

CITY OF MOUNT CARROLL,
CARROLL COUNTY, ILLINOIS

**DOWNTOWN AND SOUTH CITY
BUSINESS DEVELOPMENT DISTRICT**

DEVELOPMENT PLAN



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I. INTRODUCTION

The Business District Development and Redevelopment Law, as from time to time amended (65 ILCS 5/11-74.3-1 *et seq.*) (the “BDD Act”), provides the means for municipalities to revitalize and redevelop commercial areas and has been most successfully used in areas with deteriorated site improvements, obsolete platting, inadequate street layout, and insufficient parking mandated by modern retailing and business operations. The objectives of the BDD Act are to attract sound and stable commercial growth; to reduce or eliminate blighting conditions in order to attract private investment; and, to assure opportunities for development and redevelopment thereby enhancing the tax base of the municipality and all affected taxing districts.

The purpose of this document, entitled “City of Mount Carroll, Carroll County, Illinois, Downtown and South City Business Development District Development Plan” (the “*Business District Plan*”), is to provide a redevelopment plan for those properties legally described and as depicted on the map attached hereto as *Exhibit A* and generally described as follows:

All of the properties in the downtown district fronting on the north and south sides of Market Street; properties generally fronting on the west side of Main Street from Market Street to Benton Street; properties from on the east and west sides of Clay Street from Benton Street to Broadway Street; the properties generally bounded on the south side of Broadway Street between College Street to Madison Street and properties fronting the east and west sides of Madison Street between Benton Street and Broadway Street; properties fronting the east side of Clay Street from Seminary Street to the railroad tracks; properties along both sides of Route 52/64 generally bounded on the west by Jackson Street and the City’s corporate limits on the east; and properties along both sides of Route 52/64 generally bounded on the east by Clay Street with the City’s corporate limits on the west (the “*Proposed Business District*”).

The City has been advised that the Proposed Business District qualifies as a business district pursuant to the BDD Act, as stated in the Eligibility Report attached hereto as *Exhibit B*, which report analyzes the blighting factors now found within the Proposed Business District. The City believes that this area would benefit from designation as a “business district” as such designation empowers the Mayor and City Council of the City of Mount Carroll (the “*Corporate Authorities*”) as follows:

1. To make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan; a contract by and between the municipality and any developer or other nongovernmental person to pay or reimburse said developer or other nongovernmental person for business district project costs incurred or to be incurred by said developer or other nongovernmental person shall not be deemed an economic incentive agreement under Section 8-11-20 of the Illinois Municipal Code notwithstanding the fact that such contract provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes (including, without limitation, taxes imposed pursuant to subsection (10) below) the municipality receives from the development or redevelopment of properties in the business district. Contracts entered into pursuant to this subsection shall be binding upon successor corporate authorities of the municipality and any party to such contract may seek to enforce and compel performance of the contract by civil action, mandamus, injunction, or other proceeding.
2. Within a business district, to acquire by purchase, donation, or lease, and to own, convey, lease, mortgage, or dispose of land and other real or personal property or rights or interests therein; and to grant or acquire licenses, easements, and options with respect thereto, all in the manner and at such price authorized by law. No conveyance, lease, mortgage, disposition of land or other property acquired by the municipality, or agreement relating to the development of property, shall be made or executed except pursuant to prior official action of the municipality. No conveyance, lease, mortgage, or other disposition of land owned by the municipality, and no agreement relating to the development of property, within a business district shall be made without making public disclosure of the terms and disposition of all bids and proposals submitted to the municipality in connection therewith.
- 2.5 To acquire property by eminent domain in accordance with the Eminent Domain Act.
3. To clear any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land.
4. To install, repair, construct, reconstruct, or relocate public streets, public utilities, and other public site improvements within or without a business district which are essential to the preparation of a business district for use in accordance with a business district plan.
5. To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within any business district.

6. To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district.
7. To fix, charge, and collect fees, rents, and charges for the use of any building, facility, or property or any portion thereof owned or leased by the municipality within a business district.
8. To pay or cause to be paid business district project costs, as hereinafter defined. Any payments to be made by the municipality to developers or other nongovernmental persons for business district project costs incurred by such developer or other nongovernmental person shall be made only pursuant to the prior official action of the municipality evidencing an intent to pay or cause to be paid such business district project costs. A municipality is not required to obtain any right, title, or interest in any real or personal property in order to pay business district project costs associated with such property. The municipality shall adopt such accounting procedures as shall be necessary to determine that such business district project costs are properly paid.
9. To apply for and accept grants, guarantees, donations of property or labor or any other thing of value for use in connection with a business district project.
10. If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a retailers' occupation tax and a service occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for business district project costs as set forth in the business district plan approved by the municipality.
11. If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a hotel operators' occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for the business district project costs as set forth in the business district plan approved by the municipality.
12. To issue obligations to provide for the payment or reimbursement of business district project costs. Those obligations, when so issued, shall be retired in the manner provided in the ordinance authorizing the issuance of those obligations by the receipts of taxes imposed pursuant to subsections (10) and (11) above and by other revenue designated or pledged by the municipality.

In order to designate a business district, the Corporate Authorities shall undertake the following:

1. Hold a public hearing prior to the designation of the business district and approval of the Business District Plan after notice thereof has been published at least twice, the first publication to be not more than thirty (30) nor less than ten (10) days prior to the hearing.

2. Make findings that the Proposed Business District on the whole has not been subject to growth and development through private investment by private enterprises and would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district plan.
3. Affirm that the area proposed to be designated as a business district is contiguous and includes such parcels of real property as shall be directly and substantially benefitted by the proposed development.
4. Make a finding that the Proposed Business District is a blighted area as hereinafter defined, in order to impose the hotel operators' occupation tax, service occupation tax or retailers' occupation tax.

Upon the finding by the Corporate Authorities that the Proposed Business District is "blighted," as hereinafter defined, the Retailers' Occupation Tax may be imposed in quarter percent (.25%) increments at a total rate not to exceed one percent (1%) of the gross receipts from such sales made in the Proposed Business District in the course of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of the State's government. The Retailers' Occupation Tax may not be imposed for more than 23 years and may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and non-prescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use. A Service Occupation Tax may be imposed in quarter percent (.25%) increments at a total rate not to exceed one percent (1%) of the selling price of tangible personal property transferred within the Proposed Business District as an incident to making sales of service. The Corporate Authorities may also impose a Hotel Operators' Occupation Tax in the event a finding of blight is made, in quarter percent (.25%) increments at a total rate not to exceed one percent (1%) of the gross receipts from renting, leasing or letting hotel rooms within the Proposed Business District.

