

River Edge Redevelopment Zone Program

APPLICATION FOR CERTIFICATION OF THE
ROCKFORD RIVER EDGE REDEVELOPMENT ZONE

PART A. LEGAL APPLICANT

Name of Jurisdiction City of Rockford

Street/P.O. Box 425 East State Street Zip Code 61104

City Rockford County Winnebago

Chief Elected Official Mayor Lawrence J. Morrissey

Contact Person Ginny Gregory Phone (815) 987-5618

Note: Submit one application that includes an original ordinance(s), intergovernmental agreement and taxing district resolutions plus 3 certified copies of the ordinances, intergovernmental agreement and taxing district resolutions. All attachments must be 8-1/2" x 11", excluding maps. The format of this application may be reproduced and completed in an expanded form provided the final application is presented in bound form or loose leaf notebook. All pages must be numbered in sequence and attachments labeled.

River Edge Redevelopment Zone Program

PART B. ELIGIBILITY CRITERION

1. The Proposed River Edge Redevelopment Zone is a contiguous area adjacent to or surrounding a river?
Yes No [See a map of the River Edge Zone in Attachment 1A.]
2. Total area of the proposed River Edge Redevelopment zone: **7.9** square miles excluding waterways and R/W
Minimum of one half square mile and not more than 12 square miles, exclusive of lakes and waterways.
3. Is the proposed River Edge Redevelopment zone entirely within the corporate limits of a single designating municipality? Yes No
4. Does the proposed River Edge Redevelopment zone have at least 100 acres of environmentally challenged land within 1,500 yards of the riverfront? Yes No [See a map of these areas is in Attachment 1B.]

PART C. SOCIAL AND ECONOMIC ANALYSIS

1. ***Attach a master plan or local economic development plan for your area if one is available. Include only if it is current.***

Two CDs containing the following planning documents are attached as Attachment 2.

- ♦ *Rockford's 2020 Plan: Entering the 21st Century* is the City of Rockford's comprehensive land use plan, adopted on September 13, 2004. It includes sections on land use, transportation, community facilities and services, telecommunications, housing, economic development, neighborhoods, natural resources, historic preservation, community design, and public participation.
- ♦ The RATS *Long-Range Transportation Plan for 2035* is the officially adopted transportation plan of the Rockford Area Transportation Study, the MPO for the Rockford area. This includes a 30-page section on regional economic development which recommends pursuing the following growth trends in Winnebago County:
 - ♦ Encouraging redevelopment in the core of Rockford, especially along the Rock River, to take advantage of abandoned or underused industrial and commercial land. They point out that many Mid-western cities are taking advantage of adaptive re-use of older buildings and redevelopment of underused land to attract people back to cities, and state that the Rock River can serve as an excellent catalyst for such development.
 - ♦ Assigning additional development to areas in close proximity to the Chicago Rockford International Airport (RFD), but outside its high noise contours. The plan states that market forces will create pressures for such development as RFD continues to grow. Assignment of this additional development in the Long-Range Plan ensures that proposed transportation improvements will assist rather than hinder development.

2. ***Land Use Patterns: Describe the current land use patterns of the River Edge Redevelopment zone and include an estimate of the proportion of land use for different purposes. Attach a coded map indicating current land use patterns of the proposed zone according to the following type of classifications or a variation thereof.***

Although Rockford's River Edge Redevelopment Zone is a single contiguous area, it can be subdivided into four fairly distinctive sectors, each with its own individual land use pattern. Starting from the north end of the Zone at Main and Riverside, these four sectors are

River Edge Redevelopment Zone Program

- ◆ North Towne Mall/Cliffbreakers: This area is completely commercial, consisting of the Mall itself, including two outlots (one for a bank and one a McDonald's), and of Cliffbreakers, a combination motel/conference center/restaurant.
- ◆ Main & Fulton: This sector can be characterized as industrial, the bulk of it consisting of the former Ingersoll facility and Essex Wire, although there are other smaller industrial facilities as well. There are also small pockets of commercial and residential development.
- ◆ Central Rockford: The area between Auburn Street on the north and 15th Avenue to the south is a classic example of historical mixed uses. Much of it developed over 75 years ago. Areas along the various rail lines tend to be industrial; the downtown core area and frontage along Main Street (IL 2), State Street, 7th Street and Broadway, commercial and office; and the remainder, residential. The residential component includes three developments of the Rockford Housing Authority, one of which is scheduled to be demolished in 2007. One small sub-area that is changing lies along South Main Street south of Marchesano Drive. This is an area with new residential construction and conversion of older trailer parks to green space.
- ◆ Chicago Rockford International Airport: The southernmost part of the Zone consists largely of property owned by Rockford's Airport Authority, plus two nearby industrial parks. This area includes several existing industries, the largest being the UPS regional distribution center.

A map showing land uses is included as Attachment 3. Acreage for each type of use, divided between privately and publicly held, is shown below.

