

**January 26, 2023**

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**CITY OF NAPERVILLE, ILLINOIS**  
**CITY OF NAPERVILLE BLOCK 59 BUSINESS DISTRICT PLAN**

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**City of Naperville, Illinois**  
**&**  
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# I. INTRODUCTION

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## **Background**

The City of Naperville (the "City") has identified an area on the northeast corner of Illinois Route 59 and Aurora Avenue (the proposed "Business District") that would benefit from the utilization of a business district designation as specifically provided for in 65 ILCS 5/11-74.3-1 et. seq., as amended (the "BD Act" or "Business District Act"). The Business District Act authorizes Illinois municipalities to designate an area within the municipality as a "Business District" as defined in the BD Act. A Business District must be established in conformance with a specific plan officially approved by the City Council (the "City Council") of the City after holding a public hearing on the proposed designation. Kane, McKenna and Associates, Inc. ("KMA") has been retained to assist the City in determining the eligibility of the area in accordance with the BD Act and in preparing this Business District Plan.

The proposed Business District (sometimes referred to as the "Study Area" therein) includes two strategic shopping centers within the City, Heritage Square shopping center ("Heritage"), and the southeast portion of Westridge Court shopping center ("Westridge"), as well as the Hollywood Palms Cinema ("Cinema"), and certain adjacent rights-of way. The proposed Business District is legally described in Appendix A and graphically depicted in Appendix B. The proposed Business District is generally bounded by Aurora Avenue to the south, a line 988 feet north of Aurora Avenue to the north, IL Route 59 to the west, and Fort Hill Drive to the east, and consists of approximately 45 acres. The property comprising the proposed Business District is presently collectively owned by two wholly owned subsidiaries of Brixmor Property Group, a publicly traded real estate investment trust (the "Developer"). Each of the subsidiaries supports and consents to the establishment of the Business District.

The proposed Business District consists of approximately 506,000 square feet of retail space, the majority of which was constructed in the mid- to late- 1980's. While generally a successful retail corner, the Study Area has trended upward in vacancy consistently since a low in 2015. Despite some post-pandemic recovery, over 40% of the Study Area's retail space remains vacant.

Heritage opened as a 212,000-square-foot strip center. The site is improved with four commercial/retail buildings, and approximately 960 accessory parking spaces. At present, Heritage is approximately 83% vacant, which significantly contributes to the overall Study Area's vacancy. Original anchor tenants included Montgomery Ward, DSW Shoes, and Circuit City.

The southeast portion of Westridge opened as a 244,000-square foot shopping center, with a strip center along Aurora Avenue. Original anchor stores along Aurora Avenue included Cub Foods, Ulta, and a Spiegel Outlet. At times Westridge has struggled with vacancy, particularly in the mid 2000's. The Aurora Avenue portion of Westridge particularly has struggled, largely due to lack of visibility from the higher trafficked Route 59. Most of Westridge is now in its fourth generation of big box retailers, and the center currently maintains consistent tenancy. However, big box stores tend to turn over in the center every 7 to 12 years.

The Hollywood Palms Cinema consists of one 50,000-square foot movie theater, which opened as a Nova 8 Cinema. The Cinema's ticket sales have remained consistent with the rest of the movie theater market, and have now returned to pre-pandemic levels.

Heritage, Westridge, and the Cinema were developed by separate ownership in a non-cohesive fashion. This is evidenced by the curvilinear site drive, connecting the northwest and southeast portions of Westridge, and bisecting Heritage and the Cinema. The construction of Heritage up to the lot line further blocks visibility of the Cinema from both Route 59 and Aurora Avenue. Not only is the lack of visibility detrimental to Cinema's business, but it also creates a hazard for traffic flow for both pedestrians and vehicles alike. The Business District is now under common Developer ownership, and the proposed development seeks to integrate the Study Area into a single, cohesive shopping center with improved traffic flow for vehicles and pedestrians, enhanced environment to drive tenancy and a variety of public amenities.