The Retailers' Occupation Tax, the Service Occupation Tax and the Hotel Operators' Occupation Tax shall hereafter collectively be referred to as "Sales Taxes." The Retailers' Occupation Tax and the Service Occupation Tax, if imposed, shall be collected by the Illinois Department of Revenue and then disbursed to the City. The Hotel Operators' Occupation Tax, if imposed, shall be collected by the City.

The BDD Act defines a “blighted area” as:

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

Given the Eligibility Report which concludes that the Proposed Business District is a blighted commercial area as defined by the BDD Act, the City desires to proceed with all other actions required under the BDD Act to impose such Sales Taxes as permitted thereby in order to implement this Business District Plan.

II. THE CITY OF MOUNT CARROLL

Mount Carroll, a vibrant community with small-town charm, covers 2.02 square miles, has a population of approximately 1,717, and is located ten (10) miles east of the Mississippi River in Carroll County, Illinois. Mount Carroll is also conveniently located 130 miles west of Chicago, Illinois, and 42 miles southeast of Galena, Illinois. The City of Mount Carroll is a non-home rule municipality governed by a City Council consisting of a Mayor and six (6) Aldermen members representing six (6) wards.

Mount Carroll got its start in the 1840s when it was built around a flour mill. Mount Carroll is now the county seat for Carroll County, which was named after Charles Carroll of Carrollton, one of the signers of the Declaration of Independence. Some say part of the town's name also stems from the fact that the town was built on large hill, which is rare for this area of Illinois where cornfields and flatlands predominate. Originally the nearby town of Savanna was the county seat for Carroll County, until the move to Mount Carroll was approved by vote in 1843.

While Mount Carroll began as a mill town around 1841, the town was not incorporated until 1855 and it did not become a city until 1867. Mount Carroll is served by IL-78, a major north to south artery which runs through Mount Carroll, and IL-64/ US Route 52 which is just outside of town. Much of Mount Carroll, including the town square in Mount Carroll's downtown area, which features quaint shops, restaurants, and attractions, has been designated as a Historic District on the National Register of Historic Places.

Around 1980, Mount Carroll beat out approximately 76 other Illinois towns to become one of the five communities selected to be part of the State of Illinois' Main Street program. Today, Mount Carroll's charms continue to be discovered. With its tree-lined streets and historic architecture, the City has an air of permanence that accompanies its casual, small town appeal.

Local businesses and government are active in preserving Mount Carroll's unique character. In 2005, the City Council approved the Downtown and South City Redevelopment Plan pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et. seq.*), which replicated and expanded upon the City's Comprehensive Plan of 1997 and provided a blueprint to revitalize the City's economy by leveraging its historic and architectural charm, unique artisan community, small business infrastructure, with its proximity to local tourist destinations. However, the closing of the historic Shimer College, which was established in Mount Carroll in 1853, left a void in Mount Carroll when the college relocated in 1979. While the Campbell Center for Historic Preservation Studies has taken over the campus and developed into a source of employment and culture for the community, the campus is deteriorating and the area is in need of renovations. Although there are no colleges or universities located in the town of Mount Carroll, Highland Community College, Clinton Community College, Sauk Valley Community College, and Mount St. Clare College do attract some Mount Carroll residents. Younger residents are served by Mount Carroll School District #304 which provides primary and secondary schools.

In large part, Mount Carroll has been able to remain immune to changes seen in other towns and cities. For example, there are no stop lights in Mount Carroll. Brick streets and the original architecture can still be found throughout the town. Mount Carroll's population has remained

relatively stable throughout its history.

The majority of employed Mount Carroll residents commute out of the town to get to work. As a result, in addition to attracting families, farmers, artists and artisans, Mount Carroll has also attracted retired individuals. Unlike many towns in the area, Mount Carroll's hilly terrain makes the town less than ideal for farmers.

Attractions in and around the town of Mount Carroll include a plethora of small shops such as Ideas 'N Designs and Dabluz Boutique - a jewelry/craft/antique shop located in the historic Hotel Glenview. Other attractions include the year-round haunted tour of Raven's Grin Inn, Mount Carroll Bowling Alley, Timber Lake Playhouse - a locally renowned professional summer theater company, and Charlie's - a restaurant/bar with live music venue. Mount Carroll's commercial district has a variety of family/ small business-owned restaurants such as Molly's and Sievert's, as well as coffee shops such as Bald Guyz Coffee & Bistro, which attract both locals and tourists passing through. In addition, Oak Ville Golf Course sits just outside of the town. Several local bed and breakfasts in Mount Carroll welcome visitors looking to take in the small town charm.

As a mature but quaint town, Mount Carroll remains desirable as a community in which to reside or visit. However, as an older landlocked community, consideration of incentives to revitalize the City's commercial districts is essential to the retention of its population.

III. DOWNTOWN AND SOUTH CITY BUSINESS DEVELOPMENT DISTRICT GOALS

General goals for the Downtown and South City Business Development District include, but are not limited to, the following:

- To create an environment that will contribute more positively to the health, safety and general welfare of the City;
- To replat parcels of property thereby permitting modern development and land use;
- To improve infrastructure that will serve the improvements on all of the properties and provide safe and efficient access to the parcels;
- To encourage new investment and development that will increase the value of properties within and adjacent to the Proposed Business District, improving the real estate and sales tax base;
- To increase construction and part-time and full-time employment opportunities for residents and non-residents of the City;
- To maintain and enhance the viability of the City's commercial corridor on in the Town Square area;
- To eliminate the factors that qualified the Proposed Business District as a blighted area;
- To provide a strong, positive visual image of the Proposed Business District through attractive and high-quality building design, site improvements and landscaping; and,
- To develop a land use pattern which promotes the highest degrees of health, safety and the well-being of the community.

IV. PROPOSED BUSINESS DISTRICT PROJECTS

The City proposes to achieve its development and redevelopment goals for the Downtown and South City Business Development District through the imposition of Sales Taxes as authorized under the BDD Act to undertake the activities, improvements and projects described below. The City also maintains the flexibility to undertake additional activities, improvements and projects authorized under the BDD Act and other applicable laws, if the need for activities, improvements and projects changes as redevelopment occurs in the Proposed Business District, including:

- Renovate and expand the Campbell Center; demolish or renovate the Mt. Carroll Inn and the Carrollton Inn;
- Eliminate environmental problems;
- Redesign and reconstruct roadways to provide safe and improved access to the commercial and retail areas;
- Improve buildings and add enhancements;
- Revitalize and upgrade buildings through site planning, façade improvements, and construction methods that provide cohesive design features and provide focus to the streetscape of the area;
- Improve streetscape design, pedestrian access, distinctive lighting, signage and landscaping, and other appropriate site amenities;
- Redesign site to enhance current uses, which may require the demolition and replacement of buildings;
- Provide and upgrade infrastructure to serve the development, including the construction of and improvements to utility and stormwater management infrastructure;
- Provide and upgrade the Galena Street Bridge as may be necessary to provide a safe and improved roadway crossing;
- Create convenient parking areas and parking structures as mandated by building expansion and land uses;
- Study of utility services to the Proposed Business District and the removal and relocation of utility poles;

- Construction of streetscape enhancements using trees and ornamental vegetation plantings, add community banners and attractive features to attract pedestrian usage and provide increased safety for both pedestrians and motorists; and,
- Site clearance and site preparation, such as subdividing or combining parcels for commercial use and vacation of unneeded parcels thereby providing land for development.