Existing Land Use (excluding right-of-way)

Land Use Category	Acres	%, private or public area	%, total land area
Privately held land			
Business/commercial/mixed use	238	13.1	4.8
Industrial	795	43.8	16.1
Institutional/special purpose	96	5.3	1.9
Residential	509	28.1	10.3
Parking lots on separate parcels	30	1.7	0.6
Vacant lots	146	8.0	3.0
Total acreage, privately held land	1,814	100.0	36.8
Publicly held land			
State or federal land	6	0.2	0.1
Chicago-Rockford International Airport	2,717	87.2	55.1
Local public park, museum or pathway	112	3.6	2.3
Local public land in use other than park, museum or pathway	66	2.1	1.3
Rockford Housing Authority development	49	1.6	1.0
Parking lot or deck	24	0.8	0.5
Undeveloped or underused local public land	141	4.5	2.9
Total acreage, publicly held land	3,115	100.0	63.2
TOTAL AREA	4,929		

3. **Attach a map of the River Edge Redevelopment zone locating and naming major employers, industrial parks and vacant facilities.**

Because of the large area involved – roughly 10 miles from the northernmost part of the Zone to the southern end – we have included a series of three separate maps as Attachments 4A, 4B and 4C. These show

River Edge Redevelopment Zone Program

major employers (which we defined as anyone employing over 100 people), vacant facilities and the two industrial parks in the Zone – the Greater Rockford Industrial Park (GRIP) and Logistics Park. Major employers are listed in the table below; vacant facilities are described in more detail in response to question 6 in this section.

Name of Business(es)	Location	# of Employees
Rockford School District	201 South Madison Street	4,010
UPS	Airport	1,700
Winnebago County	404 Elm Street	1,600
Anderson Packaging	4545 Assembly Drive	1,200
City of Rockford	425 East State Street	1,100
Rapid Air Corp/Mechanical Tool & Engineering/MTE Hydraulics	4701 Kishwaukee Street	665
Danaher Motion	4301 Kishwaukee Street	610
Textron Fastening Systems/Elco Textron Engineered Products Inc	1111 Samuelson Road	425
SPX Fluid Power	5885 11 th Street	400
Valspar Corp/Color Corporation of America	1215 Nelson Boulevard	260
Kennametal/Metcut; Greenfield Industries/Metcut	21 Airport Drive	205
Rockford Toolcraft Inc	766 Research Parkway	200
Greenlee Textron	4455 Boeing Drive	200
Boyar-Schultz/W A Whitney	650 Race Street	190
Southern Imperial Inc	1400 Eddy Avenue	190
GE Osmonics/Aquamatic Inc	2412 Grant Avenue	150
Joseph Behr & Sons	1100 Seminary Street	149
Advanced Machine & Engineering	2500 Latham Street	136
Myco Inc	1122 Milford Avenue	135
Roper Whitney	2833 Huffman Boulevard	130
Rocknel Fastener Inc	5309 11 th Street	125
Specialty Screw Corp	2801 Huffman Boulevard	110
Delta Power Co	4484 Boeing Drive	100

4. **Local Commercial and Industrial Employers:** List the five major employers in the proposed River Edge Redevelopment zone and include the type of product or service and the total number of employees.

Name of Employer	Product/Service	# of Employees
Rockford School District 205	Public school system	4,010
UPS	Parcel shipping/delivery	1,700
Winnebago County	Local government	1,600
Anderson Packaging	Manufacturer of packaging	1,200
City of Rockford	Local government	1,100

5. **Industrial Parks:** List established industrial parks in the proposed River Edge Redevelopment zone which have infrastructure in place and areas of undeveloped land targeted for industrial park development.

Industrial parks

Rockford's River Edge Redevelopment Zone includes two industrial parks (i.e., areas officially platted as industrial parks by the City of Rockford), both near the Chicago Rockford International Airport.

River Edge Redevelopment Zone Program

- A. *Greater Rockford Industrial Park (GRIP)* was platted in 1984 and is currently zoned I-1, Light Industrial. GRIP, which is served by full utilities, covers 122 acres and is virtually built out.
- B. *Logistics Park* is a newer effort in which the City of Rockford has begun development of a new 40-acre, City-owned industrial park, approximately ¼ mile east of the Airport on the north side of Blackhawk Road. Zoned I-1, Light Industrial, the park is available for all types of light to medium industry. None of the site has been developed for industrial use yet; however, the site is fully improved, including roads and rough grading, and has all utilities. Specifically,
 - 1. Water – City of Rockford water, 16” main on the south side of Blackhawk Road and a 12” main on the west side of Logistics Parkway; static line pressure is 90 psi.
 - 2. Sanitary sewer – Rock River Water Reclamation District 15” gravity sewer in Logistics Parkway and on the north side of Blackhawk Road.
 - 3. Natural gas – nicor Gas, 2” main for Blackhawk Road and 9th Street, 4” main for Falcon Road and Milford Avenue, and an 8” main for 11th Street.
 - 4. Electric – ComEd 12kv service, overhead on the south side of Blackhawk Road and the west side of 9th Street.
 - 5. Air service – adjacent to Chicago Rockford International Airport and the UPS air and ground parcel sorting and distribution facility, the UPS heavy air freight facility, and the DHL and BAXGlobal air-freight facilities.
 - 6. Rail service – adjacent to Illinois Railway, connecting to the Global III Intermodal Facility in Rochelle.
 - 7. Foreign trade services – accessible at RFP via Foreign Trade Zone #176.
 - 8. Financial incentives – located within Rockford Global TradePark TIF #1.

