conditions and economic investment in the Project Area—which is important to the City as its central core—but will also enhance the quality-of-life of adjacent residential neighborhoods and for all residents of Kankakee.

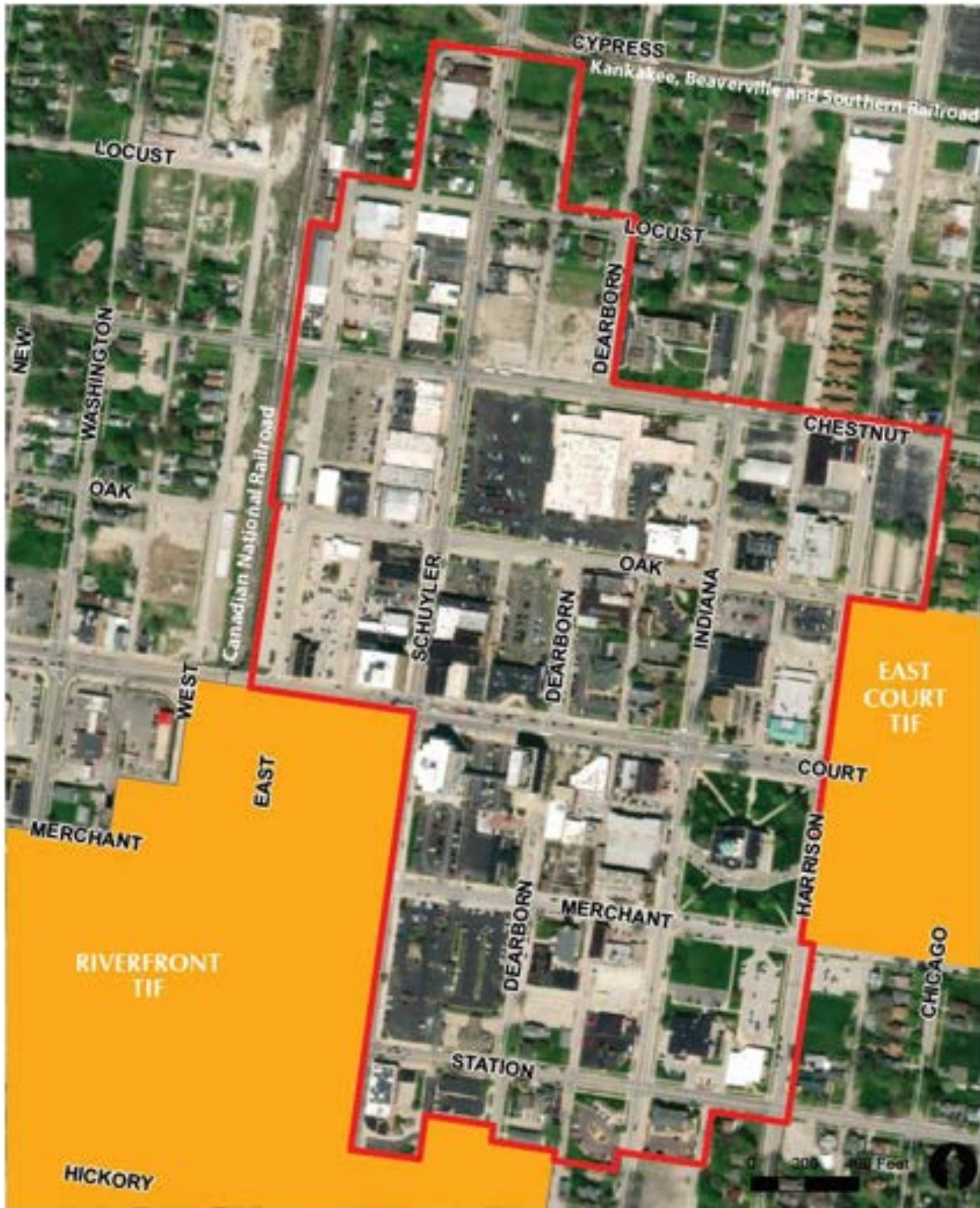


### Tax Increment Financing

Tax increment financing is permitted in Illinois under the “Tax Increment Allocation Redevelopment Act” (Chapter 65 ILCS 5/11-74.4-1, et seq.) of the Illinois Statutes, as amended (hereinafter the "Act"). Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. Besides describing the redevelopment objectives, this Redevelopment Area Plan and Program report sets forth in general terms the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to improve eligible “conservation” or “blighted” areas in accordance with an adopted Redevelopment Plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be repaid with the revenues generated by increased assessed values of private real estate within a designated project area. This taxing power is only applied to the increase in equalized assessed valuation generated within the designated project area during the limited term of the Redevelopment Plan and Program, principally increased equalized assessed valuation from new private development.

Aerial Location Map



## REDEVELOPMENT PROJECT AREA DESCRIPTION

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The boundaries of the Redevelopment Project Area were carefully established in adherence to the eligibility criteria and include only those parcels which would benefit by the proposed Redevelopment Plan and Program. The Project Area includes properties generally located in Kankakee’s central downtown. The exact boundaries of the Project Area are illustrated in “Figure A - Project Area Boundary”. The Project Area includes one-hundred and thirteen (113) structures on one-hundred and seventy (170) parcels. The total Project Area is approximately eighty-four (84) acres (or approximately fifty-four (54) acres excluding rights-of-way such as streets and railroads).

The Project Area includes a mixture of land uses, including commercial, industrial, municipal/institutional, and residential uses. Existing land uses within the Project Area are illustrated in “Figure B Existing Land Uses”.

<i>Table 1: Existing Land Use</i>	
<b>Existing Land Use</b>	<b>Land Area (Acres)</b>
Residential	1.7
Commercial	15.0
Industrial	2.6
Public/Institutional	15.4
Parking Lot	12.0
Mixed-Use	2.1
Vacant/Open Space	5.3
<b>TOTAL</b>	<b>54.1</b>

Due to the total number of residential units being less than 75 (there are only 30 according to City records), and 10 or more residential units are not anticipated to be displaced, a Housing Impact Study is therefore not required.