V. BUSINESS DISTRICT DEVELOPMENT PROJECT COSTS

A. The BDD Act states:

“Business district project costs” shall mean and include the sum total of all costs incurred by a municipality, other governmental entity, or nongovernmental person in connection with a business district, in the furtherance of a business district plan, including, without limitation, the following:

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

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

B. Estimated Project Costs

(1) Costs of studies, development plans, engineering and professional services	\$ 800,000.00
(2) Land assembly	\$ 2,000,000.00
(3) Site preparation, including land clearance, site improvements	\$ 2,000,000.00
(4) Repair and remodeling of existing buildings, new construction	\$ 2,000,000.00
(5) Improvements to public utilities, public streets	\$ 2,500,000.00
(6) Streetscape improvements	\$ 500,000.00
(7) Interest Costs	<u>\$ 500,000.00</u>
	\$ 10,300,000.00

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

VI. SOURCES OF FUNDS TO PAY DEVELOPMENT PROJECT COSTS

Upon designation of the Downtown and South City Business Development District by City ordinance, the City intends to impose the Retailers' Occupation Tax within the Proposed Business District, at a rate not to exceed one percent (1%) of the gross receipts from sales made in the course of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail within the Proposed Business District. Such tax shall not be applicable to the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.

The City also intends to impose a Service Occupation Tax upon all persons engaged within the boundaries of the Proposed Business District in the business of making sales of service at a rate not to exceed one percent (1%) of the selling price of all tangible personal property transferred within the Proposed Business District by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. Such tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.

The City shall further impose a Hotel Operators' Occupation Tax at a rate not to exceed one percent (1%) of the gross receipts from renting, leasing or letting hotel rooms within the Proposed Business District.

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

A City ordinance shall also be adopted by the Corporate Authorities to create a separate fund entitled the "Downtown and South City Business Development District Tax Allocation Fund" in order to receive the revenues generated by the Sales Taxes. Pursuant to the BDD Act, all funds received from the Sales Taxes must be deposited into this special fund.

Funds necessary to pay for business district project costs and to secure municipal obligations issued for such costs are to be derived primarily from the Sales Taxes. Other sources of funds which may be used to pay for business district project costs or to secure municipal obligations are state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. All such funds shall be deposited in the Downtown and South City Business Development District Tax Allocation Fund.

VII. ISSUANCE OF OBLIGATIONS

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

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

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

VIII. ESTABLISHMENT AND TERM OF THE DOWNTOWN AND SOUTH CITY BUSINESS DEVELOPMENT DISTRICT

The establishment of the Downtown and South City Business Development District shall become effective upon adoption of an ordinance by the Mayor and City Council adopting the Business District Plan and designating the Proposed Business District. Development agreements between the City and any developers or other private parties shall be consistent with the provisions of the BDD Act and this Business District Plan.

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

IX. FORMAL FINDINGS

Based upon the information described in the attached *Exhibit B*, the Mayor and City Council of the City of Mount Carroll, Carroll County, Illinois, find and determine the following:

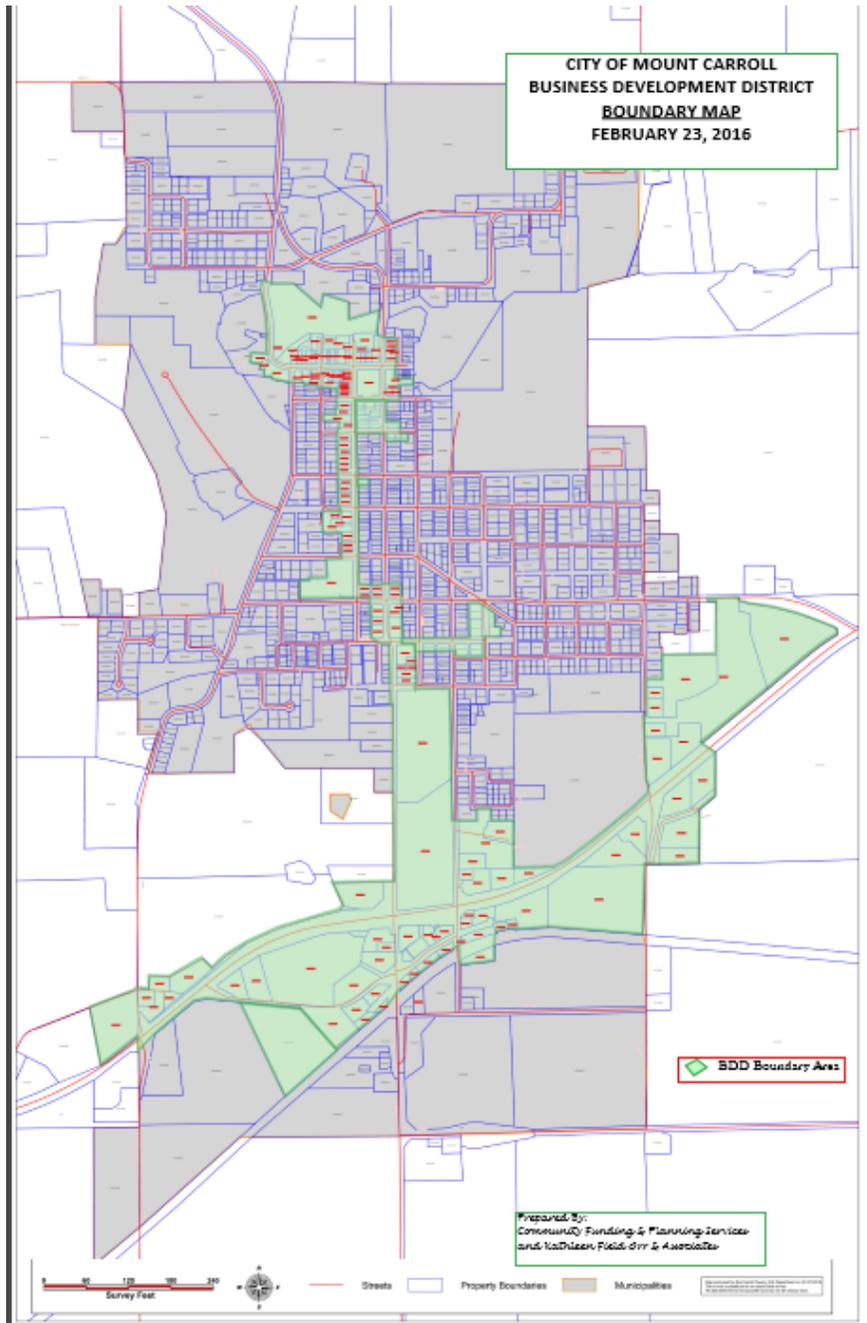
- (a) the Proposed Business District is a contiguous area and includes only parcels of real property directly and substantially benefitted by the proposed business district development or redevelopment plan;
- (b) the Business District Plan is consistent with the City of Mount Carroll's Comprehensive Plan for the development of the City as a whole;
- (c) the Proposed Business District is a blighted area as defined in the BDD Act by reason of significant deterioration of building and site improvements, obsolete platting and improper subdivisions;
- (d) the Proposed Business District constitutes an economic liability to the City in its present condition and use; and,
- (e) the Proposed Business District on the whole has not been subject to growth and development by private enterprises or would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district development or redevelopment plan.