According to the Developer, the proposed Business District includes more than 1 out of every 10 square feet of retail space along the Route 59 corridor. The Covid-19 pandemic accelerated a trend of right-sizing retail: many retailers exited the market altogether, big boxes reduced the number of stores and those that remained sought retail spaces that better reflected their footprint needs. According to the Developer, this ongoing and persistent trend has created an excess of vacancies not only in the proposed Business District, but throughout the corridor. These vacancies have contributed to a significant lag in both the sales tax and property tax collected from the Study Area. The vacancy challenge reverberates throughout the center, as many retailers rely on traffic generated by co-tenants. The vacancy trend has a cascading and negatively reinforcing effect: less traffic leads to fewer tenants, and tenants leaving contribute to lower levels of traffic. Per the Developer, retail spaces such as those present in the Study Area were built for particular tenants and not easily adapted to new modern tenants. Any changes to the retail spaces for new tenants are both challenging and costly. All of these conditions contribute to the functional and economic obsolescence of the proposed Business District.

Retail has undergone significant changes over the past decade. Discerning shoppers are no longer satisfied with retail options alone. They seek a shopping experience that is memorable and fulfilling. Restaurants, experiential offerings, and public spaces are critical to drawing shoppers in and ensuring they stay around to make purchases. Retail centers need to offer amenities and experiences for customers that seek to dine, play, and shop all in one centralized location. How people shop has changed, and tenants no longer need the same amount of retail space to sell the same number of products and services. Per the Developer, older construction retail centers need to adapt in this rapidly changing market if they want to maintain their ability to attract new tenants and customers.

Because of these shifting market dynamics, combined with the incongruence of the two shopping centers, the Developer seeks to reposition the Heritage portion of the Study Area with a significant redevelopment. The Developer will undertake demolition of substantially all of Heritage, removing deteriorated structures that are functionally and economically obsolete. Of particular note is the approximately 110,000 square foot, two-story retail building on the east side of Heritage. Ground floor retail is difficult enough to re-tenant. It is nearly impossible to draw tenants

to occupy second floor retail space. The Developer will construct a new experience-oriented center with restaurant, entertainment, and recreational uses. Newly constructed restaurants will encircle a central space for community gathering, which will be used year-round for events. The Developer will work with local partners to establish events programming, which will help to fully utilize the community space.

In addition to revitalizing the retail corner, the proposed redevelopment would attract newer quality tenants that seek to be adjacent to the dynamic, entertainment-oriented space. Improved traffic flow through the Study Area and visibility of all portions of the center will contribute to higher occupancies and success of retailers. This is due to the fact that the redevelopment also includes significant investment in the realignment of parking, pedestrian through ways, and beautification through new and improved landscaping. These investments are both cosmetic and functional: families will enjoy the center while feeling safe to access each portion of the current spaces in Westridge, Heritage, and the Cinema. Landscaping and sidewalk improvements will reduce crossing time through parking lots, ensuring pedestrian safety.

### **Municipal Powers Under the BD Act**

In accordance with the BD Act, the City may exercise the following powers in carrying out a business district development plan:

- (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 BD Act, 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) the municipality receives from the development or redevelopment of properties in the business district. Contracts 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. 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 Act for the business district project costs.

Pursuant to the Business District Act, the service occupation and retailers' occupation taxes may be imposed at a rate not to exceed one percent (1%) of the gross receipts from sales of tangible personal property within the business district and must be imposed in quarter percent (0.25%) increments. In the case of this Business District Plan, the rate is set at 1%. The taxes may not be imposed on "tangible personal property titled or registered with an agency of this State's government or 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 purposes of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use."

Pursuant to the Business District Act, the business district tax allocation fund, in which the taxes described above are deposited, shall be dissolved no later than 270 days following payment of the last distribution of taxes that retire all proposed Business District costs and obligations. These service occupation and retailers' occupation taxes, if imposed, shall be collected by the Illinois Department of Revenue and then disbursed to the City for up to 23 years, pursuant to the statute.

In accordance with the Business District Act, this Business District Plan sets forth the necessity for, the objectives of and the development program for the proposed Business District in the City. All appendices to this Business District Plan are incorporated herein by this reference thereto.