Figure A – Project Area Boundary

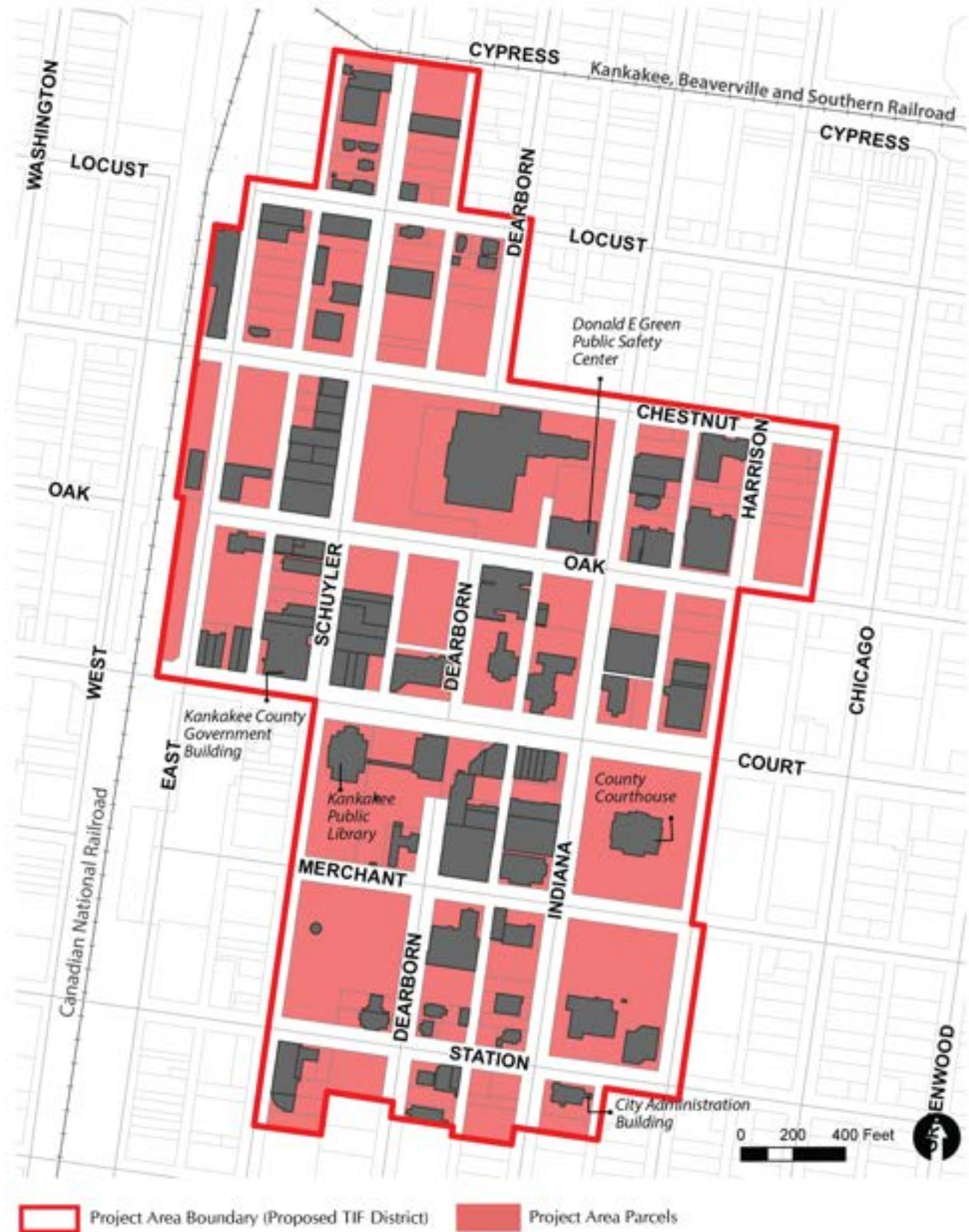




Figure B – Existing Land Uses

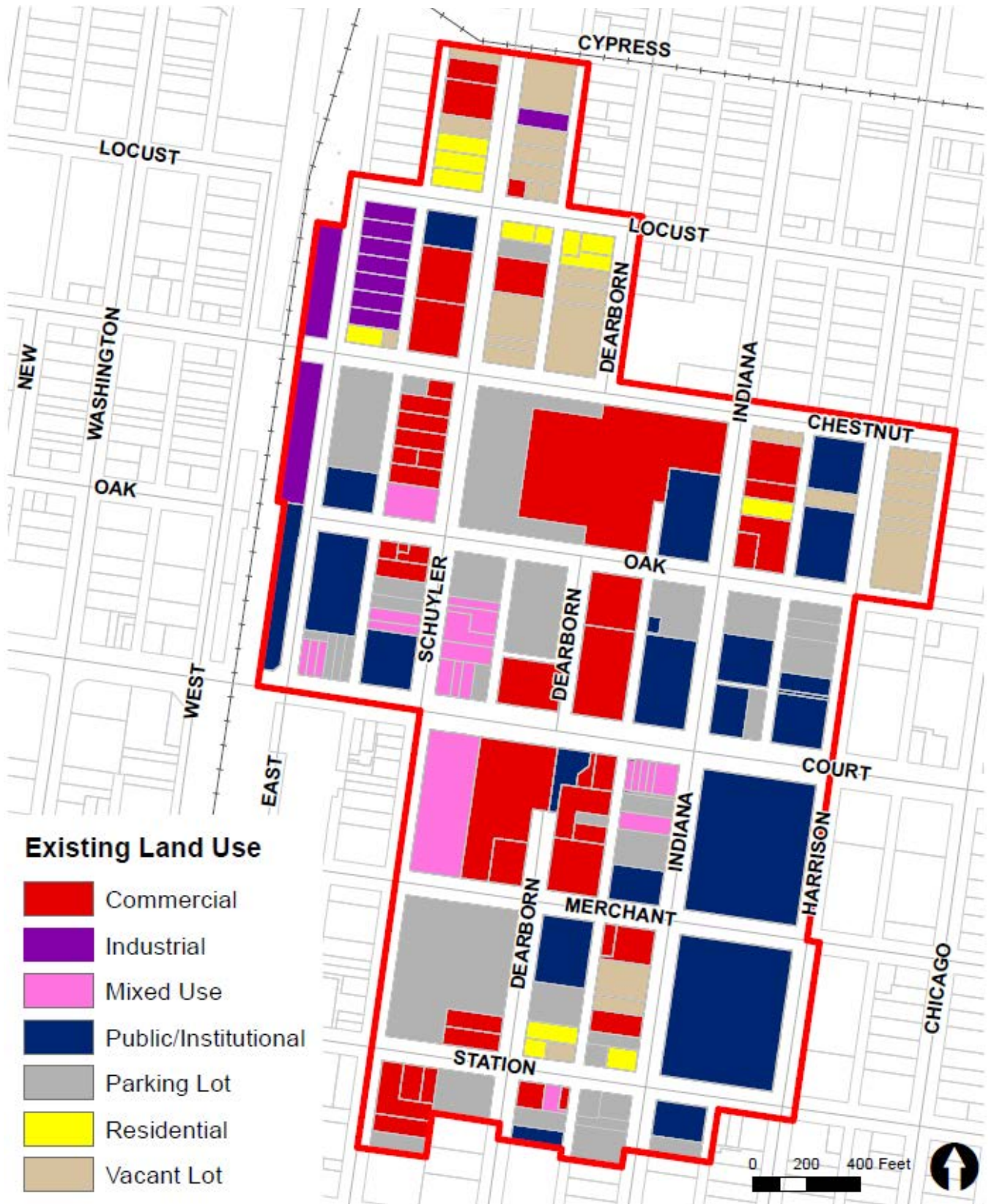
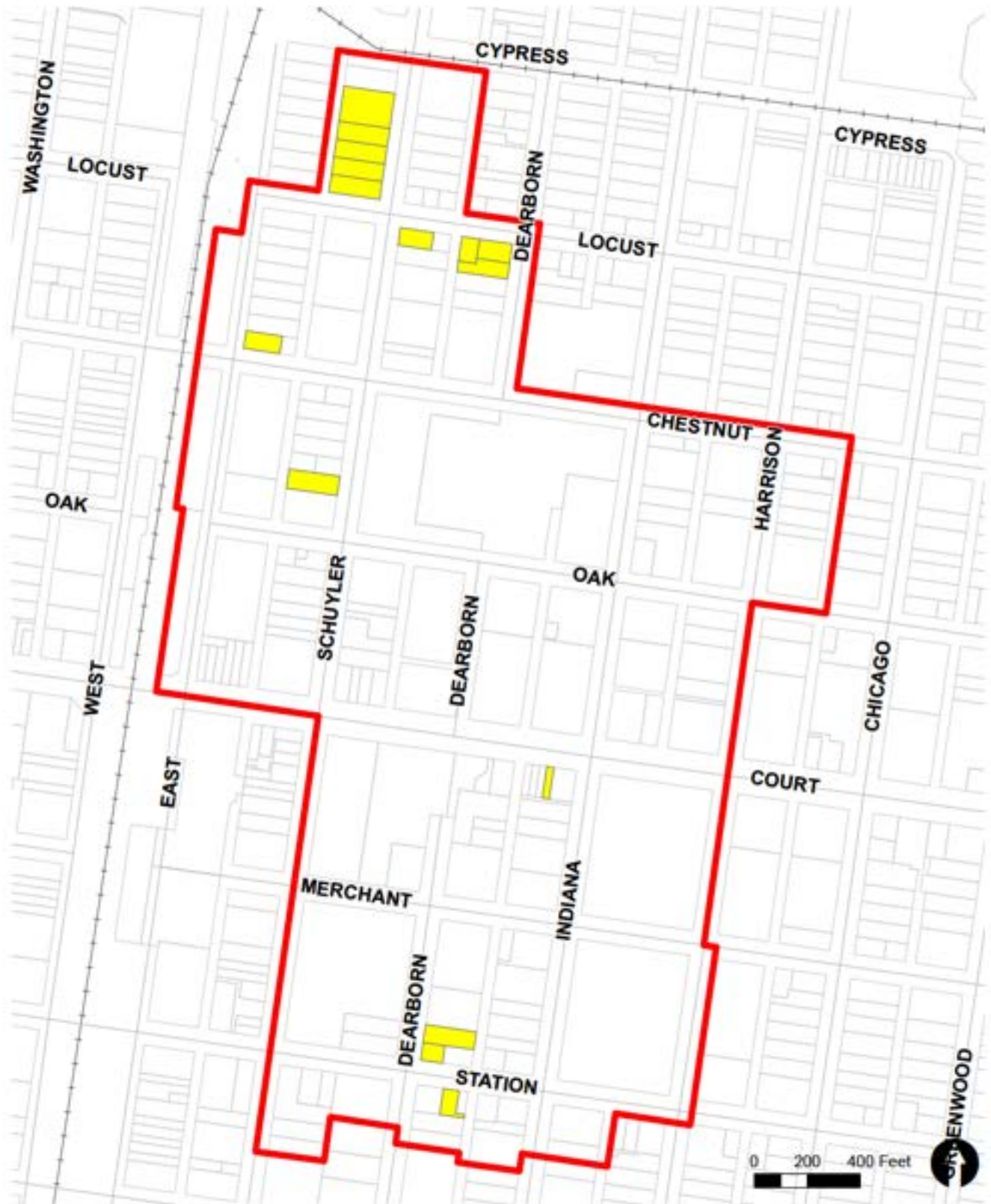


Figure C – Residential Properties



## Summary of the Eligibility of the Proposed Project Area TIF District

In early 2021, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the Project Area. These “Eligibility Findings” indicate that the proposed Project Area meets the statutory requirements of a “conservation area” (50% of the buildings within the Project Area at least 35 years or more in age and a combination of at least three blighting factors) and is therefore eligible for designation as a “Tax Increment Finance Redevelopment Project Area.”

As detailed in Appendix A – Tax Increment Financing Eligibility Report of this Redevelopment Plan, the Project Area is eligible for designation as a “conservation area” due to the predominance and extent of the following characteristics:

1. Deterioration of buildings and surface improvements;
2. Excessive vacancies;
3. Inadequate Utilities;
4. Lack of Community Planning; and
5. Decline in minimal marginal increase in the equalized assessed value.

Each of these factors contributes significantly to the eligibility of the Project Area as a ‘conservation area.’ All these characteristics point towards the need for designation of the Project Area as a “conservation area” to be followed by public intervention in order that redevelopment might occur.



## REDEVELOPMENT PLAN & PROGRAM

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The revitalization of the Project Area presents challenges and opportunities for the City of Kankakee. The success of this effort will depend upon cooperation between private investment and local government. Public and private development efforts have not, as yet, been able to stimulate the comprehensive revitalization of the Project Area. The adoption of this Redevelopment Area Plan and Program will assist with the implementation of the goals and objectives of the Comprehensive Plan, which otherwise could not reasonably be anticipated to occur without the adoption of this Redevelopment Area Plan and Program. Through public investment, the area will become attractive to private investment.

The Act describes the Redevelopment Plan as:

*"... the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment project area as a blighted area or conservation area ..., and thereby serves to enhance the tax bases of the taxing districts which extend into the redevelopment project area."*

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

### Purpose of the Redevelopment Plan

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

- < Eradicating blighting conditions and instituting conservation measures;
- < Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
- < Improving existing public utilities and infrastructure within the area;
- < Enhance the sustainability of downtown Kankakee through promotion of mixed-use development, including the addition of residents that will be able to take advantage of the excellent access to shops, entertainment and transit while expanding the customer base for these businesses;
- < Creation of a vibrant "City Center" that while install civic pride and enhance overall community and regional identity; and
- < Enhancing the overall quality of the business environment in the City of Kankakee.

## Redevelopment Plan Goals and Objectives

The aim of the Redevelopment Plan is the revitalization of the Project Area as a strong and attractive downtown, which will contribute to the health and vitality of the City of Kankakee. The goals and objectives of the Redevelopment Plan are both those articulated in the Illinois Tax Allocation Redevelopment Act, and those stated in the City of Kankakee Comprehensive Plan. The goals and objectives outlined in these plans which relate to this Redevelopment Plan are summarized below:

<b>Comprehensive Plan Goals</b>	<b>Relevance to New Downtown TIF</b>
<p><b>Commercial Area Goals</b></p> <ul style="list-style-type: none"> <li>• Establish incentives for private and public investment</li> <li>• Improve the appearance of existing commercial centers</li> <li>• Develop appropriate commercial areas compatible with surrounding uses</li> <li>• Expand banking/law facilities in the downtown area</li> <li>• Eliminate obsolete and deteriorated structures</li> </ul>	<p><b>The New Downtown TIF is designed to:</b></p> <ul style="list-style-type: none"> <li>• Provide incentives to promote private investment</li> <li>• Improve land use compatibility</li> <li>• Renovate or redevelop some of the deteriorated structures within the study area</li> </ul>
<p><b>Residential Area Goals</b></p> <ul style="list-style-type: none"> <li>• Maintain appropriate population density in residential developments</li> <li>• Expand housing supply for all economic levels</li> <li>• Maintain and rehabilitate existing housing stock</li> <li>• Remove substandard housing</li> </ul>	<p><b>The New Downtown TIF is designed to:</b></p> <ul style="list-style-type: none"> <li>• Provide additional opportunities for residents to live in an urban environment</li> <li>• Provide funding for potential grant programs to assist with residential rehabilitation and removal of substandard housing</li> </ul>
<p><b>Transportation Goals</b></p> <ul style="list-style-type: none"> <li>• Promote traffic safety</li> <li>• Design streets to reduce congestion</li> </ul>	<p><b>The New Downtown TIF is designed to:</b></p> <ul style="list-style-type: none"> <li>• Improve safety for all transportation options (car, truck, pedestrian, bike, bus, rail, etc.)</li> <li>• Enhance roadway corridors for all forms of transportation (complete streets)</li> </ul>
<p><b>Economic Development Goals</b></p> <ul style="list-style-type: none"> <li>• Ensure that the City has the resources available to support the location of business and industry within the City</li> <li>• Develop public/private partnerships to assist existing businesses</li> <li>• Redevelop the Central Business District</li> </ul>	<p><b>The New Downtown TIF is designed to:</b></p> <ul style="list-style-type: none"> <li>• Provide a critical economic development tool to partner with the private sector to promote redevelopment</li> <li>• Redevelop deteriorating properties throughout the downtown area to attract new businesses and visitors</li> </ul>
Comprehensive Plan Goals	Relevance to New Downtown TIF