X. PROVISIONS FOR AMENDING THE BUSINESS DISTRICT PLAN

The Mayor and City Council of the City of Mount Carroll may amend this Business District Plan from time to time by adopting an ordinance providing for such amendment.

EXHIBIT A

Proposed Business District Map



Proposed Business District - Legal Description:

A part of the Sections 1 and 12 in Township 24 North, Range 4 East, and part of Sections 6 and 7 in Township 24 North, Range 5 East of the Fourth Principal Meridian, Carroll County, Illinois, more particularly described as follows: Beginning at the Northeast corner of the Southwest Quarter of said Section 7; Thence South along the East line of the said Southwest Quarter to the point in which it intersects with the Northerly Right of Way line of the Canadian Pacific Railway property; Thence Westerly along the said Northerly Right of Way line, to the Southwesterly corner of the property conveyed to Thomas Cravatta described in a Warranty Deed in Book 950 of Deeds at Page 384 and recorded as Document No. 2008R-2500 in the Carroll County Recorder's; Thence Southerly, across the said Canadian Pacific Railway property, to the Northeast corner of the property conveyed to Konrad Sack described in a warranty deed in Book 719 of Deeds at Page 83 recorded in the said Recorder's Office; Thence Southerly, along the East line of said property, a distance of 160.42 feet, more or less to the Southeast corner of said property; Thence Westerly, along the South line of said property, a distance of 341.06 feet, more or less to a point on the East line of Jackson Street in the City of Mt. Carroll; Thence Northerly, along the said East line, to the point in which it intersects with the Northerly Right of Way line of the said Canadian Pacific Railway property; Thence Southwesterly, along the said Northerly Right of Way line, to the Southwesterly corner of the property conveyed to Highland Chemical, Inc. by a Special Warranty Deed recorded as Document No. 2009R-3200 in the Office of the Carroll County Recorder; Thence Northwesterly, along the Westerly line of said property, to the point in which it intersects the Southerly Right of Way line of West Commercial Street (old SBI Route 27/ State Route 64); Thence Westerly, along the said Southerly Right of Way line, to the point in which it intersects with the Southerly Right of Way line of U.S. Route 52/Illinois Route 64 (Relocated SBI Rte 27); Thence Southwesterly, along the said Southerly Right of Way line, to the point in which it intersects with the West line of the Southeast Quarter of Section 12; Thence North, along the said West line, to the point in which it intersects with the Northerly Right of Way line of U.S. Route 52/Illinois 64 (Relocated SBI Rte 27); Thence Southwesterly, along the said Northerly Right of Way line, to the Southwesterly corner of the property conveyed to Richard and Carol Frey in a Corporation Deed described in Book 264 of Deeds at Page 335 in the Office of the Carroll County Recorder; Thence Northwesterly, along the Westerly line of said property, 545.29 feet, more or less, to the Northwest corner of said property; Thence Northeasterly, along the Northerly line of said property, a distance of 523.68 feet, more or less, to the Northeast corner of said property, being on the East line of the Southwest Quarter of said Section 12; Thence Easterly, along the Northerly line of the property conveyed to the Carroll County Board of Health and described in a Deed recorded as Doc. No. 2015R-0296 in the Office of the Carroll County Recorder, to the Southwest corner of the parcel of land having a parcel identification number of 05-08-12-400-025 and being described in "Parcel 1" in a Deed in Trust recorded August 23, 2004 as Document No. 483715 in Book 756 at Page 400 in the Office of the Carroll County Recorder; Thence Northerly, along the West line of said parcel, a distance of 130.28 feet, more or less, to the Northwest corner of said parcel; Thence Easterly, along the Northerly line of said parcel, a distance of 195.69 feet, more or less, to the Northeast corner of said parcel, said point also being the Northwest corner of the parcel of land having a parcel identification number of 05-08-12-400-027 in the said Recorder's Office; Thence Northeasterly, along the Northerly line of said parcel, to the Northeast corner thereof; Thence Southerly, along the Easterly line of said parcel, to where it intersects with the Northerly Right of Way line of US Route 52/Illinois 64 (Relocated SBI Rte 27); Thence Northeasterly, along the said Northerly Right of Way line, to the point in which it intersects with the property conveyed to the Carroll County Farm Bureau by a Warranty Deed recorded June 2, 1965 as Doc. No. 224489 in Book 115 at Page 96 in said Recorder's Office; Thence Northerly, along the Westerly line of said property, a distance of 252.76 feet, more or less, to the Northwest corner of said property; Thence Easterly, along the North line of said property, to the point in which it intersects with the Westerly Right of Way line of Illinois Route 78; Thence Northerly, along the said Westerly Right of Way line, to the point in which it intersects with the South line of West Broadway Street; Thence Westerly, along the said South line, to the point in which it intersects with the Southerly extension of the West line of