### **City Goals and Objectives**

The 2022 City's Land Use Master Plan designates the Future Land Use for the Study Area as an Urban Center. The City's stated goals and objectives for this use include:

- Maintain or reposition Urban Centers as vibrant destinations by attracting Entertainment Uses, Restaurants, and other businesses that contribute to night life and activity.
- Work with property owners and developers to implement best practices for walkability, such as connections to adjacent areas, walkways through surface parking, and pedestrian amenities.
- Where applicable, consolidate curb cuts and provide internal cross access between adjacent uses to improve traffic flow and circulation.
- Activate underutilized parking for community events, temporary uses, food truck rallies, or other uses that will generate activity in commercial centers.

To further the above-stated general goals of the City, certain objectives have been specified for the proposed Business District and are outlined below (note: the objectives are area wide in nature and each objective does not need apply to a single project):

- To support the redevelopment of vacant or underutilized properties within the proposed Business District, and to stabilize occupancy and usage Heritage and Westridge;
- To provide for the necessary rehabilitation of retail space required to support the proposed uses within the proposed Business District and to facilitate redevelopment of the proposed Business District as a whole;
- To provide for the necessary public improvements to support the proposed uses within the proposed Business District and facilitate redevelopment of the proposed Business District as a whole;
- To improve pedestrian and vehicular traffic safety and circulation throughout the proposed Business District as a whole;
- To undertake selected public street, utility and other site improvement projects that are essential to the continuation of the proposed Business District for use in accordance with this Business District Plan; and
- To ensure that redevelopment within the proposed Business District is both coordinated and comprehensive.



## **II. QUALIFICATION CRITERIA**

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Business district development and redevelopment is specifically provided for in Business District Act. Pursuant to the Act, the City Council may designate a specific area of the City as a business district only after the holding of a public hearing and the making of a formal finding that:

- 1) The business district, on the whole, has not been subject to growth and development through investment by private enterprises or would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district plan; and,
- 2) The business district on the whole conforms to the comprehensive plan for the development of the municipality as a whole.

Additionally, the City Council may designate a specific area as a business district with the authority to levy an additional service occupation and retailers' occupation tax therein after the holding of a public hearing and the making of a formal finding that the area conforms to the following definition:

“Blighted area” means an 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 proposed Business District, as it currently exists, demonstrates factors which support its qualification as a blighted area under the above definition. These factors include deterioration of site improvements and inadequate street layout. Many of the site improvements are 30 to 40 years old, are not configured for today's retail market demands, and do not support new modes of retail operation. The inadequate street layout contributes to greater potential for vehicular and pedestrian conflicts. It also leads to greater inefficiencies in truck and other service vehicle circulation which, in part, drives the obsolescent nature of the two shopping centers. The presence of these factors is described below. Their presence alone, and in combination, constitute an economic liability and economic underutilization of the area as a whole.

### **Deterioration of Site Improvements:**

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. These factors 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.). The condition of roadways, alleys, curbs gutters, sidewalks, off-street parking and surface areas may also evidence deterioration, as well as surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the concrete and asphalt surfaces.

The Study Area components examined were of the following types:

**Basic Structural** — Includes the basic elements of a building: foundation walls, load bearing walls and columns, floor structure, roof and roof structure.

**Structural Components** — Includes normal additions to structures such as porches and steps, window and window units, doors and door units, chimneys, tuck points and gutters and downspouts.

**Infrastructure Components** — Includes parking lots, curbs, pylons, drainage, fire hydrants.

Per site visits conducted by KMA staff, and supported by photographs and oral and written history, much of the surface parking lot suffers from deterioration to Infrastructure Components as evidenced by cracked asphalt, pavement, some cracked curbs, and surface asphalt in need of resurfacing.

Additionally, the buildings in the Heritage shopping center were constructed with various building heights, making the spaces challenging to combine or divide for new tenants. This functional obsolescence of the Basic Structural elements of the buildings contributes to the continued high vacancy of the shopping center.