Undeveloped land targeted for industrial development

- A. *Within the Zone:* The Greater Rockford Airport Authority (GRAA) owns more than 3,000 acres of land, most of it within the Rockford River Edge Redevelopment Zone. The majority of the land is used for the Chicago Rockford International Airport and designated for direct airport-related activities such as runways, taxiways, tarmac, terminal, fuel tank farm, clear zone, etc. However, the GRAA also has designated 15 sites totaling more than 320 acres for industrial and commercial activities. The three largest sites have access to existing or future taxiways and are designated for future air service types of industrial uses, such as air cargo warehousing and distribution, airframe maintenance and service, jet engine maintenance and service, etc. All three sites are zoned I-2, General Industrial, and are located as follows:
 - 1. The 177-acre infield area located between the two existing runways and a planned future runway;
 - 2. A 59.5-acre site adjacent to the southern end of the north-south runway;
 - 3. A 30-acre site on the west side of the United Parcel Service air cargo facility and adjacent to the north side of the east-west runway.

Eight of the remaining 13 sites designated for industrial uses range in size from 9.7 acres to 1 acre and are in various locations on and adjacent to the Airport. The eight sites may be used for air service related purposes as well as manufacturing.

- B. *Near the Zone:* South Rock Industrial Park is located 1½ miles north of the Airport on the west side of South Main Street (IL 2). The park has approximately 30 acres of vacant industrial land remaining for light to medium industrial uses. Current zoning is I-1, Light Industrial.

6. **Vacant Facilities: List the largest vacant or underutilized buildings by address and type of industry use, possible or suitable use (warehousing, light manufacturing, etc.), approximate square footage and percent occupied.**

- A. 121-123 South Main Street [Chick Hotel]
Type of industry/use: Hospitality
Possible or suitable use: Mixed use (first floor, restaurant or retail; upper floors, residential)

River Edge Redevelopment Zone Program

- Approximate square footage: 20,592
Percent occupied: 0%
Current or previous occupant: Most recent occupants were a series of restaurants on the first floor with upper floors vacant; entire structure has been vacant about 5 years.
- B. 416 South Main Street [Ziock Building a/k/a the Amerock Building]
Type of industry/use: Industrial
Possible or suitable use: Mixed use (first floor, restaurant or retail; upper floors, residential loft apartments of condominiums)
Approximate square footage: 225,246
Percent occupied: 0%
Current or previous occupant: Amerock Corporation
- C. 222 Cedar Street [Burson Building a/k/a TAPCO]
Type of industry/use: Industrial
Possible or suitable use: Mixed use (first floor, restaurant or retail; upper floors, residential loft apartments of condominiums)
Approximate square footage: 154,546
Percent occupied: 0%
Current or previous occupant: TAPCO
- D. 315 South Court Street
Type of industry/use: Institutional
Possible or suitable use: Retail or commercial, including office or restaurant
Approximate square footage: 20,100
Percent occupied: 0%
Current or previous occupant: Federal Court work release program dormitory
- E. 200 Prairie Street [Rockford Brewery]
Type of industry/use: Industrial and office
Possible or suitable use: Mixed use (first floor, restaurant/retail; upper floors, residential loft apartments or condominiums)
Approximate square footage: 79,098
Percent occupied: 0%
Current or previous occupant: River District Catering
- F. 227 North Wyman Street
Type of industry/use: Office
Possible or suitable use: Office, residential, restaurant and/or retail
Approximate square footage: 21,660
Percent occupied: 0%
Current or previous occupant: Insight Communications [office]
- G. 226 North Main Street/316 West Jefferson Street [Times Theatre]
Type of industry/use: Movie theater/nightclub/retail space
Possible or suitable use: Nightclub, restaurant, banquet facility
Approximate square footage: 24,000
Percent occupied: 0%
Current or previous occupant: Dante's Inferno [bar]
- H. 206 South Winnebago Street [Allen Chapel]
Type of industry/use: Church
Possible or suitable use: Office, restaurant, residential
Approximate square footage: 5,000
Percent occupied: 0%
Current or previous occupant: Allen Chapel A.M.E. Church