Lots 1, 4, 5, 8, & 9 in Block 7 of Rinewalt and Halderman's Third Addition to the City of Mt. Carroll; Thence Northerly, along the West line of said Lots, and the Southerly and Northerly extensions thereof, to the point in which it intersects with the North line of East Benton Street, said line also being the South line of Block 4 of said Rinewalt and Halderman's Third Addition; Thence Westerly, along the North line of East Benton Street (South line of said Block 4), to the point in which it intersects with the West line of South Main Street, said point being the Southeast corner of Lot 6 in Block 5 of Rinewalt and Halderman's Third Addition to the City of Mt. Carroll, said corner being the Southeast corner of the property conveyed to Tritent International Corp. by a Warranty Deed recorded as Document No. 2015R-1891 in the Office of the Carroll County Recorder; Thence continuing Westerly, along the line of East Benton Street, and the South line of said property, a distance of 525.91 feet, more or less, to the Southwest corner thereof; Thence Northerly, along the West line of said property, a distance of 188.67 feet, more or less, to a point; Thence Easterly, along the boundary of said property, a distance of 94.00 feet, more or less, to a point; Thence Northerly, along the boundary of said property, a distance of 20.00 feet, more or less, to a point; Thence Easterly, along the boundary of said property, a distance of 177.14 feet, more or less, to a point; Thence Northerly, along the boundary of said property, a distance of 190.10 feet, more or less, to a point on the South line of Franklin Street in the City of Mt. Carroll; Thence Easterly, along the said South line, to the point in which it intersects with the Southerly extension of the East line of Elizabeth Avenue in the City of Mt. Carroll; Thence Northerly, along the said East line and the Southerly Extension thereof, to a point on the South line of the parcel conveyed to Reed A. Hutchcraft by a Warranty Deed recorded as Document No. 441642 in Book 293 at Page 329 in the Office of the Carroll County Recorder; Thence Westerly, along the said South line, to the Southwest corner of said parcel, said point being in the centerline now vacated Carroll Street in said Mt. Carroll; Thence Northerly, along the West line of said parcel, to a point on the South line of West Washington Street in said Mt. Carroll; Thence Easterly, along the said South line, to the point in which it intersects with the Southerly extension of the Lots 1, 4, 5, & 8 in Block 6 of Rinewald and Halderman's First Addition to the City of Mt. Carroll, according to the plat thereof recorded September 28, 1854 in Plat Book 9 at Page 49 in the Office of the Carroll County Recorder; Thence Northerly, along the West line of said Lots and the Southerly extension thereof, to the Northwest corner of Lot 1 in said Block 6, said corner being on the South line of West Center Street; Thence Northerly, across said West Center Street, to the Southwest corner of Lot 9 in Block 14 of the N. Halderman Plat of the Town, now city, of Mt. Carroll; Thence Northerly, along the West line of Lots 9, 8, 5, 4, & 1 in said Block 14, to the Northwest corner of Lot 1 in said Block, said corner being on the South line of West Pleasant Street; Thence Northeasterly, across said West Pleasant Street, to the Southwest corner of parcel conveyed to Douglas P. and Laurel L. Bergren by a Warranty Deed recorded as Document No. 443997 in Book 314 at 251 in the Office of the Carroll County Recorder; Thence Northerly, along the West line of said parcel to a point on the Southerly line of Lot 5 in Block 9 of the Original Town of Mt. Carroll; Thence Westerly, along the said South line of Lot 5 and the South line of Lot 6 in said Block 9, to the Southwest corner of said Lot 6; Thence Northerly, along the West line thereof, to the Northwest corner of said Lot 6; Thence Easterly, along the North line of said Lot 6, to the Southwest corner of the property conveyed to Pins4Cruisin' LLC by a Warranty Deed recorded as Document No. 2013R-2537 in the Office of the Carroll County Recorder; Thence Northerly, along the West line of said property, to the Northwest corner thereof, being on the North line of Lot 3 in said Block 9; Thence Easterly, along the North line of said Lot 3, a distance of 10.00 feet, more or less, to the Southwest corner of lot 1 in said Block 9; Thence Northerly, along the West line of said Lot 1, to the Northwest corner of said Lot 1, also being the South line of East Rapp Street; Thence Northerly, across said East Rapp Street, to the Southwest corner of Lot 7 in Block 6 of the Original Town of Mt. Carroll; Thence Northerly, along the West line of said Lot, a distance of 66 feet 4 and one quarter inches, more or less, to the Northwest corner of said Lot 7, said corner being the Northwest corner of the property conveyed to the Carroll County Senior Services Organization, Inc. by a Corporation Deed recorded as Document No. 474502 in Book 641 at Page 175 in the Office of the Carroll County Recorder, said corner also being the Northeast corner of Lot 8 in said Block 6; Thence Westerly, along the Southerly line of the parcel conveyed to Charlotte A. Eagleton by a Quit Claim Deed recorded as Document No. 471679 in Book 601 at Page 215 in said Recorder's Office, being a part of Lots 3, 4, & 5 in said Block 6, and the Westerly