**Inadequate Street Layout:**

Street access exists to Route 59 and Aurora Avenue. There is no internal street or right of way providing coherent or efficient pedestrian or vehicular access throughout the Study Area. Heritage, Westridge, and the Cinema were constructed independently under separate ownership without cohesive or coordinated planning or land use vision. This causes considerable challenges as evidenced through vehicular and pedestrian traffic flow patterns, including visibility of the Cinema from both Route 59 and Aurora Avenue. Signage can mitigate this to a degree, but a lack of visibility and inhibited traffic flow are damaging to the Study Area's success. When customers are challenged to navigate during a shopping experience, it often results in shoppers seeking easier and more efficient shopping elsewhere. Additionally, the disjointed construction creates traffic flow challenges for vehicles and pedestrians alike, causing safety issues within the Study Area.

The nature of the planned redevelopment requires extensive street reconfiguration in order to: improve visibility of retailers; facilitate vehicle and pedestrian traffic flow to the public open space amenities which are designed and intended to increase the economic vitality of the entire center; and serve the purpose of creating and maintaining increased social interaction among City residents. The planned vehicular and pedestrian improvements will serve to provide corrective actions to the economic and social liability that has characterized the current disconnected shopping centers whose performance in the past few years has been inadequate for the ownership and below standards expected by the City.

The current critical mass of vacancy within the Business District provides a rare opportunity to repurpose to a higher end better use at a critical time for the City.

The proposed redevelopment would significantly improve upon the Study Area challenges through:

- Demolition of obsolete structures
- Improvement of sight visibility of all tenants, to increase patronage and sales
- Improvement of sight visibility for vehicles and pedestrians accessing the Study Area
- Construction of pedestrian friendly crosswalks and landscaping
- Creation of a centralized event space for community gatherings
- Improved street layout

**Other Findings:**

1) Pursuant to the Act, the City makes the finding that the proposed Business District “constitutes an economic or social liability,” and suffers from “economic underutilization.” Based upon the on-going short-term leases and vacancy present in the proposed Business District, and lag or decline in EAV relative to other retail areas of the City (as seen in the chart below), the “economic liability” and “economic underutilization” findings are present. Additionally, the Study Area has declined in Equalized Assessed Valuation when compared to the City as a whole, as seen in the following chart.

**EAV Trend for Study Area**

<b>Study Area</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>BD EAV</b>	\$9,115,780	\$9,712,692	\$9,712,692	\$9,712,692	\$10,953,922	\$10,953,922
<b>Annual % Change</b>	-6.1%	0.0%	0.0%	-11.3%	0.0%	-
<b>City of Naperville</b>	\$5,322,195,144	\$5,245,520,933	\$5,014,220,207	\$4,882,224,062	\$4,682,910,002	\$4,468,983,831
<b>City of Naperville (No BD)</b>	\$5,313,079,364	\$5,235,808,241	\$5,004,507,515	\$4,872,511,370	\$4,671,956,080	\$4,458,029,909
<b>Annual % Change</b>	1.5%	4.6%	2.7%	4.3%	4.8%	6.3%
<b>CPI</b>	4.70%	1.20%	1.80%	2.40%	2.10%	1.30%

Source: DuPage County and U.S. Bureau of Labor Statistics

As part of this Business District Plan’s preparation, the City hereby makes a formal finding that the proposed Business District is a “blighted area” pursuant to the requirements of the Business District Act due to deterioration of site improvements, inadequacy of the roadway system, and furthermore, that the proposed Business District constitutes an economic liability and economic underutilization of the area to the City in its present condition and use.

Furthering the rationale this finding is the precipitous decline in property taxes, which effects all taxing districts, particularly the school district, and the estimated declines in sales taxes, which effects the City.

### **III. BUSINESS DISTRICT DESCRIPTION**

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#### **General Description**

The proposed Business District is generally described as those properties bounded by Aurora Avenue to the south, a line approximately 988 feet north of Aurora Avenue and then traveling northeasterly 577 feet starting at a point 409 feet east of IL Route 59 to the north, IL Route 59 to the west, and Fort Hill Drive to the east, and consists of approximately 45 acres.

#### **Legal Description**

The legal description of the proposed Business District is included in Appendix A. The proposed Business District includes only parcels of real property that will be directly and substantially benefitted from this Business District Plan.

#### **Name of the Proposed Business District**

The name of the proposed Business District shall be “City of Naperville Block 59 Business District.”