<p><b>Community Facilities Goals</b></p> <ul style="list-style-type: none"> <li>• Coordinate development of long-range facilities plan with operating agencies.</li> </ul>	<p><b>The New Downtown TIF is designed to:</b></p> <ul style="list-style-type: none"> <li>• Coordinate with River Valley Metro, Kankakee County, IDOT, railroads, Park District, and other agencies with jurisdiction in the project area.</li> </ul>
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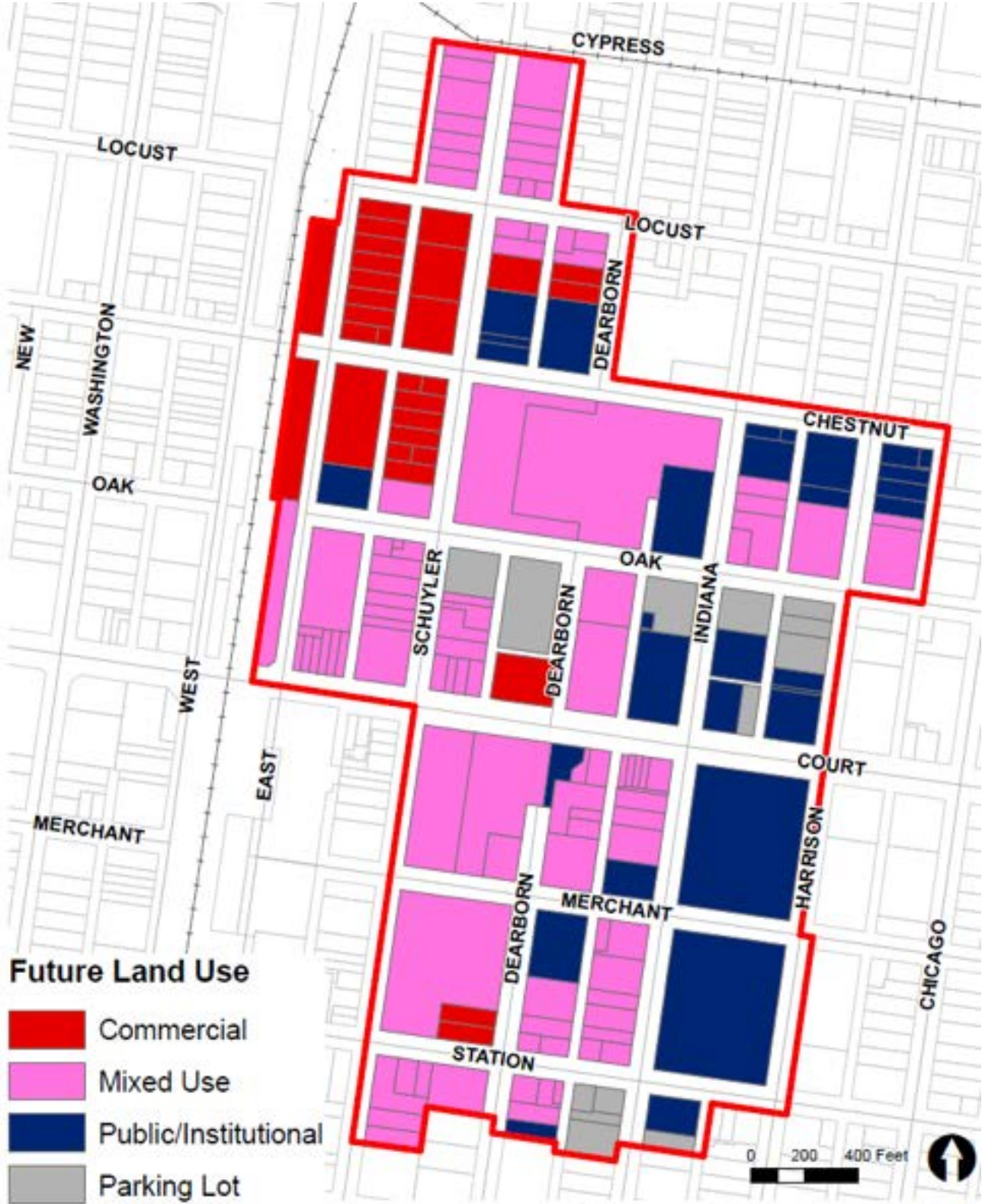
In addition to the specific Comprehensive Plan goals noted above, the New Downtown TIF will assist in addressing the following issues outlined within the 1994 Plan:

*“High on the list of objectives of the planning study is the continued strengthening of the character and attractiveness of the Central Business District (CBD). The central area is the heart of Kankakee. The downtown is a unique and irreplaceable part of the city, with many historic buildings.*

*The Central Business District continues to be the governmental and finance center of Kankakee County. A high percentage of the professional offices in the Kankakee area are located here. Financial institutions, governmental services and places of entertainment are also centered here. It is important to consider all of these functions of the central business district to appreciate the importance of retaining and improving this vital asset.” (page 93)*

*“The appearance of the City is of vital importance. Residents and visitors form their opinions about a community based, in part, on appearance. If the public rights-of-way and business and commercial areas are attractive and well maintained, then residents and visitors are likely to have a positive opinion of the City. Outside investors, too, form their opinions of the City based on their first impressions of the commercial “front door” of the entrances into the community.” (page 94)*

Figure D – Future Land Use Plan



City of Kankakee | New Downtown TIF

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## Future Land Use Plan

The recommended land uses, redevelopment opportunities, and public improvements of this Redevelopment Plan are based upon the guidelines and development opportunities presented in the City of Kankakee Comprehensive Plan.

The intent of the Future Land Use Plan is to provide a long-range guide for determining the uses to which the land should eventually be put, and to direct subsequent zoning decisions as redevelopment occurs within the Project Area. **The designation of an existing use as a redevelopment site is not intended to suggest any immediate requirement for redevelopment.** Rather, these sites are identified as a way of planning for their future redevelopment only when a property owner pursues a development project, or an existing business or resident vacates a property.

The Future Land Use Plan (Figure D) shows anticipated land uses at completion of project activities. The existing land uses of many properties are anticipated to continue. However, on identified redevelopment opportunity sites (described in the next section), proposed changes in land use focus on enhancing the character and appearance of the Project Area. General land use descriptions are as follows:

### Commercial

Commercial uses are primarily located on Schuyler and East Avenue, between Locust and Oak Streets. This area is just outside the main core of the downtown, making it better suited for purely commercial uses, rather than more dense mixed uses. Future commercial uses include appropriate retail and service businesses.

### Mixed-Use

The mixed-use category includes commercial uses, residential uses, and municipal/government related uses. More specifically, this means service/retail, hotel, office, institutional/governmental, and residential uses typically found in a downtown setting. The mix of uses can be vertical (ground floor commercial and upper story residential), or horizontal (uses located in separate buildings).

### Institutional

Public uses within the Project area include several municipal/government uses—such as City Hall, the County Courthouse, the Public Safety Center, etc.—as well as religious institutions.

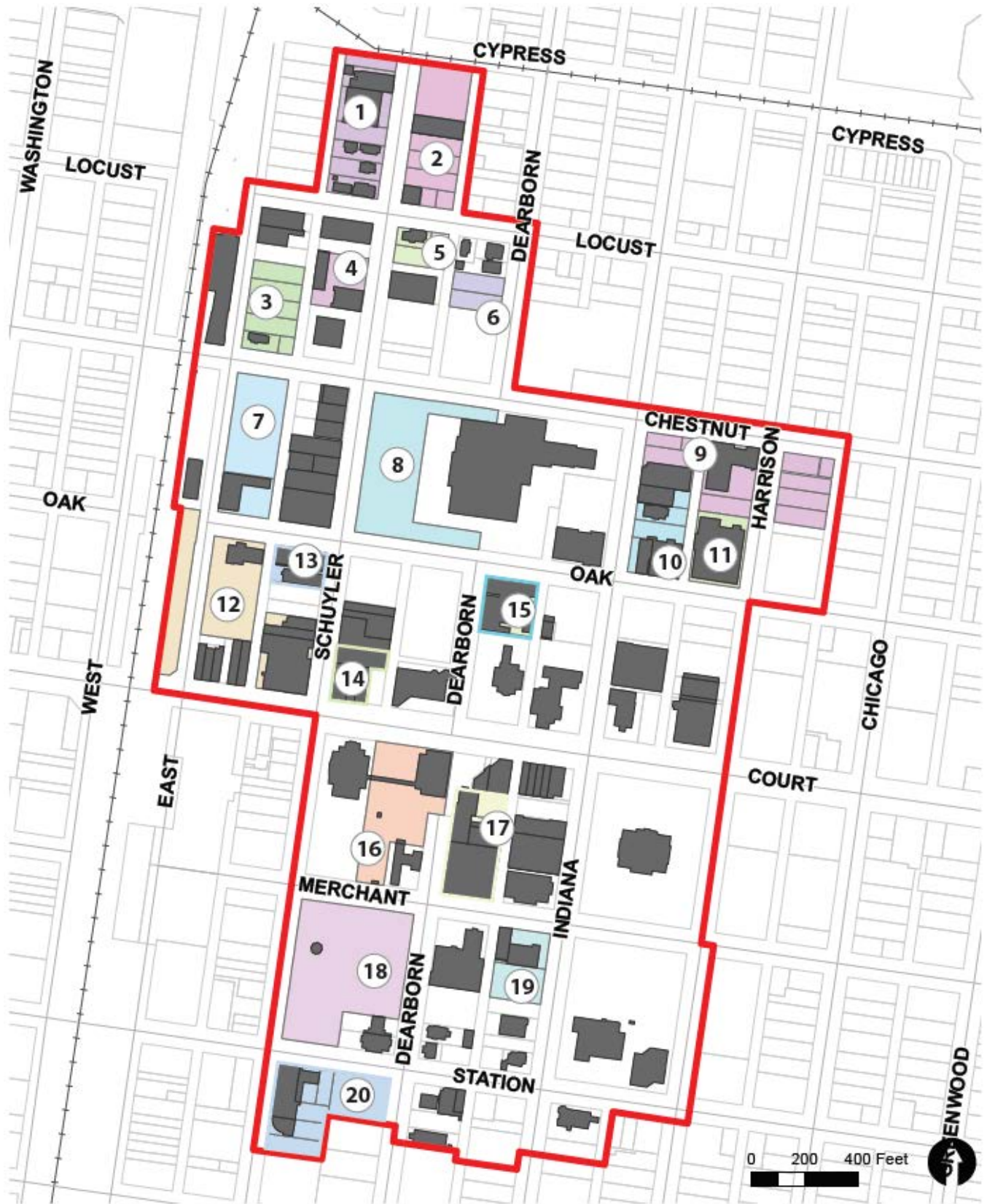
### Parking Lot

Those areas designated as Parking Lot are areas in which dedicated off-street parking already exists and should remain to serve existing and future uses.

*\* Parking and open space uses associated with any of the above categories are permitted.*



Figure E – Redevelopment Sites



## Redevelopment Opportunity Sites

Development and redevelopment opportunity sites have been identified in the Project Area (Figure E Redevelopment Sites). Recommendations for these sites, including land uses, are derived from the Comprehensive Plan.

Table 2 indicates the potential future opportunity sites, existing land uses, and potential future land uses. Several opportunity sites may have more than one potential use. Although the first use is shown on the Future Land Use Plan described in the previous section, any land use described in Table 2 is appropriate and within the intent of this Redevelopment Plan.

**The Redevelopment Plan shall serve as a guideline for the Project Area but is not meant to establish specific requirements.** Adjustments may be made in response to market conditions and other key factors if they remain consistent with the City's overall goals and objectives for the Project Area and the City in general. For example, façade and interior improvements are recommended for existing buildings throughout the Project Area. Therefore, this Redevelopment Plan is consistent with the City's Comprehensive Plan and is intended to be a key vehicle for implementing the plan.