extension of the South line of said parcel, to the point in which it intersects with the West line of North Carroll Street, also being the East line of Block 7 of the Original Town (N. Halderman) Plat of Mt. Carroll; Thence Northerly, along the said East line, to the Southeast corner of the property conveyed to Richard C. and Norma Floming recorded as Document No. 386227 in Book 1 at Page 68 in the said Recorder's Office, said point being 21 feet, more or less, Southerly of the Northeast corner of Lot 6 in said Block 7; Thence Westerly, along the South line of said property conveyed to Flomings, a distance of 137 feet, more or less, to the West line of said Lot 6, and the Southwest corner of the said Floming Property; Thence Northerly, along the said West line, a distance of 21 feet, more or less, to the Southeast corner of Lot 4 in said Block 7; Thence Westerly, along the South line thereof, a distance of 100 feet, more or less, to the Southwest corner of said Lot 4, said corner being on the East line of Mill Street; Thence Westerly, across said Street, to the Southeast corner of the parcel conveyed to Robert and Ginger Law by a Warranty Deed recorded as Document 456728 in Book 430 at Page 350 in the said Recorder's Office, and having a parcel identification number of 05-08-01-400-06; Thence Westerly, along the Meandering Southerly line of said parcel, to the Southeast corner of the parcel conveyed to Sonny K. Westphal by a Warranty Deed recorded as Document No. 2012R-1828, and having a parcel identification number of 05-08-01-400-005; Thence Westerly and Northerly along the boundary of said parcel, to a point on the Southerly line of the parcel of land described in Document No. 2006R-3144 in Book 849 at Page 178 recorded in the said Recorder's Office, and having a parcel identification number of 05-08-01-400-004; Thence along the boundary of said parcel, in a clockwise direction, to a point on the Westerly line of North Galena Street; Thence Northerly, along the said Westerly line, to the point in which it intersects with the Westerly extension of the North line of the property conveyed to the city of Mt. Carroll by a deed recorded as Document No. 390934 in Book 18 at Page 219 in said Recorder's Office, and having a parcel index number of 05-08-01-200-029; Thence Easterly, along the Northerly boundary of said property conveyed to the City of Mt. Carroll, and the Westerly extension thereof, to where it intersects with the Westerly Right of Way line of F.A. Route 642 (Illinois Route 78); Thence Southerly, along the said Right of Way line, to the Northeast corner of the parcel of land described in a contract of real estate recorded as Document No. 2012R-1341 and having a parcel identification number of 05-08-01-202-004; Thence Southerly, along the Easterly line of said parcel, a distance of 30.01 feet, more or less, to the North line of Lot 10 of Halderman's Subdivision of Block 3 of the Original Town, now City of Mount Carroll; Thence Southerly and Easterly, along the Westerly Right of Way line of said F.A. Route 642, to where it intersects with the East line of Lot 10 in said Block 3; Thence Southeasterly, across said F.A. Route 642 (Illinois Route 78), to the point of intersection of the Easterly Right of Way line of said F.A. Route 642 with the North line of Lot 10 of the resurvey, subdivision and plat of Block 4 of the N. Halderman Plat of the Town (now City) of Mount Carroll, as resurveyed by H.C. Hunter in 1895; Thence Easterly, along the North line of said Lot 10, to the Northeast corner thereof; Thence Southerly, along the East lines of 10, 9, 8, & 6 in said Block 4, to the Southeast corner of said Lot 6; Thence Southwesterly, across East Market Street in said Mount Carroll, to a point on the North line of Lot 2 in Block 5 of N. Halderman Plat of the Town (now City) of Mount Carroll, said point being the Northeast corner of the parcel of land conveyed to the National Bank and described in Document No. 474998 in Book 648 at Page 248 in the Office of the Carroll County Recorder, and having a parcel identification number of 05-09-06-301-004; Thence Southerly, along the boundary of said parcel, a distance of 92.00 feet, more or less; Thence Easterly, along the boundary of said parcel, a distance of 23.00 feet, more or less; Thence Southerly, along the boundary of said parcel, 15.00 feet, more or less, to a point that is 25.00 feet North of the Southerly line of Lot 3 in said Block 5; Thence Easterly, along the boundary of said parcel, and 25.00 feet North of the South line of Lots 3 & 4 in said Block 5, to a point on the Easterly line of said Lot 4; Thence Southerly, along the boundary of said parcel, and the said East line of Lots 4 & 5, a distance of 58.5 feet, more or less, to a point that is 33.5 feet perpendicularly distant South of the North line of said Lot 5; Thence Westerly, along the boundary of said parcel, and a line that is 33.5 feet perpendicularly South of the North line of said Lot 5, to a point that is 12.5 feet East of the West line of said Lot 5; Thence Southerly along the boundary of said parcel, and 12.5 feet East of the West line of said Lot 5 and Lot 8 in said Block 5, to the Southeast corner of the said boundary of the property conveyed to The National Bank, being a point on the South line of said Lot 8, also being on the North line of East Rapp

Street; Thence Westerly, along the South line of said Lot 8 and Lot 7 in said Block 5, to the Southwest corner of said Lot 7, also being a point on the Easterly Right of Way line of F.A. Route 642 (Illinois Route 78); Thence Southerly, along the said Easterly Right of Way line, to the Northwest corner of Lot 7 in Block 11 of the Original Town (now City) of Mount Carroll, said point being the Northwest corner of the parcel of land described in a Warranty Deed recorded as Document No. 2013R-3206 in the said Recorder's Office, and having a parcel identification number of 05-09-06-301-013; Thence Easterly, along the North line of said parcel, to the Northeast corner thereof; Thence Southerly, along the Easterly line of said parcel (East line of Lot 7), to the Southeast corner of said parcel; Thence Southeasterly, across East Pleasant Street, to the Northeast corner of the parcel of land conveyed to Eina J.L. Schroeder by a Warranty Deed recorded as Document No. 479172 in Book 703 at Page 117 in the Office of the Carroll County Recorder, said point being 60 feet west of the Northeast corner of Lot 1 in Block 12 of the said Original Town of Mount Carroll; Thence Southerly, along the Easterly line of said parcel, 72.67 feet, more or less, to the Southeast corner of said parcel, being a point on the South line of said Lot 1; Thence Westerly, along the South line of said Lot 1 and the South line of Lot 2 in said Block 12, to the Southwest corner of said Lot 2, said corner being on the Easterly Right of Way line of F.A. Route 642 (Illinois Route 78); Thence Northerly, along the said Right of Way line, to the Southwest corner of Lot 7 in Block 11 in said Original Town of Mt. Carroll; Thence Westerly, across said F.A. Route 642, to the Southeast corner of Lot 8 in Block 10 of the Resurvey of the N. Halderman Plat of the Original Town (now City) of Mount Carroll; Thence Westerly, along the South line of said Lot 8 and Lot 7 in said Block 10, to the Southwest corner of said Lot 7, said corner being on the Easterly line of North Main Street in said Mount Carroll; Thence Southerly, along the said Easterly line, to the Northwest corner of Lot 10 in Block 4 of Rinewalt and Halderman's Third Addition to the City of Mount Carroll; Thence Easterly, along the North line of said Lot 10 and the North line of Lot 9 in said Block 4, to the Northeast corner of said Lot 9, said corner being on the Westerly Right of Way line of F.A. Route 642 (Illinois Route 78); Thence Easterly, across said F.A. Route 642, to the Northwest corner of Lot 10 in Block 3 of said Rinewalt and Halderman's Third Addition; Thence Easterly, along the North line of said Lot 10, to the Northeast corner thereof; Thence Southerly, along the Easterly line of said Lot 10 and Lot 11 in said Block 3, and the Southerly extension thereof along the Easterly line of Lots 2, 3, 7, & 10 in Block 8 of said Rinewalt and Halderman's Third Addition, to the Southeast corner of said Lot 10, said corner being on the North line of West Broadway Street in said Mount Carroll; Thence Easterly, along the said North line, to the Southwest corner of Lot 9 in Block 10 of said Rinewalt and Halderman's Third Addition; Thence Northerly, along the West line of Lots 9, 8, 5, 4, & 1 in said Block 10, to the Northwest corner of said Lot 1, said point being on the South line of East Benton Street in said Mount Carroll; Thence Easterly, along the North line of said Lot 1, to the point in which it intersects with the Southerly Right of Way line of East State Road; Thence Southeasterly, along the said Southerly Right of Way line, to the Northeast corner of the property conveyed to Jan Morgan by a Warranty Deed recorded as Document No. 465499 in Book 521 at Page 299 in the Office of the Carroll County Recorder, said point being on the Northerly line of Lot 2 in Block 11 in said Rinewalt and Halderman's Third Addition; Thence Southerly, along the East line of said property, to a point 100 feet, more or less, from the Southerly line of Lot 6 in said Block 11; Thence Easterly, along the boundary of said property, to a point on the Easterly line of Lot 5 in said Block 11; Thence Southerly, along the Easterly line of said Lot 5 and Lot 6, a distance of 100 feet, more or less, to the Southeast corner of said Lot 6, being the Southeast corner of said property in Book 521 at Page 299 in the Office of the Carroll County Recorder; Thence Westerly, along the Southerly line of said property and the South line of Lot 6, and the Westerly extension thereof, to the Southeast corner of Lot 9 in Block 4 of said Rinewalt and Halderman's Third Addition; Thence Southerly, along the Westerly line of South Madison Street, to the point in which it intersects with the North line of Ridge Street in said Mount Carroll; Thence Westerly, along the said North line, to a point on the Westerly line of Lot 3 in Block 13 of said Rinewalt and Halderman's Third Addition, said point being 120 feet, more or less, Southerly of the Northwest corner of Lot 2 in said Block 13; Thence Westerly, across South Jackson Street, to the Southeast corner of Lot 1 in Block 14 of said Rinewalt and Halderman's Third Addition; Thence Westerly, along the Southerly line of said Lot 1 and Lot 2 in said Block 14, and the Westerly extension thereof, to the Southeast corner of Lot 1 in Block 3 of said Rinewalt and Halderman's Third Addition; Thence Southerly, along the