River Edge Redevelopment Zone Program

- I. 319 West Jefferson Street
Type of industry/use: Mixed use
Possible or suitable use: Mixed use (first floor, retail or restaurant; second floor, residential)
Approximate square footage: 22,759
Percent occupied: 0%
Current or previous occupant: Variety of retail and residential users
- J. 605 North Main Street [Former Illinois National Guard Armory]
Type of industry/use: Government/institutional
Possible or suitable use: Hotel, convention center, meeting and exhibit space, restaurant, retail, museum exhibit space
Approximate square footage: 41,075
Percent occupied: 0%
Current or previous occupant: Last occupant was OIC Vocational Training Center
- K. 2816 North Main Street [Essex Wire]
Type of industry/use: Industrial/warehousing
Possible or suitable use: Industrial/mixed use
Approximate square footage: 380,000
Percent occupied: 15%
Current or previous occupant: Essex Wire
- L. 223 North Second Street [Humphrey Cadillac]
Type of industry/use: Retail car sales
Possible or suitable use: Educational or mixed use
Approximate square footage: 29,700
Percent occupied: 0%
Current or previous occupant: Humphrey Cadillac and Olds dealership
- M. 301 South Water Street [Ingersoll Building]
Type of industry/use: Industrial
Possible or suitable use: Whitewater Park, mixed use
Approximate square footage: 143,660
Percent occupied: <5%
Current or previous occupant: Ingersoll
- N. 1300 Rock Street [Barber-Colman industrial complex]
Type of industry/use: Industrial
Possible or suitable use: Mixed use
Approximate square footage: 739,800
Percent occupied: <5%
Current or previous occupant: Reed Chatwood
- O. 301 South Main Street [Hanley Furniture Building]
Type of industry/use: Mixed use, primarily retail commercial
Possible or suitable use: Mixed use
Approximate square footage: 62,345
Percent occupied: 0%
Current or previous occupant: Lots A Pasta Café
- P. 212-218 East State Street/118 North Madison Street [Rockford Furniture Mart]
Type of industry/use: Mixed use, primarily commercial
Possible or suitable use: Mixed use
Approximate square footage: 55,990
Percent occupied: 0%
Current or previous occupant: Rockford Furniture Mart

River Edge Redevelopment Zone Program

- Q. 909 South Main Street [Nelson Knitting]
Type of industry/use: Industrial
Possible or suitable use: Mixed use or demolition
Approximate square footage: 71,090
Percent occupied: 0%
Current or previous occupant: Nelson Knitting Company [manufacturer of the original Rockford Red Heel Sock, key component of the Sock Monkey]
- R. 210 West Jefferson Street [Elks Club building]
Type of industry/use: Fraternal organization with restaurant
Possible or suitable use: Banquet and catering facility
Approximate square footage: 24,000
Percent occupied: 0%
Current or previous occupant: Elks Club Lodge #64
- S. 721 East State Street [Midway Theatre]
Type of industry/use: Theater and entertainment venue; apartments and offices on upper level
Possible or suitable use: Mixed use
Approximate square footage:
Percent occupied: <5%
Current of previous occupant: Occasional use as an entertainment venue
- T. 207 7th Street
Type of industry/use: Mixed use (office, retail and residential)
Possible or suitable use: Mixed use
Approximate square footage: 8,000
Percent occupied: <5%
Current or previous occupant: Various types of offices, such as CPA firms
- U. 222 7th Street
Type of industry/use: Retail
Possible or suitable use: Mixed use
Approximate square footage: 6,600
Percent occupied: 0%
Current or previous occupant: Nicholson Gift Shoppe
- V. .322 7th Street
Type of industry/use: Retail and/or office
Possible or suitable use: Retail
Approximate square footage: 5,375
Percent occupied: 0%
Current or previous occupant: Magnified Promotions (office)
- W. 802 Marchesano Drive
Type of industry/use: Retail
Possible or suitable use: Retail
Approximate square footage: 17,000 (vacant and boarded after a fire over a year ago)
Percent occupied: 0%
Current or previous occupant:
- X. 815 Marchesano Drive [Box's Barbecue]
Type of industry/use: Local restaurant
Possible or suitable use: Restaurant
Approximate square footage: 4,200
Percent occupied: 0%
Current or previous occupant: Box's Barbecue

River Edge Redevelopment Zone Program

- Y. North Towne Mall Warehouse
Type of industry/use: Warehouse
Possible or suitable use: Call center or back office operations
Approximate square footage: 86,000
Percent occupied:
Current or previous use: Warehouse for North Towne Mall

- Z. 1311 North Main Street
Type of industry/use: Retail
Possible or suitable use: Retail
Approximate square footage: 21,700
Percent occupied: 0%
Current or previous occupant: Jerome Interiors

River Edge Redevelopment Zone Program

7. Provide the following data on the proposed River Edge Redevelopment zone and the "larger geography" based on 2000 Federal Census information and the data collection techniques used in calculating the distress criteria.