<b>Table 2: Redevelopment Opportunity Sites</b>				
<b>Site</b>	<b>Area (Acres)</b>	<b>EAV (2019)</b>	<b>Existing Land Use</b>	<b>Future Land Use</b>
1	1.34	\$97,016	Commercial/Residential/Vacant Lot	Mixed Use
2	1.35	\$34,614	Commercial/Industrial/Vacant Lot	Mixed Use
3	0.85	\$18,138	Industrial/Residential/Vacant Lot	Commercial
4	0.5	\$55,277	Commercial	Commercial
5	0.34	\$18,209	Residential/Parking Lot	Mixed Use
6	0.34	\$262	Vacant Lot	Commercial
7	1.32	\$15,096	Public/Parking Lot	Public/Commercial
8	1.84	\$0	Parking Lot	Mixed Use
9	1.85	\$103,156	Vacant Lot/Commercial	Public
10	0.84	\$94,941	Commercial/Residential	Mixed Use
11	0.66	\$912,973	Commercial	Mixed Use
12	2.22	\$43,493	Mixed Use/Public	Mixed Use
13	0.34	\$85,509	Commercial	Mixed Use
14	0.41	\$126,462	Mixed Use	Mixed Use
15	0.51	\$68,772	Commercial	Mixed Use
16	1.52	\$555,835	Commercial	Mixed Use
17	1.00	\$725,630	Commercial/Parking Lot	Mixed Use
18	2.56	\$0	Parking Lot	Mixed Use
19	0.59	\$35,235	Commercial/Vacant Lot	Mixed Use
20	1.37	\$429,895	Commercial/Parking Lot	Mixed Use
<b>Total</b>	<b>21.75</b>	<b>\$3,420,513</b>		

The City may also determine that other redevelopment opportunities, where consistent with the land use designations on the Future Land Use Plan, are within the intent of this Redevelopment Plan.

As indicated by Figure E, the Project Area parcels are generally planned for mixed-use (commercial/residential/municipal). Scattered institutional/municipal uses and a few single-family residential uses are anticipated to remain.

In addition to these opportunity sites, the Redevelopment Plan also anticipates activities to be undertaken by the public sector, which are identified in the Public Improvements section of this report (page 19). All the redevelopment opportunities and public improvements should be conducted with the guidance of the City's Comprehensive Plan.

Undertaking these redevelopment activities will generate increased tax revenues, create commercial opportunities, upgrade the public improvements such as roadways, parking areas, sidewalks, etc., and provide a stimulus for additional development in surrounding areas. Through these improvements, the character and economic viability of Project Area, and the City of Kankakee as a whole, will be improved over time.



## Eligible Project Costs

Redevelopment project costs mean and include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Program. As provided by the Act, such costs may include, without limitation, the following:

- < Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning, or other services;
- < The cost of marketing sites within the Project Area to prospective businesses, developers, and investors;
- < Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- < Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- < Costs of the construction of public works or improvements;
- < Costs of job training and retraining projects, including the cost of “welfare to work” programs implemented by businesses located within the Project Area, and costs of advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, as provided in the Act;
- < Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;
- < To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan;
- < To the extent the City by written agreement accepts and approves the same, an elementary, secondary, or unit school district’s increased costs attributable to assisted housing units as provided in the Act;
- < Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law;
- < Interest cost incurred by a redeveloper related to the construction, renovation, or rehabilitation of a redevelopment project, as provided by the Act.

## Acquisition and Clearance

To facilitate coordinated redevelopment and meet redevelopment objectives, it may be necessary for the City to assemble individual properties into unified sites which can be developed in their entirety. Any clearance of existing structures will be scheduled to minimize the adverse effects of rehabilitation or clearance activities.

## Land Disposition

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

No conveyance, lease, mortgage, disposition of land or other property, or agreement relating to the development of property will be made except upon the adoption of an ordinance by the City.

## Public Improvements

The City of Kankakee will continue to provide public improvements in the Project Area to stimulate development and redevelopment in a manner consistent with this Redevelopment Plan. Some public improvements may be provided in partnership with the Illinois Department of Transportation, or other governmental agencies as applicable. Public improvements may include, but are not limited to, the following:

- < Vacation, removal, resurfacing, widening, reconstruction, and other improvements to rights-of-way, streets, alleys, bridges, pedestrian ways, and pathways.
- < Development of or improvements to public open space.
- < Construction of off-street parking facilities and structures.
- < Improvement of public utilities such as sewer and water lines, electric lines, sidewalks, curbs and gutters, storm water detention facilities. Such improvement may include relocation and/or burial of existing overhead lines.
- < Demolition and rehabilitation of obsolete structures.
- < Beautification and safety improvements, including streetscape, lighting, signage, and landscaping of public properties.

Public improvement activities which are planned as part of this Redevelopment Plan are based upon recommendations contained in the Comprehensive Plan and through conversations with the City Engineer. A summary of recommended public improvements includes the following:

1. Improvements (and land acquisition needed to accommodate these improvements) as outlined in the Comprehensive Plan, including:
  - a. "Many of the blocks adjoining the central business district contain some of the City's oldest structures, mostly residential, which range in quality from acceptable to substandard...The

City and downtown business organizations should lead the rehabilitation and redevelopment of this residential fringe with up-to-date housing and appropriate community facilities.”

- b. “The City should lead the effort to substantially upgrade both the appearance and commercial function of all commercial entryway streets:
    - i. Move or improve aboveground utilities;
    - ii. Landscape public rights-of-way and encourage same on private property;
    - iii. Reduce the number of existing curb cuts;
    - iv. Combine lots for new buildings when practical;
    - v. Develop improved shared parking facilities; and
    - vi. Cluster buildings for pedestrian use.”<sup>2</sup>
2. Infrastructure improvements needed to improve service, including underground utilities, lighting, roadways, bridges, alleys, sidewalks, etc.
    - a. Inadequate utilities are widespread and distributed throughout the entirety of the Project Area. Underground pipes, including water lines and sanitary/storm sewers are decades old and made of clay which is subject to failure. In many areas, sanitary and storm sewers are not always separated. Power lines are above-ground and not buried. Streets throughout the Project Area are in a state of disrepair and in need of reconstruction and/or resurfacing.

The costs associated with the public improvements described in this Redevelopment Plan may be shared by the City of Kankakee, other governmental agencies, and individual developers and property owners, pursuant to an agreement between the parties. The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list or may add new improvements to the list which are consistent with the objectives of this Redevelopment Plan. Such additions shall not require plan amendment provided they are for eligible public improvements and will not require an increase to the total estimated project costs in Table 3.

### Phasing of Project

Redevelopment projects anticipated in this Plan may commence immediately. Most of the development and redevelopment projects are anticipated to be completed within twenty years. Facade improvements, building rehabilitations, and other activities on individual properties will be encouraged throughout the life of the TIF. The City may undertake additional public improvements or development projects as appropriate throughout the life of the Redevelopment Plan and Program.

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<sup>2</sup> City of Kankakee Comprehensive Plan, 1997.

## Estimated Project Costs

Estimated public project costs are listed in Table 3. These costs are based on 2020 dollars and are therefore subject to inflation. Increases in estimated Total Redevelopment Project Costs of more than five percent (5%), after adjustment for inflation from the date of the Redevelopment Plan adoption, are subject to amendment procedures as provided under the Act.

<b>Table 3: Estimated Redevelopment Project Costs</b>	
Category	Cost
Property Assembly including Acquisition, Site Preparation and Demolition, Environmental Remediation	\$6,652,000
Environmental, market and planning studies, surveys, development of engineering and architectural plans, specifications, implementation, and administration fees	\$2,993,000
Rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and fixtures	\$9,978,000
Construction or improvement of public infrastructure (1)	\$9,978,000
Job training/retraining and relocation costs	\$332,100
Developer Interest Costs, taxing districts eligible reimbursement and capital costs	\$3,326,000
Total Estimated Project Costs (2) (3)	\$33,259,100

- (1) *Public improvements may also include capital costs of taxing districts and other costs allowable under the Act. Specifically, public improvements as identified in the Redevelopment Plan and as allowable under the Act may be made to property and facilities owned or operated by the City or other public entities. As provided in the Act, Redevelopment Project Costs may include, to the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.*
- (2) *Actual costs for each category identified above may vary provided that the total estimated project costs may not be exceeded without amendment to this Redevelopment Plan.*
- (3) *This table does not include costs associated with the issuance of municipal obligations, capitalized interest, reimbursement for a portion of privately issued obligations, financing costs during construction (not to exceed 36 months), or other eligible project costs. Such additional costs may or may not be incurred and cannot be estimated at this time.*

## Sources of Funds

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

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

- < Real property tax increment revenues from the Project Area;
- < Tax revenues resulting from the establishment of any Special Service Area districts within the Project Area;
- < Interest earned on temporary investments;
- < Gifts, grants, and contributions;
- < Sale or lease of land proceeds;
- < User fees;
- < Transfer from a contiguous redevelopment project area created under the Act.

The principal source of funds to undertake redevelopment activities will be the incremental increase in real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract, or parcel of real property in the Project Area over the initial equalized assessed value of each such lot, block, tract, or parcel. There may also be other eligible local sources of revenue, such as the sale or lease of City owned property, that the City determines are appropriate to allocate to the payment of redevelopment project costs.

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



## Nature and Term of Obligations to be Issued

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

It is the City's intent to operate this TIF in what is commonly known as a "pay-as-you-go" fashion, meaning that the City would only expend funds accumulated in the TIF fund without incurring any debt obligations. However, certain redevelopment projects may be of such a scale or on such a timetable as to preclude financing on a cash basis. These projects may be funded using tax increment revenue obligations issued pursuant to the Act for a term not to exceed 20 years. Consistent with the conservative nature of the financial plan for this Redevelopment Program, the highest priority for the issuance of tax increment revenue obligations shall occur when the commitment is in place for private sector investment necessary to fund the amortization of such obligations.

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

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

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

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

## Initial Equalized Assessed Valuation

Table 5 lists the equalized assessed valuation of properties in the Project Area. The total 2019 equalized assessed valuation of the Project Area is \$7,937,948.

**Table 4: Project Area Equalized Assessed Valuation**

<b>PIN</b>	<b>2019 EAV</b>	<b>PIN</b>	<b>2019 EAV</b>
160932404009	\$400	160932420013	\$35,513
160932404010	\$46,154	160932424014	\$0
160932404013	\$667	160932424022	\$13,333
160932404014	\$4,315	160932424023	\$30,160
160932404015	\$9,450	160932424032	\$0
160932404016	\$13,151	160932424009	\$30,000
160932404017	\$22,879	160932424015	\$7,842
160932405001	\$5,560	160932424028	\$17,958
160932405002	\$10,607	160932424031	\$31,059
160932405003	\$1,946	160932425006	\$36,250
160932405004	\$1,946	160932425007	\$56,000
160932405005	\$1,946	160932425008	\$20,142
160932405007	\$331	160932425009	\$14,070
160932405020	\$12,087	160932426001	\$68,772
160932405021	\$191	160932432032	\$555,835
160932410004	\$2,098	160932433007	\$228,305
160932410005	\$2,098	160932433020	\$83,826
160932410006	\$2,098	160932433025	\$184,308
160932410007	\$2,098	160932433026	\$229,191
160932410008	\$7,428	161705101019	\$0
160932410009	\$2,318	161705102011	\$35,235
160932410012	\$55,277	161705102012	\$0
160932411001	\$14,019	161705107001	\$350,528
160932411002	\$599	161705107002	\$8,602
160932411003	\$3,591	161705107003	\$4,171
160932411012	\$98	161705107004	\$34,098
160932411013	\$164	161705107005	\$10,456
160932417013	\$15,096	161705107013	\$22,040
160932417014	\$0	160932410001	\$19,321
160932418023	\$0	160932410002	\$18,846
160932420001	\$2,031	160932410003	\$4,448
160932420002	\$654	160932410010	\$0
160932420003	\$31,618	160932410013	\$84,103
160932420009	\$57,614	160932410014	\$40,451
160932420010	\$3,303	160932411006	\$0
160932421002	\$248	160932411007	\$0
160932421003	\$1,614	160932411008	\$0
160932421004	\$1,614	160932411009	\$6,737
160932421005	\$3,303	160932411010	\$12,820
160932420004	\$20,244	160932411011	\$8,521
160932420005	\$11,052	160932411018	\$48,743
160932420007	\$28,132	160932411019	\$0