### **IV. BUSINESS DISTRICT REDEVELOPMENT**

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### **Business District Policy Criteria**

The City will implement the following guidelines to direct development activities within the proposed Business District:

- 1) Preserve and create an environment within the proposed Business District which will promote the economic and social welfare of the City including opportunities for new retail/commercial growth.
- 2) Exercise powers provided for under the Business District Act in the promotion of the public interest and enhancement of the tax base and tax revenues to the City.
- 3) Enhance the economic well-being and strengthen the retail/commercial sector within the proposed Business District by encouraging private investment and reinvestment through public financing vehicles, if necessary, to increase business activity, attract sound and stable commercial growth, create and retain job opportunities and enhance and diversify the tax base.
- 4) Address the need for economic feasibility, cost efficiency and economies of scale in development through encouragement of coordinated development of projects. The City will review projects on an individual basis in order to determine the need for assistance.
- 5) Provide necessary public infrastructure that enhances the proposed Business District to create an attractive service and/or shopping environment to encourage and support private investment.

### **Private Development Actions**

The City is committed to being prudent regarding the use of public resources in the assistance of economic development activities. Accordingly, City assistance for economic development located within the proposed Business District, as generally described below, will require thorough City review of the need for specifically requested public assistance. The City Council will need to approve the terms of assistance in the form of a development agreement with any developer or business proposals. Private development actions would be expected to conform to the guidelines set forth above.

Ownership will need to evidence capacity to implement the proposed project and it must conform to the appropriate City planning provisions. The City seeks to expand and diversify its economic and tax base. Accordingly, the project must serve to improve the economic tax base of the City.

### **General Project Description**

The City intends to provide or enter into agreements with developers or other private sector interests to provide certain public and private improvements in the proposed Business District and/or leverage private investment in furtherance of the Business District Plan. City projects may include

- Rehabilitation of existing commercial space for re-tenanting and reuse;
- Installation, repair and/or relocation of public utilities including construction or replacement of the public utility mains, service lines and related system improvements;
- Installation, repair and/or relocation of certain street improvements including construction or replacement of roadways, traffic signalization and other surface improvements;
- Facilitation of site preparation including the acquisition, subdivision or consolidation of property to support coordinated redevelopment within the proposed Business District; and

**Business District Project Costs for 23 Year Term**

Estimated business district project costs are shown below (the “Business District Project Costs”). Adjustments to these cost items may be made without amendment to the Business District Plan. The costs represent estimated amounts. They do not represent actual City commitments or require the City to advance funds for any of the expenditures. The “Total Amount” set forth in Table 1 shall constitute a ceiling on the aggregate amount of possible expenditures of funds in the proposed Business District, over the 23-year term of the proposed Business District.

**Table 1. Proposed Business District Project Costs for 23-Year Term**

Project Description	Estimated Cost
(a) Site & Building Demolition	\$ 1,800,000
(b) Site Utility Installation (Water, Stormwater, Sanitary Sewer, etc.)	\$ 3,000,000
(c) Hardscape (Connective Pathways & Walkways)	\$ 3,300,000
(d) Landscaping	\$ 1,000,000
(e) Site, Building & Environmental Lighting	\$ 3,000,000
(f) Community Gathering Furniture, Features & Amenities	\$ 1,300,000
Total Amount	\$ 13,400,000

The Total Amount does not include any costs associated with the issuance of debt obligations, which may be included as an eligible expense as debt is issued (see below). Any such debt would be in the form of one or more developer notes in which the developer would advance funds and the City would reimburse the developer for such costs solely through Business District proceeds. Any such notes would be payable from Business District funds and would not be supported by the full faith and credit of the City or any other source of revenue.

The Total Amount as detailed in Table 1 above will not exceed \$13,400,000. All project cost estimates are in current dollars. In addition to the above stated costs, any bonds or debt obligations (including notes) issued by the City may include any required interest payments and an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such bonds or obligations as well as to provide for capitalized interest and reasonably required reserves and shall not be computed as part of the Total Amount. Adjustments between the estimated line-item costs above are expected. The individual costs will be reevaluated in light of the nature of the private development and resulting tax revenues as the project is considered for public financing alternatives that the City may provide.

The amounts of the line-items set forth above are not intended to place a specific limit on the described line-item expenditures. Adjustments may be made in line items within the Total Amount, either increasing or decreasing individual line-item costs.