	River Edge Redevelop- ment Zone*	Larger Geography**	City of Rockford
a. Total population	12,616	26,040	150,115
b. Mean family income		\$44,972	\$58,359
c. Mean household income		\$35,703	\$49,030
d. Per capita income		\$15,181	\$19,781
e. Total number of persons in poverty		6,459	20,351
f. Total number of occupied housing units	5,172	10,465	59,158
Number of occupied housing units renter occupied	3,969	6,414	22,897
Number of vacant housing units	981	1,435	4,412
g. Number of persons in civilian labor force		11,533	73,283
Male civilian labor force population		6,141	38,067
Employed male civilian labor force population		5,327	34,961
Female civilian labor force population		5,392	35,216
Employed female civilian labor force population		4,810	32,907
h. Single-parent families with children under 18			
Number	866	1,457	8,779
Percent of families with own children under 18	16.9%	47.8%	14.8%

*All data are from the 2000 Census. River Edge Redevelopment Zone numbers reflect the closest match geographically between River Edge boundaries and census block boundaries.

** "Larger geography" represents the closest match possible between River Edge boundaries and block group boundaries, block groups being the smallest census geography at which income and employment figures are available.

River Edge Redevelopment Zone Program

8. *Provide a description of local social and economic conditions and trends that impact economic development.*

a. *Areas or sectors of recent local and Zone area growth, such as types of commercial activity or new industries, etc.*

BUSINESS DISTRICTS

Downtown

Downtown Rockford has rebounded with the unprecedented growth of new businesses over the last two years. In 2006, 15 downtown businesses expanded or renovated while 26 new businesses were started in the downtown neighborhood. Another seven new businesses are already planning to open in 2007.

These new businesses have been concentrated in several downtown growth or niche areas: restaurants/gourmet food and spa businesses (hair care, nails, and tattoos). Over the last two years, the following food businesses have opened in the Central Business District (CBD):

- ◆ Chocolat by Daniel (hand-crafted gourmet chocolates)
- ◆ Kuma's Asian Bistro (oriental restaurant opened for one year and already expanding with a bar and a light restaurant in the basement. In their first year of business, Kuma's also added a sidewalk café).
- ◆ CRU (Gourmet wine and cheese store which is also open for lunch)
- ◆ Zambuca's (jazz bar, gourmet restaurant, and wine bar)
- ◆ Bliss Beauty Lounge (nails & hair)
- ◆ Fuzion Studios (nails, hair, and tattoos).

Much of this new retail activity has taken place on East State Street between Water Street and Third Street.

In addition to the gourmet food and spa growth areas in the retail sector, residential living is growing again in downtown Rockford at a steady pace. Downtown residential living enhances the CBD as a 24 hours a day, 7 days per week "live, work, play" destination. Before 1999, there were only 13 loft apartments located downtown. Since 1999, the following residential units have been created:

- ◆ 43 rental loft apartments
- ◆ 6 owner-occupied residential units
- ◆ 12 historic condominiums
- ◆ 6 historic rental units.

At least another 22 loft condominium units will be created in 2007.

These downtown niche growth areas are expected to remain strong for the foreseeable future.

Main & Auburn

The City of Rockford created a TIF district for this commercial neighborhood in late 2006. This economic development incentive will be available for the next 23 years.

Rockford's Department of Public Works contracted with Hitchcock Design Group to prepare the "Envision North Main" Corridor Study, including the Main and Auburn node. The study – which extends from the Main and Auburn area at the south to just north of Riverside Boulevard – will produce an enhanced right-of-way design with a greater pedestrian focus and improved landscaping, lighting and signage. Other recommendations will include design guidelines for the corridor, suggestions for an overlay zoning district, and target retail uses for underused retail space.

The transportation portion of the study is being done with input from the Illinois Department of Transportation since Main Street is IL Route 2, and builds on the results of an earlier revitalization plan for

River Edge Redevelopment Zone Program

Main and Auburn completed in 2004 which recommended construction of a modern roundabout at this intersection. Public Works has also contracted with Hanson Professional Services to prepare a preliminary design footprint for the roundabout. This is an important step in revitalizing this part of the North Main corridor as it will give business and property owners a clearer picture of which buildings will be able to stay and which will have to be demolished for construction of the roundabout. Until that happens, investment here will likely remain limited.

The City continues to market the vacant Jerome's Furniture site at the southeast corner of North Main and Myott Streets as a potential drugstore or retail opportunity. New neighborhood retail businesses include an Irish import and gift store, the La Di Da boutique, and the soon-to-reopen North Main Coffee Bar under new ownership.

7th Street

7th Street is one of Rockford's oldest commercial districts. It is included in one of Rockford's first TIF districts and was recently listed on the National Register of Historic Places. Vacant buildings and storefronts are slowly beginning to fill up. The non-profit housing developer, Zion Development Corporation, will complete a seven-unit condominium development this summer at 502 7th Street. The first floor will also house Zion's administrative offices and a coffee shop called Katie's Cup. Zion will also remodel space at 528 7th Street and open a restaurant at this location.

Local developer Chandler Anderson and his partners will start construction on a residential condominium project this summer at 7th Street and 3rd Avenue. The first floor will be renovated for retail, restaurant or office uses. TIF funds and historic preservation tax credits will help make this project financially feasible.