<b>PIN</b>	<b>2019 EAV</b>
160932417006	\$40,736
160932417010	\$137,087
160932417011	\$53,896
160932417012	\$3,951
160932417019	\$37,503
160932417020	\$40,158
160932417021	\$114,766
160932417022	\$50,838
160932417023	\$47,375
160932417024	\$19,837
160932418022	\$416,667
160932419020	\$0
160932420014	\$912,973
160932421001	\$1,157
160932421006	\$608
160932421019	\$17,655
160932424008	\$2,439
160932424010	\$25,740
160932424011	\$20,158
160932424012	\$5,081
160932424013	\$0
160932424019	\$28,650
160932424020	\$0
160932424021	\$9,102
160932425004	\$30,208
160932425010	\$0
160932425022	\$299,200
160932425024	\$0
160932425025	\$0
160932425026	\$71,092
160932425027	\$62,968
160932426009	\$0
160932426014	\$0
160932426015	\$299,200
160932426016	\$0
160932427003	\$0
160932427004	\$0
160932427005	\$0
160932427006	\$0
160932427007	\$0
160932427008	\$0
160932427009	\$0
160932427010	\$0

<b>PIN</b>	<b>2019 EAV</b>
160932427011	\$0
160932427012	\$0
160932432028	\$1,484,130
160932432033	\$35,880
160932433008	\$30,000
160932433009	\$30,000
160932433010	\$30,000
160932433014	\$0
160932433015	\$8,321
160932433016	\$55,583
160932433017	\$36,250
160932433018	\$275,200
160932433021	\$0
160932433023	\$86,345
160932433024	\$20,416
160932433028	\$30,000
160932433029	\$44,995
160932434001	\$0
161705101015	\$12,083
161705101016	\$78,000
161705102007	\$15,778
161705102008	\$16,233
161705102009	\$1,338
161705102010	\$16,800
161705102013	\$0
161705102014	\$30,097
161705102015	\$2,514
161705102016	\$0
161705102017	\$20,218
161705102018	\$0
161705102019	\$0
161705103011	\$0
161705108001	\$20,995
161705108002	\$34,963
161705108003	\$16,250
161705108004	\$4,791
161705108005	\$0
161705108010	\$0
161705108011	\$0
161705108012	\$0
161705108023	\$0
161705109003	\$0
161705109016	\$0

### Anticipated Equalized Assessed Valuation

Upon the completion of anticipated redevelopment projects, it is estimated that the equalized assessed valuation of real property within the Project Area will be approximately **\$39,873,000**. This figure is based upon estimates of value for the anticipated rehabilitation and redevelopment projects described in this report.

### Payment in Lieu of Taxes

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

### Provision for Amending the Redevelopment Plan and Program

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



## **FINANCIAL IMPACT OF REDEVELOPMENT**

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

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

The following taxing districts cover the proposed Project Area:

1. City of Kankakee
2. Kankakee Township and Township Road District
3. Kankakee County
4. Kankakee Valley Airport Authority
5. Kankakee Valley Park District
6. Kankakee River Valley Forest Preserve District
7. Kankakee Community College
8. Kankakee School District 111
9. Kankakee Special Service Area 1

This Redevelopment Plan contemplates redevelopment of specific opportunity sites primarily with commercial and multi-use (commercial/residential) developments. Given the size of the study area (84 acres), impact on individual taxing districts and taxing districts in general, will be dependent on the specific nature of any future (re)developments.

### *Impact on City of Kankakee*

The City of Kankakee provides a variety of services, including police and fire protection, library services, snow removal, road maintenance, water, and sewer service, and building and zoning services. The replacement of underutilized property with new development and redevelopment will cause an increase in demand for the services and programs provided by the City. As provided in the Act, a portion of Redevelopment Project Costs may be allocated toward capital costs incurred by the City which are made necessary by development as described in this Redevelopment Plan. The public improvements section of this plan and program highlights some of these anticipated capital costs.



### *Impact on Kankakee Township and Township Road District*

Kankakee Township provides a variety of services, including road maintenance and property assessments. The replacement of underutilized property with new development and redevelopment may cause a minimal increase in demand for the services and programs provided by Kankakee Township, although the impact is not anticipated to be significant. All roads within the Project Area are controlled by either the City of Kankakee or the Illinois Department of Transportation (IDOT). No specific program is set forth in this Redevelopment Plan.

### *Impact on Kankakee County*

Kankakee County provides a variety of services, including the County Court system and health services. The replacement of underutilized property with new development and redevelopment may cause a minimal increase in demand for the services and programs provided by the County. Due to the small size of the Project Area in relation to the overall County, services provided to residents will likely not be affected, and the impact is anticipated to be minimal. No specific program is set forth in this Redevelopment Plan. However, should the County seek to relocate or perform major renovations on facilities within the Project Area TIF funding assistance could certainly be explored.

### *Impact on Kankakee Valley Airport Authority*

The Kankakee Valley Airport Authority provides general aviation access and operates the Greater Kankakee Airport. A revitalized downtown Kankakee may increase demand for airport services. However, no redevelopment activities anticipated in the plan are anticipated to significantly impact the Airport Authority, and no specific program is set forth in this Redevelopment Plan.



### *Impact on Kankakee Valley Park District*

The Kankakee Valley Park District provides a variety of services, including operation and maintenance of parks and recreational facilities. The replacement of underutilized property with new development and redevelopment may cause a minimal increase in demand for the services and programs provided by the Park District resulting from an increase in residents and employees. Potential renovations to the Rec Center (140 N. Indiana) could potentially be partially funded through the TIF. In addition, the Park District and the City should work cooperatively to provide recreational opportunities for future downtown residents.



### *Impact on Kankakee River Valley Forest Preserve District*

The Kankakee River Valley Forest Preserve District operates and maintains forest preserves and educational programs throughout the County. The replacement of underutilized property with new development and redevelopment may cause a minimal increase in demand for the services and programs provided by the County resulting from an increase in employees. Due to the small size of the Project Area in relation to the County at large, services provided to residents will likely not be affected, and the impact is anticipated to be minimal. No program is set forth in this Redevelopment Plan.

### *Impact on Kankakee Community College*

Kankakee Community College provides education and training services to residents of Kankakee County, Illinois. The replacement of underutilized property with new development and redevelopment may cause some increased demand for the services and programs provided by Kankakee Community College, including training programs to serve new businesses and educational services for new residents. However, the impact is anticipated to be insignificant given the relatively small size of the Project Area in proportion to the size of the community college district. While no specific program is set forth in this Redevelopment Plan, if job training programs are needed, funding may be available from the TIF. In addition, there may be programs or classes that the Community College would offer that would benefit by a downtown location. TIF funding may be appropriate to accommodate such efforts, or to assist with projects that may provide student housing opportunities.



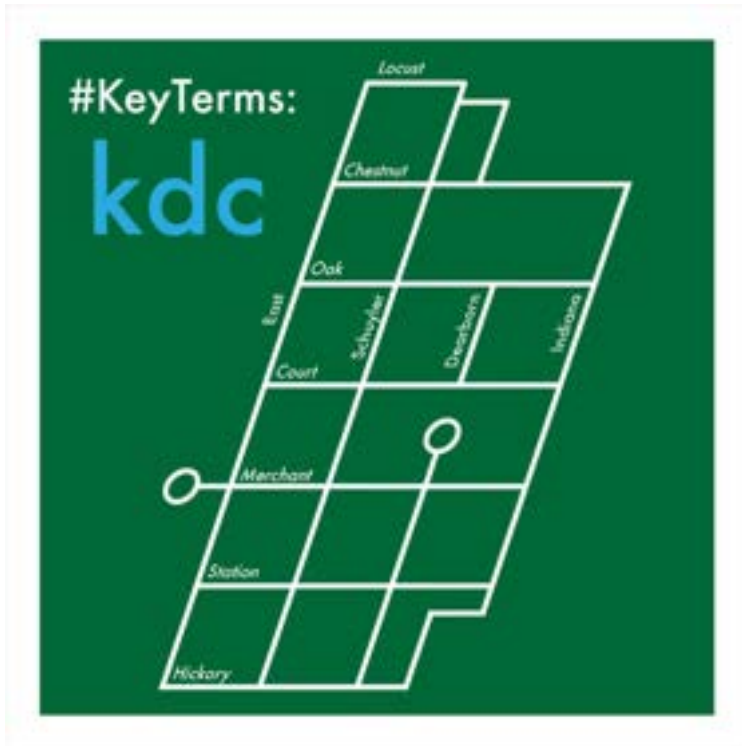
### *Impact on School District #111*

Kankakee School District #111 provides elementary, middle, and high school services for residents of Kankakee. The replacement of underutilized property with new development and redevelopment may cause an increase in demand for the services and programs provided by the school district. No specific program is set forth in this Redevelopment Plan, however the Act defines a clear formula for repayment of fees to the district for students directly generated by TIF supported projects. In addition, TIF funding may be appropriate to help with acquisition or construction of space for any School District activities that might be appropriate within the Project Area. For example, the School District's Kay's Media program may at some point seek a downtown location to foster cooperative learning in proximity to local businesses and entrepreneurs.



### *Impact on Kankakee Special Service Area 1*

Kankakee SSA #1 established the Kankakee Development Corporation (KDC), which is a group focused on developing and improving the downtown and “making Kankakee a vibrant and good-looking community.” KDC is an active organization whose activities include running and operating events, facilitating a façade program, and offering incentives and information to help attract new businesses to the downtown. The KDC area does not cover everything proposed in the New Downtown TIF Project Area and extends beyond – see map below. Funds generated by the creation of this TIF would directly benefit the goals and programs of Kankakee Special Service Area 1.



## **FINDINGS OF NEED FOR TAX INCREMENT FINANCING**

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Based on the findings of this Redevelopment Plan and Program, the Mayor and the City Council of Kankakee, Illinois, adopt the following findings pursuant to Section 11-74.4-3(n) of the Act.

### Project Area Not Subject to Growth

The Project Area overall has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without adoption of this Redevelopment Plan. Substantial evidence supports this conclusion.

First, the City finds that the Project Area overall has not been subject to growth and redevelopment through investment by private enterprise, based on the following evidence as outlined in the Eligibility Findings Report in Appendix A:

1. Deterioration of buildings and surface improvements of properties within the Project Area;
2. Excessive vacancies in buildings across the Project Area;
3. Inadequate Utilities that are largely deteriorated, antiquated, obsolete, or in disrepair;

4. Lack of Community Planning as evidenced by development of the majority of the Project Area without the benefit of a Comprehensive Plan resulting in irregular shaped lots, lots without street frontage, and other platting issues; and
5. Decline in equalized assessed valuation of properties within the Project Area for the preceding five years.

Second, the City finds that the Project Area would not reasonably be anticipated to be developed without adoption of this Redevelopment Plan. This conclusion is based upon the findings of this report and the City of Kankakee Comprehensive Plan:

1. Proposed redevelopment sites indicate a financial gap without public resources, grants or other incentives to promote redevelopment;
2. The need for public – private partnerships to support future redevelopment;
3. The need for future infrastructure improvements to support future redevelopment; and
4. The desire to revitalize the downtown area to attract new investment and visitors.

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

#### Conformance with Comprehensive Plan

This Redevelopment Plan conforms to and is based upon the recommendations of the Comprehensive Plan, including the goals and objectives therein, as well as future land uses and redevelopment activities.

#### Date of Completion

The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the municipal treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this Project Area is adopted (by December 31, 2044).

EXHIBIT 'A'

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# TAX INCREMENT FINANCING ELIGIBILITY REPORT

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*New Downtown TIF District*



Prepared By:  
Teska Associates, Inc.