Easterly line of said Block 3, and the Southerly extension thereof, to a point on the Southerly line of Seminary Street in said Mount Carroll; Thence Easterly, along the said Southerly line, to the point in which it intersects with the Westerly line of South Jackson Street; Thence Southerly, along the said Westerly line, to the point in which it intersects with the Westerly extension of the Northerly line of the property conveyed to Henry's Double K, LLC in a Warranty Deed described as Document 2013R-0556 recorded in the Office of the Carroll County Recorder; Thence Easterly, along the said Northerly line, to the Southwest corner of Lot 1 in Block 1 of Frey's Second Addition to the City of Mount Carroll; Thence Northerly, along the boundary of said Henry's Double K, LLC, and the West line of said Lot 1, a distance of 120.07 feet, more or less, to the Northwest corner of said Lot 1; Thence Easterly, along the North line of said Lot 1 and Lot 2 in said Block 1, a distance of 147.93 feet, more or less, to the Northeast corner of said Lot 2; Thence Southerly, along the East line of said Lot 2, a distance of 120.04 feet, more or less, to the Southeast corner of said Lot 2; Thence Easterly, along the boundary of said Henry's Double K, LLC, and the South line of Block 1 of Frey's Second Addition, to the Southeast corner of Lot 5 in said Addition, said corner being on the East line of the Southwest Quarter of the Northwest Quarter of Section 7, Township 24 North, Range 5 East of the Fourth Principal Meridian; Thence Southerly, along the said East line, to the Southeast corner of the said Southwest Quarter of the Northwest Quarter; Thence Easterly, along the South line of the Southeast Quarter of the said Northwest Quarter, to the Northerly Right of Way line of FA Route 17 (US52/IL64); Thence Northeasterly, along the said Right of Way line, to the point in which it intersects with the West line of the Northeast Quarter of said Section 7; Thence Northerly, along the said West line, to the point in which it intersects with the Westerly extension of the South line of Lot 2 of "Derrer Eastview Subdivision #1", being a part of the Northeast Quarter of said Section 7; Thence Easterly, along the South line of said Lot 2, to the Southeast Corner thereof; Thence Northerly, along the East line of said Lot 2 and Lot 1 of said Subdivision to the Northeast corner of said Lot 1; Thence Northerly along the West line of the property described in Parcel #1 in a Deed recorded as Document No. 393150 in Book 28 at Page 106 in the Office of the Carroll County Recorder; Thence Northerly, along the said West line, to Southwest corner of a parcel of land described in Document No. 475414 in Book 654 at Page 286 in the said Recorder's Office; Thence Easterly, along the South line of said parcel, and the South line of the parcel of land described on the deed recorded in Book 67 at Page 290 in the said Recorder's Office, to the Southeast corner thereof; Thence Northerly, along the said parcel in Book 67, to the Southerly Right of Way line of Benton Street; Southeasterly, along the said Southerly Right of Way line, to the Northerly Right of Way line of FA Route 17 (US52/IL64); Thence Southwesterly, along the said Northerly Right of Way line to the Southeast corner of the parcel conveyed to Johnston Investments, LLC and described as Parcel IV recorded as Document No. 486993 in Book 795 at Page 83 in the said Recorder's Office; Thence Southeasterly, across FA Route 17 (US52/IL64), to the Northeast corner of Lot 2 of "Derrer's East Commercial Subdivision" being a part of the Northeast Quarter of said Section 7, according to the plat thereof recorded July 16, 1992, in Plat Rack 2, No. 2 in the said Recorder's Office; Thence Southerly, along the East line of said Lot 2, and the Southerly extension thereof, to a point on the South line of East Commercial Street in said Subdivision; Thence Southwesterly, along the said South line, to the Northeast corner of Lot 3 in said Subdivision; Thence Southerly, along the East line of said Lot 3 and Lots 4 & 5 in said Subdivision, a distance of 550.59 feet, more or less, to the Southeast corner of said Lot 5; Thence Westerly, along the South line of said Lot 5, a distance of 543.00 feet, more or less, to the point of beginning.

EXHIBIT B

ELIGIBILITY REPORT

CITY OF MOUNT CARROLL,
CARROLL COUNTY, ILLINOIS

**DOWNTOWN AND SOUTH CITY
BUSINESS DEVELOPMENT DISTRICT**

DEVELOPMENT PLAN

ELIGIBILITY REPORT

**CITY OF MOUNT CARROLL, CARROLL COUNTY, ILLINOIS
DOWNTOWN AND SOUTH CITY
BUSINESS DEVELOPMENT DISTRICT**

ELIGIBILITY REPORT

The proposed Downtown and South City Business Development District includes the real estate identified in Exhibit A of the Development Plan of the proposed Downtown and South City Business Development District Development Plan. The District contains a mix of commercial, industrial, residential and public uses as well as vacant areas. As a whole, the improved areas are characterized by aging properties, deteriorated buildings, deteriorated site improvements, vacant buildings, and vacant land. The District covers approximately _____ acres and can be generally described as follows:

All of the properties in the downtown district fronting on the north and south sides of Market Street; properties generally fronting on the west side of Main Street from Market Street to Benton Street; properties front on the east and west sides of Clay Street from Benton Street to Broadway Street; the properties generally bounded on the south side of Broadway Street between College Street to Madison Street and properties fronting the east and west sides of Madison Street between Benton Street and Broadway Street; properties fronting the east side of Clay Street from Seminary Street to the railroad tracks; properties along both sides of Route 52/64 generally bounded on the west by Jackson Street and the City's corporate limits on the east; and properties along both sides of Route 52/64 generally bounded on the east by Clay Street with the City's corporate limits on the west (the "*Proposed Business District*").