The redevelopment of 7th Street is supported by the efforts of the Mid Town District Association. The organization works tirelessly to beautify, improve safety, and redevelop the 7th Street area. They renovated the old train station at 701 7th Street as their own office, created their own Framework Plan in 2004, and were a driving force behind the nomination of 7th Street to the National Register so as to make 7th Street properties eligible for the 20% tax credit.

New businesses have moved to 7th Street over the last year including Just Goods, a fair trade store operated by Rockford Urban Ministries, and Lung Fung, a new Chinese restaurant. The rehabilitated building at 201 7th Street includes the relocated administrative offices of Rockford Urban Ministries in addition to the Just Goods Store.

One vacant building in the 200 block was recently purchased by the owners of a downtown Rockford restaurant for a food processing business.

7th Street is also the home of several major businesses – AMCORE Bank, Colorlab, and Nicholson Hardware. AMCORE, one of Illinois' largest banks, maintains its corporate headquarters at 501 7th Street. Colorlab Custom Cosmetics, a custom manufacturer of cosmetics, is located at 1112 5th Avenue. It was recently ranked in INC's Top 100 Companies. Nicholson Hardware is a local institution. Located at 1131 2nd Avenue, it is an old-fashioned, locally owned hardware store. It has managed to stay successful despite the presence of two big box hardware stores on Rockford's east side.

South Main Street

Major changes to the South Main area are anticipated over the next five years as a result of significant improvements to the transportation system. The first will be replacement of the deteriorated Morgan Street Bridge over the Rock River. Truck traffic has been barred from using the bridge for several years, and it is periodically shut down altogether for temporary repairs as new problems are found with it. The bridge project is managed by Rockford's Department of Public Works; funding will come from a variety of sources, including state and federal funds. The plan is to build what will become a signature bridge, providing a true gateway for neighborhoods on both sides of the river. (See drawings in Attach-

River Edge Redevelopment Zone Program

ment 5.) The project will require acquisition and demolition of several properties, principally industrial uses that would be virtually under the new bridge in places. Many of these properties have already been acquired by the City and the industries relocated. However, construction of the new bridge, with expanded approaches, also plays a role in the demolition of the Rockford Housing Authority's Jane Addams Development on the east side of the river.

The City is also working with IDOT on a major road project to improve South Main Street (IL Route 2). This road serves as the major link between I-90, the Chicago Rockford International Airport, and downtown Rockford. Improvements are already underway at South Main and Clifton which will result in a new and much improved entrance for Klehm Arboretum, a major attraction in the area. (Klehm, which is just outside the River Edge Redevelopment Zone, drew roughly 75,000 visitors in 2006.) Funding for the rest of South Main is dependent on the State's Capital Plan.

As with Main and Auburn, lack of an agreed-upon improvement plan for the portion of South Main Street just south of downtown has contributed to a lack of strong investment in properties and businesses. This is especially true in the 1000 to 1300 blocks where the existing commercial buildings have zero setbacks, leaving no room for ROW expansion without demolition. Until a final decision is made by IDOT and the City as to how the street will be redone and what buildings, if any, will have to be demolished, owners will remain reluctant to make significant investments in these properties.

The City continues to assess and remediate the environmental contamination at the former Barber-Colman factory. In May 2007, the City of Rockford received a \$600,000 grant from US EPA for environmental cleanup at Barber-Colman. City staff continues to market the site to potential developers and retailers and has heard from several interested parties, but nothing definite has been decided on as yet.

The South Main area is anchored by two strong community organizations – South West Ideas for Today and Tomorrow (SWIFTT) and Comprehensive Community Solutions (CCS). SWIFTT provides community development services to residents and local businesses and last year completed creation of a five-year neighborhood plan for the South Main area. New businesses benefit from their business planning and counseling services.

CCS is the Rockford affiliate of YouthBuild. Their office is located at 917 South Main just south of downtown and within the Zone. As described on page 18 of this application, they provide job training and housing development services. CCS also operates a retail store selling salvaged building materials at this location. Their future plans include the rehabilitation of first floor space in their building into three leased storefronts.

INDUSTRIAL

A key factor in industrial growth within the Zone seems to have been location as much as the type of industry. Much of it has been located near the Chicago Rockford International Airport, but the types of industries vary considerably, as can be seen from the following list of expansions:

- ♦ United Parcel Service (UPS) has recently made major investments within the Zone at the Airport. In 2006 UPS completed a 70,000 square foot heavy airfreight facility, creating 60 additional jobs and investing \$7.5 million. In addition, UPS invested more than \$35 million to upgrade and improve the efficiency of their parcel sorting/distributing facility, creating an additional 300 jobs in the process.
- ♦ In 2006 Emery Air, Inc. announced the signing of a new service contract with Comair to provide all the maintenance/service on their fleet of regional jets. The contract will require Emery Air to add 50,000 square feet of hanger space, add 125 airframe and engine mechanics, and invest an additional \$250,000.
- ♦ MNP Corp. purchased the existing Elco Textron facility at 1111 Samuelson Road in the Zone. Elco Textron was about to go out of business. The purchase by MNP for \$8 million saved 100 manufacturing jobs.