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## INTRODUCTION

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This report is an assessment of the eligibility of a proposed New Downtown TIF District for the City of Kankakee (the “City”). City officials have determined that without direct involvement and financial assistance, planning goals and objectives for the study area, the New Downtown TIF Project Area (the “Project Area”), cannot be achieved. Utilization of Tax Increment Financing (“TIF”) can encourage new investment and facilitate redevelopment in the downtown.

Tax Increment Financing can be used to make the Project Area more attractive for redevelopment by eliminating the conditions which inhibit private investment, weaken the City’s tax base, affect the safety of community residents, and hinder the City’s ability to promote a cohesive development of compatible land uses as articulated in the City’s Comprehensive Plan. In accordance with the Illinois TIF Act, public improvements may be constructed and incentives provided to encourage the type of private investment that will allow the City to achieve its vision and goals.

With the New Downtown Kankakee TIF District in place, the City can further economic development and other goals towards physical improvements, removing blighted conditions, and providing funding sources for improvement projects. These improvements will not only help enhance the physical conditions and economic investment in the Project Area—which is important to the City as its central core—but will also enhance the quality-of-life of adjacent residential neighborhoods and for all residents of Kankakee.



## TAX INCREMENT FINANCING OVERVIEW

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

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

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

*"...any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where: (1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; need for environmental remediation; or declining total equalized assessed value."*

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

*"...any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; need for environmental remediation; or declining total equalized assessed value."*

Determination of eligibility of the proposed Project Area is based on a comparison of data gathered through field observations by Teska Associates, Inc. (Teska), document and archival research, and information obtained from the City of Kankakee and Kankakee County against the eligibility criteria set forth in the Act.

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



## **DESCRIPTION OF THE PROJECT AREA**

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The Project Area includes properties generally located in Kankakee's central downtown area. The area is generally bounded by the Kankakee, Beaverville and Southern Railroad on the north, Harrison Avenue on the east, one half block south of Station Street on the south, and the Canadian National Railroad on the west – shown in detail in Exhibit 1.

The Redevelopment Project Area contains a mixture of land uses, including commercial, industrial, municipal/institutional, and residential uses. The Project Area includes one-hundred thirteen (113) structures on one-hundred and seventy (170) parcels.

The total area of the Redevelopment Project Area is approximately eighty-two (82) acres (or approximately 54 acres excluding rights-of-way such as streets and railroads).



Exhibit 1 – Aerial Location Map



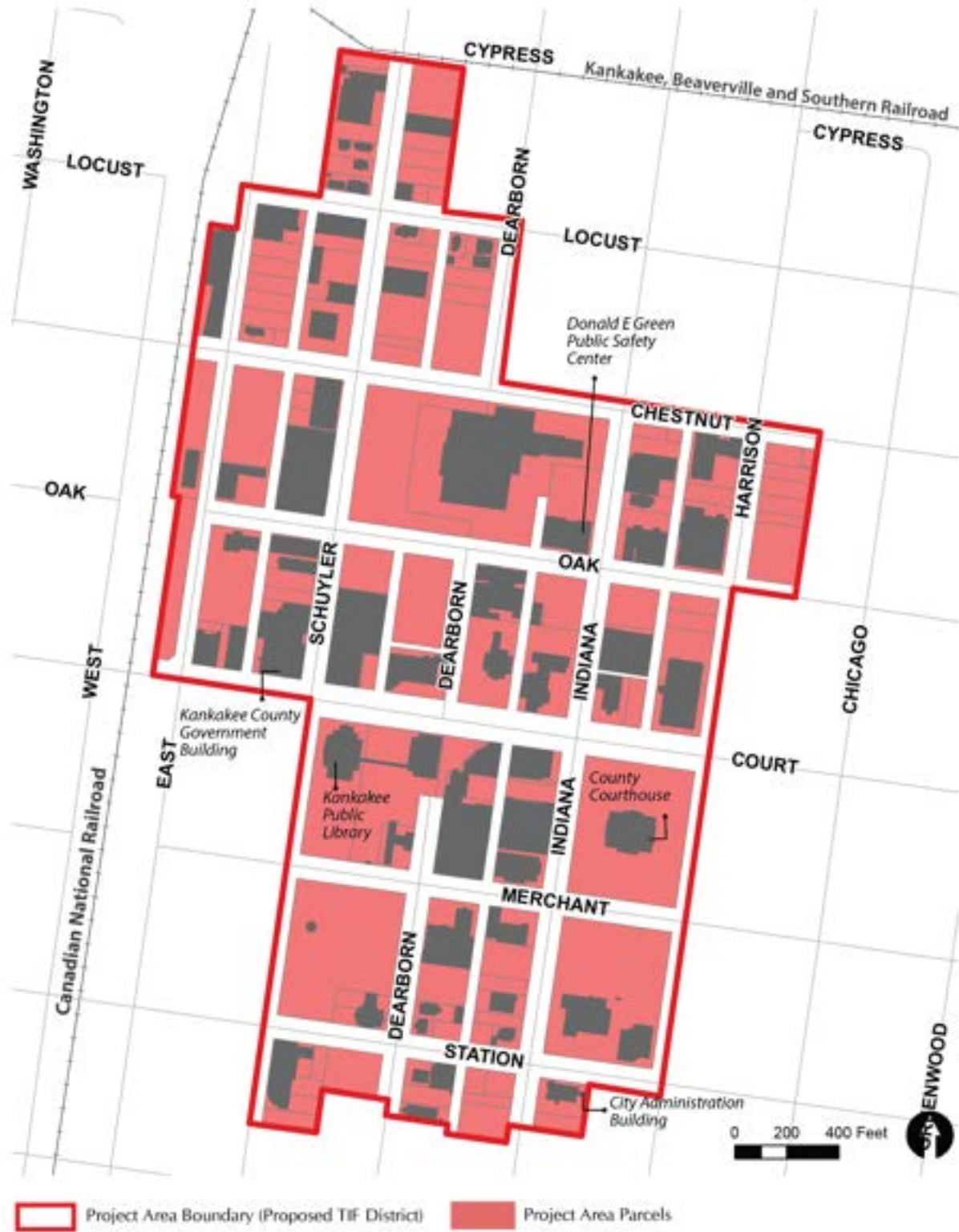


Exhibit 2 – TIF Project Area Parcels Map

## ELIGIBILITY FINDINGS

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Teska Associates, Inc. conducted a field survey of every property within the Redevelopment Project Area. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. This survey occurred on **Friday, November 20, 2020**. Photographic evidence further documents the observed field conditions. Field observations were also supplemented with information provided by City and County officials, and online resources.



In order to be designated as a ‘blighted area’, a combination of at least five (5) blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area. In order to be designated as a ‘conservation area’, at least 50% of the structures must be 35 years or more in age, and a combination of at least three (3) of the other blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area.

A redevelopment project area may qualify as a blighted area, a conservation area, an industrial park conservation area, or a combination of one or more of these designations.

## Age of Buildings

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

There are a total of one hundred and thirteen (113) structures located within the Project Area, including principal buildings and accessory buildings such as garages, sheds, etc. Precise building construction dates are difficult to determine. However, field observations of construction methods and materials indicate that a substantial majority of the Project Area was developed prior to 1985 (older than 35 years).

The Project Area generally includes properties within Kankakee's central downtown. The City of Kankakee was formally established in 1855 and many buildings still standing downtown today are from the early twentieth century. Notable historic structures within the Project Area include:

- Majestic Theater (now home to commercial storefronts and storage space) — built in 1912
- Kankakee County Courthouse – built 1912
- Resurrection Community Church of Nazarene – built 1864
- Arcade Building/Clock Tower Centre (187 S Schuyler Ave) – built 1864, remodeled in 1928 (updated in 2004)<sup>1</sup>
- City Administration Building (formerly Kankakee Library) – built 1899



*Historic structures throughout the Project Area*

<sup>1</sup> [https://www.daily-journal.com/news/local/jack-klasey-kankakees-ionic-arcade-building/article\\_32e9b93e-6da2-11e9-8322-a30852a7a60e.html](https://www.daily-journal.com/news/local/jack-klasey-kankakees-ionic-arcade-building/article_32e9b93e-6da2-11e9-8322-a30852a7a60e.html)

According to Zillow.com, the Project Area's handful of residential properties are also older than 35 years:

- 395 N Dearborn Ave – 1976
- 394 N Schuyler Ave – 1885
- 435 N Schuyler Ave – 1908

Construction dates for buildings within the Project Area are scarce. Field observations of building materials and construction methods indicate a substantial majority of buildings were constructed prior to 1985 (35 years). Some newer development has occurred within the area, often adjacent to buildings that are much older. Field observations were confirmed by online resources, where such data was available.

The majority (well over 50%) of buildings within the Project Area were constructed prior to 1985 (over 35 years) as verified by field observations and confirmed by research. Due to this finding, the definition of 'conservation area' is utilized in this Eligibility Report for evaluation of eligibility, therefore requiring 'age of buildings' plus three (3) additional eligibility criteria for TIF designation.

## Dilapidation

*“An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.”*

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



*Example of dilapidation in the Project Area*

Field observations of exterior building conditions within the Project Area indicate isolated structures displaying severe structural defects. Although dilapidated primary and accessory structures are present within the Project Area, these structures are few in number and not widely distributed throughout the entire Project Area. Therefore, Dilapidation is not considered to be a qualifying factor towards eligibility of the Project Area as a ‘conservation area.’

## Obsolescence

*“The condition or process of falling into disuse. Structures have become ill-suited for the original use.”*

Structures are typically built for specific uses or purposes with the design, location, height and space intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies, which limit the reuse and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor or outdated design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct. Generally, functional obsolescence relates to the physical utility of a property or structure, and economic obsolescence relates to the ability of a property or building to compete in the market place.

Commercial and industrial buildings may be suited for their original and/or current users, but may not necessarily meet standards for future reuse. As noted previously in this report, a majority of buildings within the Project Area were constructed over 35 years ago. Modern building practices and amenities that contemporary users require (high ceilings, loading areas, adequate parking, etc.) may not be present within such buildings. However, without access to building interiors, obsolescence is difficult to determine.

In addition, older buildings may not be in conformance with contemporary building code requirements, lacking modern fire suppression systems, sprinklers, elevators, accessible restrooms, etc. Such buildings will need to be upgraded to modern building and safety standards to continue to be functional into the future.

While instances of both functional and economic obsolescence are present to varying degrees, they are not widespread and/or evenly distributed throughout the entirety of the Project Area. Although obsolescence is present to some degree within the Project Area, it is not present, or distributed throughout the Project Area, to such a degree as to be considered as a qualifying factor towards designation of the Project Area as a ‘conservation area.’



## Deterioration

*“With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.”*

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

Deterioration of both buildings and site improvements are widespread and evenly distributed throughout the entire Project Area. Common building issues include broken doors and windows, sagging roofs, broken or missing gutters and downspouts, deteriorating porches and patios, and cracks in masonry walls. Common issues relating to surface improvements include deterioration of paved parking areas, potholes in roadways, cracks in curbs, and damaged fencing.

Deterioration	Parcels	Total	%
Building Only	97	113	86%
Site Only	151	170	89%
Building & Site	92	170	54%

*Exhibit 3 – Deterioration*

The extent and widespread distribution of deterioration, both of buildings and surface improvements, has a negative effect upon neighboring properties. When buildings or improvements on adjacent properties are in a declining state, a property owner has less incentive to maintain or improve his or her own property. Deterioration has the potential to spread which could lead the entire Project Area to a blighted condition.

Therefore, deterioration of buildings and site improvements is a significant contributing factor towards designation of the Project Area as a ‘conservation area.’