The legal description of the Proposed Business District is included as Exhibit A of the Downtown and South City Business Development District Development Plan.

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

"Blighted area" means an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing

accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare.”

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

I. ANALYSIS OF THE PROPOSED BUSINESS DISTRICT

The Proposed Business District encompasses the City's downtown historic district and its highway commercial districts and includes a wide range of mixed uses as well as vacant areas. As a whole, the improved areas are characterized by aging properties, deteriorated buildings, deteriorated site improvements, vacant buildings, and vacant land. With the City of Mount Carroll being the County Seat, its downtown district is home to many professional services that utilize the courthouse. Despite this fact, there are many vacant buildings and the downtown has suffered from a lack of private investment. Growth along the highway commercial district has occurred mainly due to the lack of expansion space around the downtown district.

In order to determine if the proposed Business District demonstrated those factors which constitute a "blighted area" are significantly present throughout the area, an investigation was conducted of the existing conditions including:

- 1) a survey of the properties and use of the structures within the proposed district;
- 2) a survey of the adequacy of existing streets, the condition of the streets, traffic patterns, lighting and parking facilities;
- 3) survey of recorded plats and configuration of parcels;
- 4) review of county records as deemed necessary; and,
- 5) discussions with City officials and local residents to ascertain the existing conditions acting as hurdles to new development and improvement.

The Proposed Business District is comprised of 188 parcels of which approximately 170 are improved with structures. A majority of the improved structures are considered to be 'deteriorated', and more than 60% of the area contains site deterioration. Additionally, a large majority of the improved structures are more than fifty years old. Despite the serious need for updating, the City has seen a reduction in building permits. Further, the equalized assessed valuation (EAV) for the City of Mount Carroll as a whole has increased only twice within the last 10 years. And the 2014 EAV is significantly less than the EAV of a decade ago. No significant private investment has occurred in the area in the past decade.

The City hopes that the continued renovation of the Market Street Commons building, a historic landmark in the downtown district, will spur further renovation projects in the downtown district. Also, redevelopment is being proposed to the former school building and the Campbell Center facility to house the Reagan International Academy, a specialized private for-profit high school that is providing an English education to primarily students from China. The City is hopeful this will attract new activity in the area.

The Proposed Business District is plagued by deteriorated structures, deteriorated brick streets and inferior roadways, lacking and deteriorated sidewalks, archaic street lighting, and significant vacancies.

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

- A – Limited Agricultural
- C2 – DownTown Commerce
- R2 – Medium Density Residential
- C1 – Highway/Auto Commerce
- I - Industry

II. EXISTENCE OF BLIGHTING FACTORS

A. *Deterioration of Buildings and Site Improvements*

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

Of the 170 improved structures within the Proposed Business District, 113 (66%) were identified to be deteriorated. This goes without saying, given the fact that nearly half of the improved structures are more than 100 years old and 76% are more than fifty years old. This determination was based upon visible defects of building components from the exterior surveys. Additionally, many of these buildings, as well as other buildings throughout the area, also do not meet the Americans with Disabilities Act standards for commercial properties.

Part of the City of Mount Carroll's historic charm is its nostalgic brick-paved streets that encompass the entire downtown district and along Main Street. While the bricks themselves provide a longer life than a normal roadway surface, replacement of bricks and on-going maintenance is still required and necessitated in the City's case. The other interior roadways within the City are basically chip-n-seal roadway surfaces. Some of the roadways have many layers of chip-n-seal, creating a very high crown on the roadway and sometimes making the roadway higher than the curb area. Some of the roadways are simply gravel roads with no pavement markings, no curb and gutter, no storm water facilities and limited street lighting.

Parking areas, curbing, and sidewalks (or lack thereof) throughout the Proposed Business District were found to have deteriorated conditions in the form of missing and cracked pavement and concrete, potholes, loose paving materials, and weeds protruding through paved surfaces. The necessary site improvements needed to encourage private investment are sorely lacking in the Proposed Business District, and will require substantial investment on the part of the City.

B. *Obsolete Platting; Improper Subdivision*

A very significant blighting factor to be found in the Proposed Business District is obsolete platting, a factor which contributes to deleterious use of properties and, in the case at hand, excessive vacancies. A majority of the parcels in the City's historic downtown district were first platted around 1850 and have retained their original dimensions. A significant number of the parcels in the downtown district are too narrow in width (the smallest being twenty-two feet wide) and far too shallow (a majority being one hundred and thirty-two feet in length) to permit modern commercial development.

Development occurred prior to the benefit of a comprehensive community plan, or guidelines requiring proper land use arrangements, building setbacks and loading or service requirements. In 1967, Mount Carroll adopted a Zoning Ordinance, with the main purpose of ensuring public health, safety and general welfare in accordance with the adopted development goals, plans and policies as stated in the proposed comprehensive plan, for the future development of the City. Mount Carroll adopted the proposed Comprehensive Plan, whose main purpose was to establish a set of goals to guide future development.

Excessive land coverage and overcrowding of structures and community facilities is present within the Proposed Business District as indicated primarily by buildings that cover most or all of the parcels upon which they are situated, or have multiple buildings on a single tax parcel. The properties affected are mainly commercial and do not contain adequate setbacks, off-street parking space, access to public right-of-way and adequate loading and service areas. Lack of parking within the downtown district has always been a problem and concern for the City and its businesses.

III. DETERMINATION OF ELIGIBILITY UNDER THE BDD ACT

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

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

IV. FORMAL FINDINGS

The proposed Downtown and South City Business Development District is:

- A. A contiguous area and includes only parcels of real property which will be directly benefitted by the proposed Downtown and South City Business Development District Development Plan.
- B. The Business District Plan is consistent with the City's comprehensive plan.
- C. The proposed Downtown and South City Business Development District is a blighted area as defined in the BDD Act due to significant deterioration of building and site improvements, obsolete platting and improper subdivision.
- D. The proposed Downtown and South City Business Development District is an economic liability in its present condition due to the economic underutilization of the area.
- E. The proposed Downtown and South City Business Development District has experienced minimal development by private enterprise but continued development is not reasonably anticipated without the adoption of the BDD Act, approval of the proposed Downtown and South City Business Development District Development Plan and assistance of the City with the extraordinary costs of the necessary improvements to induce private investment.