Adjustments to these cost items may be made without amendment to the Business District Plan as long as the Total Amount is not exceeded.

### **Issuance of Obligations**

The City may issue obligations pursuant to the Business District Act in order to pay for business district project costs. The obligations may be secured by the Special Business District Taxes (defined below) as the City deems appropriate.

One or more series of obligations may be issued from time to time in order to implement the Business District Plan. Obligations issued by the City pursuant to the Business District Plan and the Business District Act shall be retired pursuant to the requirements of the Business District Act.

## V. CITY PUBLIC FINANCING ASSISTANCE

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The City has an obligation to be prudent with the use of public resources in commercial development activities. For this reason, it is very important that, whenever the use of public financing is at issue in relation to commercial redevelopment goals for a proposed project, the City have a process in place to govern conditions under which it will make private development incentives available.

That process must allow for adequate analysis of a request for public financial assistance and the evaluation of the project to determine if it meets the needs and objectives of the City. These considerations should be incorporated into a business district redevelopment agreement which may only become effective with approval by the City Council. This process should include the following steps.

- 1) The private entity (owner, developer, tenant) approaches City for specific private development incentives assistance and presents a request to the City.
- 2) City will review request. If deemed a potentially viable and beneficial project, City will begin review of development project.
- 3) City will review and analyze information submitted by the applicant. Any additional information required by the City shall be submitted in a timely manner.
- 4) If request is deemed feasible, then the request may be processed by the City.
- 5) City attorney will initiate preparation and negotiation of a Business District development agreement.
- 6) City staff will undertake negotiations regarding the proposed development project and business district development plan with the applicant.
- 7) The development project will then be presented with City staff recommendation for review and approval by the City Council.

*Note: Many of the steps noted above may be consolidated depending upon the timetable and characteristics of the development project.*



## **VI. SOURCES OF FUNDS TO PAY DEVELOPMENT PROJECT COSTS**

Upon designation of the proposed Business District by City ordinance, the City intends to impose the service occupation tax and the retailers' occupation tax provided for by the Business District Act within the proposed Business District at a rate of 1.0% of gross sales for the term of the proposed Business District (the "Special Business District Taxes"). Said Special Business District Taxes shall be a source of funding for paying business district project costs within the proposed Business District and any obligations incurred by the City to pay such business district project costs.

The City Council shall adopt a separate ordinance that shall create a separate fund entitled the "Naperville Block 59 Business District Tax Allocation Fund" in order to receive the Special Business District Taxes from the Illinois Department of Revenue. Pursuant to the Business District Act, all Special Business District Taxes shall be deposited into this special fund.

The Special Business District Taxes shall be discontinued upon such date that all obligations issued payable from such Special Business District Taxes are fully paid upon maturity or otherwise, unless otherwise extended by the City.

## **VII. ESTABLISHMENT AND TERM OF THE BUSINESS DISTRICT**

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The proposed Business District shall become effective upon adoption of an ordinance by the City Council adopting this Plan and designating the Business District. Development agreements between the City and any developer or other private party shall be consistent with the provisions of the Business District Act and this Plan.

Pursuant to the Business District Act, the Special Business District Taxes described in Section VI may not be imposed for more than 23 years pursuant to the provisions of the Business District Act. It is expected that the proposed Business District will expire upon termination of the imposition of the Special Business District Taxes.

## **VIII. FORMAL FINDINGS**

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Based upon the information described in Section II, and the attached appendices, the City Council hereby finds and determines as follows:

- 1) 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 this Plan;
- 2) The Business District Plan conforms to the City's Comprehensive Plan for the development of the municipality as a whole;
- 3) The proposed Business District is qualified as defined in the Business District Act by a predominance of deterioration of site improvements and adjacent roadways;
- 4) The proposed Business District is "blighted" as defined by the Act; and,
- 5) The proposed Business District is a contiguous area.

## **IX. PLAN AMENDMENTS**

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The City Council may amend this Plan from time to time by adopting an ordinance providing for such amendment in accordance with the Business District Act.

## **APPENDIX A: Legal Description**

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**APPENDIX B: Proposed  
Boundary Map**

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