*Examples of deterioration throughout the Project Area*





*Examples of deterioration throughout the Project Area*



*Examples of deterioration throughout the Project Area*



*Examples of deterioration throughout the Project Area*

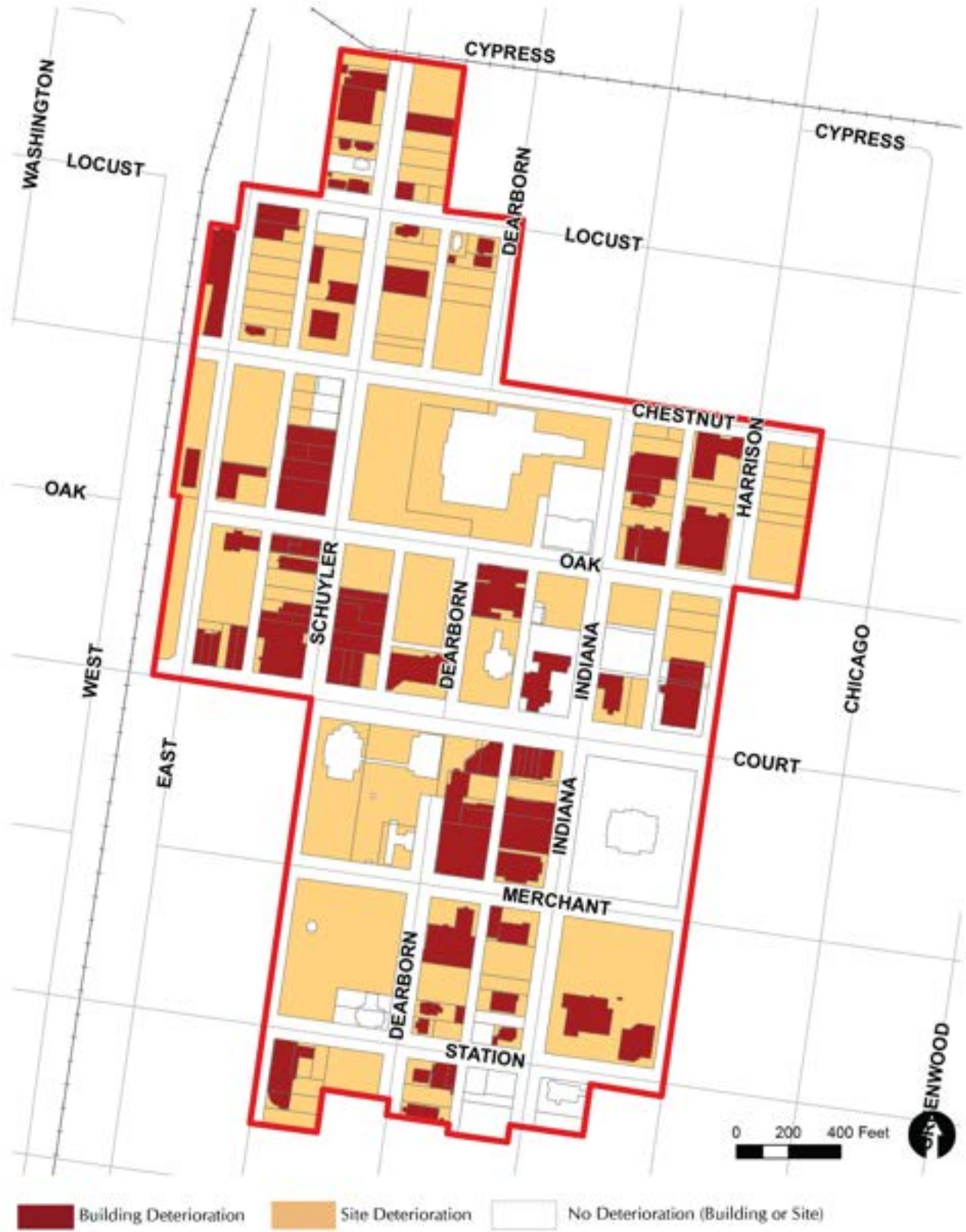


Exhibit 4 – Deterioration Map

## **Illegal Use of Structures**

*“The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.”*

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

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

Field observations did not reveal obvious instances of illegal uses, and no documented cases of illegal uses were discovered. Although isolated instances of illegal uses may be present within the Project Area, they are likely not widespread or distributed widely throughout the Project Area. Therefore, illegal use of individual structures is not considered as a qualifying factor towards designation of the Project Area as a ‘conservation area.’

## **Presence of Structures Below Minimum Code Standards**

*“All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.”*

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

Field observations revealed potential code violations throughout the Project Area, including zoning, building, safety, and property maintenance issues. There are five (5) official violation citations issued by the City for properties within the Project Area. Therefore, while present, structures below minimum code standards is therefore not considered as a qualifying factor towards designation of the Project Area as a ‘conservation area.’

## **Excessive Vacancies**

*“The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.”*

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

Instances of vacant and/or partially vacant commercial, residential, mixed use, and industrial structures are present within the Project Area. A total of 22 of 113 total structures (19%) contain buildings that exhibit full or partial vacancy. Residential uses may also exhibit high levels of vacancy. Verification of occupancy rates is difficult to determine and exact data is unavailable at the time of this report. Nineteen percent (19%) is a high number of vacancies that indicates a weakness in both the market and in the physical spaces for modern occupancy. There are several clusters of vacancy spread throughout the Project Area (see Exhibit 5).



*Examples of vacancies in the Project Area*

These full or partially vacant buildings are dispersed through the Project Area and contribute to a built environment that has buildings which appear abandoned or neglected. Therefore, excessive vacancies is considered a qualifying factor towards designation of the Project Area as a 'conservation area.'

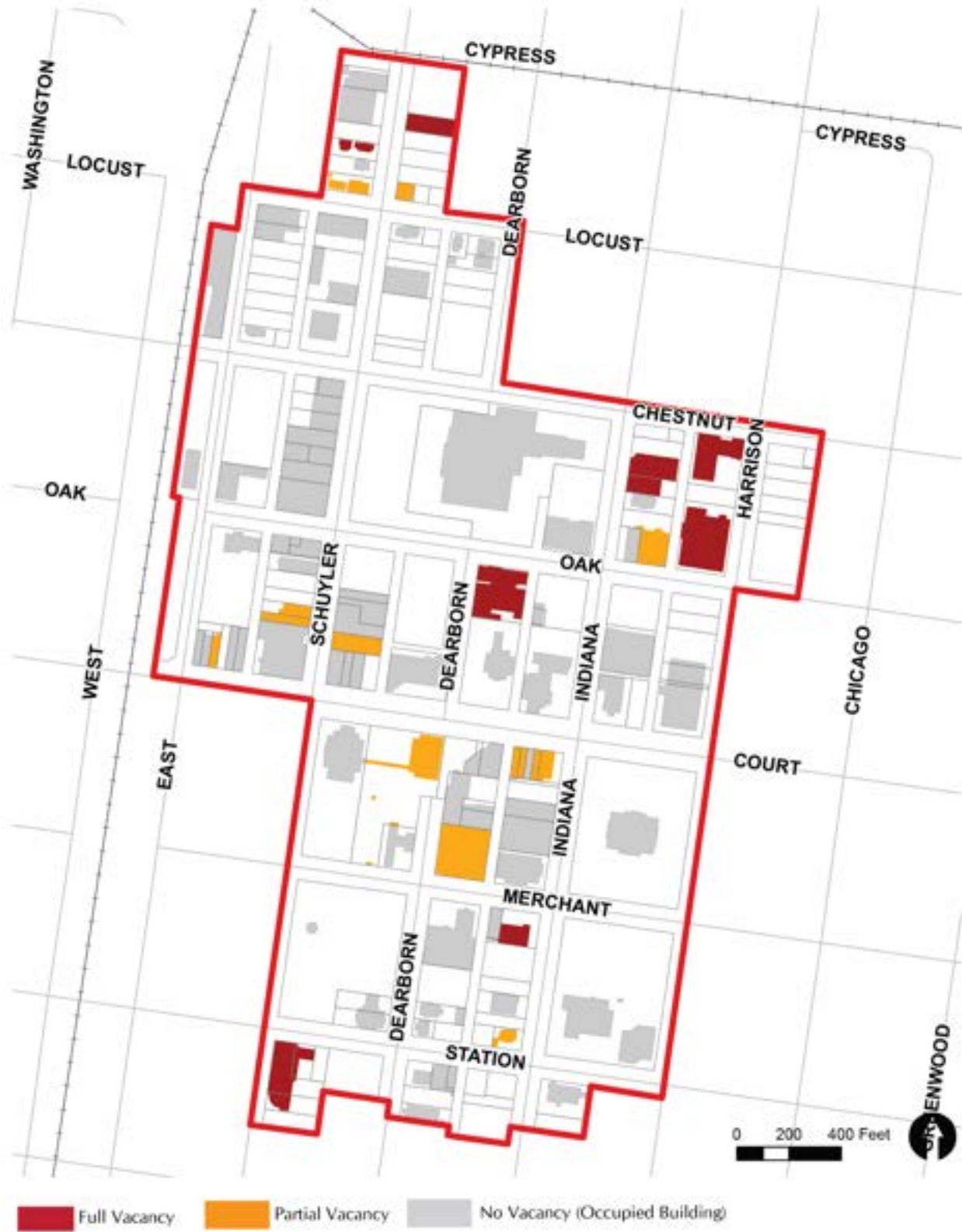


Exhibit 5 – Vacancies Map

## **Lack of Ventilation, Light, or Sanitary Facilities**

*“The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.”*

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

None of the buildings in the Project Area are known to exhibit a lack of ventilation, light or sanitary facilities. Therefore, a lack of ventilation, light, or sanitary facilities is not widely distributed and does not contribute to the designation of the Project Area as a ‘conservation area.’

## **Inadequate Utilities**

*“Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.”*

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

There are no major sanitary issues in the Project Area other than routine items relating to aging infrastructure. There are some City-owned street light poles that are old spun aluminum poles which need upgrading in some state route areas. Two traffic cabinets located on Chestnut & Indiana and Chestnut & Harrison are also old and could benefit from upgrading if funding becomes available in the future.

Inadequate utilities are widespread and distributed throughout the entirety of the Project Area. Underground pipes, including water lines and sanitary/storm sewers are decades old and made of clay which is subject to failure. In many areas, sanitary and storm sewers are not always separated. Power lines are above-ground and not buried. Streets throughout the Project Area are in a state of disrepair and in need of reconstruction and/or resurfacing.



The City's 1997 Comprehensive Plan recommends moving or improving aboveground utilities to enhance the overall appearance of commercial streets, and also states the following which suggests support for specialized funding mechanisms such as TIF:

"...as public funds become more restricted, development tools and transfer of costs must be evaluated to support needed public improvements. Likewise, fees for services that can be segregated to pay for specific infrastructure should also receive consideration as a funding mechanism."<sup>2</sup>

Due to the widespread need for infrastructure improvements throughout the Project Area, inadequate utilities is considered a qualifying factor towards designation of the Project Area as a 'conservation area.'

### **Excessive Land Coverage and Overcrowding of Structures and Community Facilities**

*"The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service."*

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

Although conditions of excessive land coverage and overcrowding of structures and community facilities are present within the Project Area, such conditions are not uncommon, particularly in a relatively dense commercial district or downtown, and do not significantly contribute towards designation of the Project Area as a 'conservation area.'

### **Deleterious Land Use or Layout**

*"The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area."*

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<sup>2</sup> <https://citykankakee-il.gov/perch/resources/1997compplan.pdf>

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

The Project Area contains a mix of residential, commercial, and industrial uses. In the core of the downtown, there are mixed use buildings with commercial retail on the ground floor and office or residential uses on upper stories. In these cases, residential uses are compatible with the character of the downtown. However, there are also residential uses and single-family homes scattered throughout the Project Area that are located adjacent to incompatible uses such as industrial, auto repair, or commercial storage. These instances of deleterious land uses and incompatible land use relationships are common throughout the project area, and can have a negative impact on property values and inhibit future growth and development.