River Edge Redevelopment Zone Program

- ◆ Insight Communication leased the a former Sundstrand building at 4500 Kishwaukee Street, also in the Zone. Insight consolidated its facilities, creating 15 new jobs and retaining 40 existing jobs. However, the long-term effect of Comcast's taking over Insight's operations in Illinois is unknown at this point.
- ◆ Anderson Packaging, an AmerisourceBergen company and the largest manufacturing employer in the City of Rockford, is a contract packager to the pharmaceutical and healthcare industries. In 2006, Anderson Packaging added a new 148,000 square foot manufacturing facility. In 2007, the company announced it would expand the facility located at 4536 Assembly Drive with a \$14 million, 260,000 square foot addition that will create 250 new fulltime jobs.

A second geographic focal point has been the North Main area around Fulton Avenue. Here the focus has been more on innovation and assistance to new enterprises. This effort is centered at EIGERlab and related groups now residing in part of the old Ingersoll plant on Fulton Avenue. Here, the central idea is to take manufacturing well into the 21st century with such things as micro machining.

b. Areas or sectors of recent local and zone area decline. Describe the most significant layoffs, plant closings and estimated jobs lost over the last 3 years and the expectations for recovery or for stability.

Based on data from IDES, the DCEO WARN list and local newspaper accounts, there have been very few significant layoffs or plant closings since the start of 2004. Of those that did occur, only one – Atwood Mobile Products – was located in the River Edge Zone. It resulted in the loss of 377 jobs. The DCEO WARN list did not include any mass layoffs, plant closures or major labor moves after 2004. IDES indicated that after taking out seasonal layoffs and layoffs with recalls, there were no data available for 2006.

This does not mean that there have been no major losses in the local economy. There have been, but they occurred before 2004. Since 1990, Rockford has lost 16,000 jobs – one-third of its manufacturing base, a significant loss in a community built on manufacturing. Many locally owned firms that were once the backbone of the regional economy either closed or were bought out by larger companies that often relocated production to lower-wage areas. This loss of jobs was compounded by the effects of losing local ownership in major firms such as Barber-Colman, Sundstrand and Clarcor which had a ripple effect due to reduced investment by those firms in local efforts not directly related to the companies.

These losses led to concerted joint efforts of local government and the private sector to stabilize and stimulate Rockford's economy. These efforts are outlined in section d. below.

c. Types of industries that the area may be heavily dependent on and that are currently in periods of significant change or that are highly subject to regional or national business cycles.

Rockford's industrial employment base is twice the national average. Consequently, any cycle affecting capital goods will result in our unemployment rate going up significantly.

d. Resources available to stimulate economic development, i.e., people (expertise), money, facilities, market assets, training and education programs, technical assistance related to financial packaging, marketing, etc., for entrepreneurs, small business and women and minority-owned businesses.

Over the past several years, the City of Rockford and other governmental entities and private organizations have made a concerted effort to provide a wide array of services and technical assistance to aid both individuals and businesses to grow. Both are key to stimulating the area's economy. Those that are currently available are described on the following pages.

River Edge Redevelopment Zone Program

Training, Education and Technical Assistance Programs

Higher Education Alliance for the Rock River Region (HAERRR)

HAERRR is an alliance of four, non-profit, higher education institutions that have recognized the vital role that education plays in the economic development of this region – Northern Illinois University (NIU), Rock Valley College (RVC), Rockford College and the University of Illinois College of Medicine at Rockford (UICOM/R). Members of the Alliance have allocated fiscal, physical, and human resources, and have created entrepreneurship systems within their individual institutions to advance economic development. These programs focus on the following areas:

- A. Quality of Educators – All four institutions offer numerous high-quality degree programs, certifications and training to produce the best possible educators for the Rock River Valley. Programs are aimed at both students looking to enter the field of education and at current teachers. These programs include degrees at the associate, bachelor's and master's level in education as well as individual programs on professional development, the use of technology, and leadership.
- B. Student Readiness – The experience of HAERRR institutions has validated national findings that the greatest barrier to students' success in postsecondary education is inadequate academic preparation, not access or finances. To overcome this, these four institutions work with students, teachers, and administrators to increase the likelihood that students will prepare well, enroll, and succeed in postsecondary education. Their efforts include activities for the students themselves, college credit for high school students, activities for educators at all levels, and academic and career exploration activities for middle and high school students.
- C. Manufacturing – Alliance institutions bring millions in federal money and faculty expertise to help manufacturers in the area revitalize their operations for the 21st century. To meet manufacturers' needs for innovation and continuous improvement, HAERRR institutions transfer the latest technologies, apply research findings, and contribute business expertise. All four Alliance members participate actively in the region's leadership activities for economic planning and problem solving.
- D. Health Care – Health care represents one of the region's primary industries. Rockford's three hospitals are all included among the City's five largest employers with a total of nearly 8,500 employees. Alliance institutions deliver initial and continuing education to health care professionals in more than a dozen fields, including those facing critical shortages, such as registered nurses. Through outreach programs, HAERRR delivers expert services at hospitals, clinics, health departments and schools.