Though there are several instances of deleterious land uses present in the Project Area, this occasional condition does not significantly contribute towards designation of the Project Area as a 'conservation area.'





*Examples of incompatible land use relationships in the Project Area*

### **Lack of Community Planning**

*“The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.”*

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

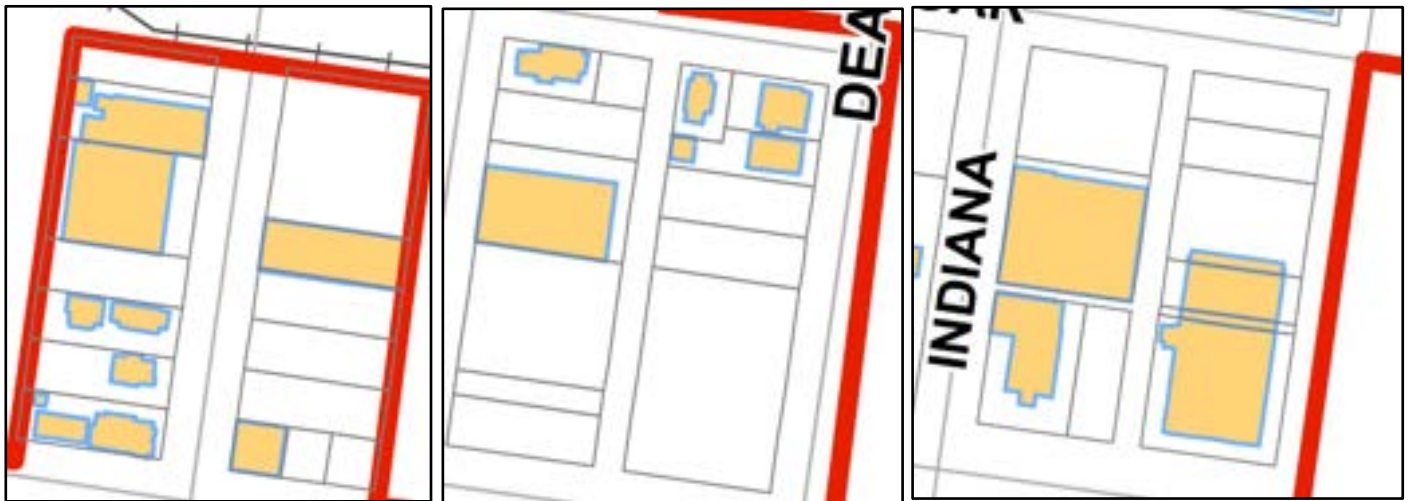
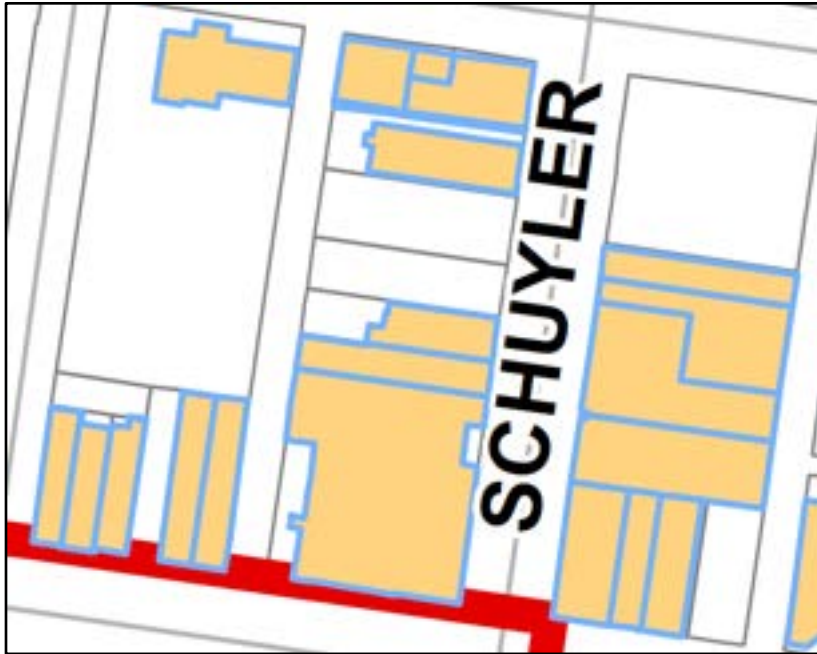
The majority of the built environment within the Project Area developed well before the adoption of any comprehensive plan. The City's Comprehensive Plan identifies land use categories that were adopted decades after a majority of these buildings were constructed. This lack of planning has resulted in platting and subdivision issues such as oddly shaped and inadequately sized parcels, buildings situated on multiple parcels, oddly angled road intersections, and lots without adequate street access. The City's most recent Comprehensive Plan was adopted in 1997, and included such goals and objectives as:

- Revitalize the neighborhoods;
- Redevelop the Central Business District;
- Develop a coordinated economic development program; and
- Attract business and industry to locate within the City.

These goals and objectives represent the City's desires to correct such issues relating to a lack of planning when the area was built out in the late 1800's and early 1900's.

Lack of community planning is not a widespread issue in the Project Area, and is not considered a significant contributing factor towards designation of the Project Area as a 'conservation area.'





*Examples of small parcels, buildings that cross parcel lines, and oddly sized or shaped parcels throughout the Project Area*

## **Environmental Remediation Costs Impeding Development**

*“The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.”*

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

The presence of industrial users within the Project Area suggests that environmental issues may be present to some extent on parcels within the Project Area.

Although some degree of environmental remediation is likely within the Project Area, no documentation is available to sufficiently qualify this factor as significantly contributing towards the designation of the Project Area as a ‘conservation area.’

### Decline in Minimal Marginal Increase in the Equalized Assessed Value

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

	2014	2015	2016	2017	2018	2019
Project Area EAV	\$8,555,242	\$8,526,776	\$8,310,531	\$8,172,595	\$7,903,725	\$7,937,948
% Change	n/a	-0.3%	-2.5%	-1.7%	-3.3%	0.7%
Total City EAV (less Project Area)	\$250,885,245	\$243,943,931	\$230,553,623	\$232,394,976	\$237,710,933	\$239,454,801
% Change	n/a	-2.77%	-5.49%	0.80%	2.29%	0.73%
CPI <sup>3</sup>	236.736	237.017	240.007	245.120	251.107	255.657
% Change	n/a	0.12%	1.26%	2.13%	2.44%	1.81%

*Exhibit 6 – Equalized Assessed Valuation*

As shown in the table above, the equalized assessed value of all parcels within the Project Area has decreased in 4 of the previous 5 years.

Based on the documented decreasing equalized assessed value of property within the Project Area over the previous 5 years, the decline or minimal marginal increase in the equalized assessed value is a contributing factor towards designation of the Project Area as a ‘conservation area.’

<sup>3</sup> <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>

## CONCLUSION

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Based on the findings outlined in this report, the Project Area as a whole qualifies as a “CONSERVATION AREA” according to the criteria established by the TIF Act, based on the predominance of buildings that are older than 35 years in age and the documented extent of parcels exhibiting the following characteristics:

1. Deterioration
2. Excessive Vacancies
3. Inadequate Utilities
4. Decline in EAV
5. Lack of Planning

Each of these factors contributes significantly to the eligibility of the Project Area as a “CONSERVATION AREA” in order that redevelopment might occur.

In addition to the major qualifying factors listed above, additional qualifying factors are present within the Project Area, although not to a significant extent or distribution as to be considered a “major” qualifying factor. These “minor” qualifying factors include:

1. Dilapidation
2. Obsolescence
3. Deleterious Land Use or Layout

All of these characteristics point towards the need for designation of the Project Area as a ‘conservation area’ to be followed by public intervention in order that redevelopment might occur.



EXHIBIT 'B'

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## LEGAL DESCRIPTION

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*New Downtown TIF District*



Prepared By:  
Teska Associates, Inc.



That part of the South Half of the Maw-te-no Reservation, situated in Section 32, Township 31 North, Range 12 East of the Third Principal Meridian and that part of the Northwest Quarter of the Catish Reservation, situated in Section 5, Township 30 North, Range 13 West of the Second Principal Meridian, in Kankakee County, Illinois being described as follows:

Beginning at the intersection of the Centerline of Court Street and the Centerline of Schuyler Avenue; Thence Westerly along said Centerline of Court Street, 462 Feet more or less to the East Line of the Canadian National Railroad; Thence Northerly along said East Line, 520 Feet more or less to the North Line of Oak Street extended West; Thence Westerly along said North Line extended 20 Feet more or less to the East Line of the Canadian National Railroad; Thence Northerly along said East Line 790 Feet more or less to a point 80 Feet South of the South Line of Locust Street; Thence Easterly along a line parallel with the South Line of Locust Street, 75 Feet more or less to the West Line of East Avenue; Thence Northerly along said West Line, 150 Feet more or less to the North Line of Locust Street extended West; Thence Easterly along said North Line, 195 Feet more or less to the East Line of Lot 8 in Block 114 of Associates Addition to Kankakee City; Thence Northerly along said East Line extended, 400 Feet to the North Line of Lot 1 in said Block 114; Thence Easterly along said North Line extended, 420 Feet more or less to the West Line of Lot 16 in Block 113 of said Associates Addition of Kankakee City; Thence Southerly along said West Line extended, 400 Feet more or less to the North Line of Locust Street; Thence Easterly along said North Line, 215 Feet more or less to the East Line of Dearborn Avenue; Thence Southerly along said East Line, 470 Feet more or less to the North Line of Chestnut Street; Thence Easterly along said North Line, 955 Feet more or less to the West Line of Lot 1 in Block 1 of Kankakee City extended North; Thence Southerly along said West Line extended, 470 Feet more or less to the North Line of Oak Street; Thence Westerly along said North Line, 245 Feet more or less to the West Line of Harrison Avenue; Thence Southerly along said West Line, 1040 Feet more or less to the South Line of Merchant Street; Thence Easterly along said South Line, 70 Feet to the East Line of Harrison Avenue; Thence Southerly along said East Line, 470 Feet more or less to the South Line of Station Street; Thence Westerly along said South Line, 215 Feet more or less to the West Line of Lot 1 in Block 30 of Kankakee City; Thence Southerly along said West Line extended, 150 Feet more or less to the South Line of Lot 6 in said Block 30 extended East; Thence Westerly along said South Line extended, 245 Feet more or less to the West Line of Indiana Avenue; Thence Southerly along said West Line, 50 Feet more or less to the South Line of Lot 8 in Block 31 of said Kankakee City; Thence Westerly along said South Line extended, 175 Feet more or less to the East Line of Lot 7 in said Block 31; Thence Northerly along said East Line to the South Line of the North 23 Feet of said Lot 7; Thence Westerly along said South Line extended, 180 Feet more or less to the Centerline of Dearborn Avenue; Thence Northerly along said Centerline, 48 Feet more or less

to the South Line of the North Half of Lot 5 in Block 32 of Kankakee City extended East; Thence Westerly along said South Line extended, 195 Feet more or less to the Centerline of a vacated alley in said Block 32; Thence Southerly along said Centerline, 125 Feet more or less to the South Line of Lot 10 in said Block 32 extended East; Thence Westerly along said South Line extended, 195 Feet more or less to the Centerline of Schuyler Avenue; Thence Northerly along said Centerline, 1240 more or less to the Centerline of Court Street, being the Point of Beginning.