Rock Valley College

Rock Valley College, a two-year community college, offers a variety of programs ranging from apprenticeship programs to a Business & Professional Institute. Specific training opportunities via RVC include:

- A. Designed for people already working in the trades, RVC's apprenticeship program is a partnership involving the College and local joint apprenticeship committees which select apprentices from among eligible applicants. Under the program, employers pay for the training, which takes anywhere from three to five years. Programs are offered for bricklayers/cement masons, electricians, ironworkers, sheet metal workers, and tool & die/precision machinists. The College also has an Electrician Apprenticeship degree program, offering a more in-depth study of the trade.
- B. RVC offers continuing professional education in a wide range of fields, covering everything from beverage alcohol sellers and server certification to programs for healthcare professionals. Courses may be taken either on campus and online where RVC partners with Gatlin Education Services to offer online open enrollment programs designed to provide the necessary skills to acquire professional level positions for many in-demand occupations. Online courses are offered in the fields of healthcare; business; construction/automotive technology; internet, design and technical programs; Microsoft certification; networking/CompTIA certification; and video game design and development.
- C. RVC's Business and Professional Institute (bpi) provides expert training programs tailored to meet the needs of local companies. Virtually any of the seminars included in the program can be cus-

River Edge Redevelopment Zone Program

tomized to meet the particular needs of an individual business or work group. Training is provided on campus or at the company's site. Course offerings include the following:

- ♦ Management/Supervisory Skills Training – Includes such things as Learning to Lead, Interpersonal Skills for Effective Teams, Developing Communication Skills for Increased Collaboration, Handling Delegation, and Planning Skills for the Working Supervisor.
 - ♦ Programs that can be customized for an individual company's needs include business survey design, train the trainer, human resources issues, root cause analysis and corrective action, and reading blueprints and precision measuring instruments, among others.
 - ♦ Computer training is offered for the full Microsoft Office Suite at the beginner, intermediate and advanced levels, as well as for Crystal Reports, Front Page, Project 2000, QuickBooks, and Macromedia Dreamweaver.
 - ♦ Six Sigma and Quality Technology courses cover such things as the basics of Six Sigma management, strategic planning, lean manufacturing, team building, and more. The College offers certification at both the Green Belt and Black Belt levels.
 - ♦ ISO training is offered through eight separate courses – Internal Quality Audits; ISO 9000 Management Overview; Internal Quality Auditing; ISO Registration Process; ISO 9000 Documentation Techniques; SPC Control Charting (two courses); and ISO 9000 Documentation.
- D. The Small Business Development Center (SBDC) offers new and established businesses help in starting a business, developing a business plan, marketing, accounting/payroll, tax questions, finding governmental assistance, loan sources, human resources, and more. Their services include a free, two-hour training program entitled "Starting a Business?" that is designed specifically for people who need a better idea about the personal and legal requirements for opening and running their own company.
- E. The Rock River Valley Entrepreneurship Center (RRVEC) is a regional hub for coordinating small business and entrepreneurial training and development activities. In this endeavor, the College partners with NIU's College of Business Outreach, the West Suburban Technology Enterprise Center, Highland Community College, the North Business & Industrial Council ITC, the Blackhawk Hills Economic Development District, and The Abilities Center. It seeks to help high-growth potential small- and medium-sized businesses, and develop them into economically viable and sustainable companies that will continue to grow and create jobs in the region. The program, which was created under a grant from IL DCEO, provides the following services to clients:
- ♦ Conducting business plan or business concept assessments that identify gaps and limitations in current or planned business activity.
 - ♦ Identifying support services that can address these gaps and limitations.
 - ♦ Providing targeted accelerated services and grant awards for clients with high growth potential.
 - ♦ Creating a forum to link potential entrepreneurs, university research applications, businesses, and investors to develop and evaluate new business opportunities.
- F. RVC's Procurement Technical Assistance Center (PTAC) helps area businesses in learning how to do business with government at the federal, state and local levels. The Center uses a wide variety of resources to provide information and assistance to program clients. In the federal system alone, there are nearly 100,000 procurement officials across the country. Cooperation from these and other resources, such as the Defense Logistics Agency, the US Small Business Administration, and General Services Administration enables PTAC to provide valuable technical assistance to participating firms. PTAC also has links at the federal, state and local levels through the IL Small Business Development Center Network, working closely with other business assistance programs to provide such services as trade/export assistance through international trade centers, access to financial and energy management assistance, and job training help.

Rockford College

In addition to serving as an excellent four-year liberal arts college, Rockford College provides a critical need for an important segment of our local economy, that of nonprofit organizations. Through their Northern IL Center for Nonprofit Excellence, Rockford College strives to build capacity among such

River Edge Redevelopment Zone Program

organizations to reach the highest levels of service and management excellence by providing information, education, consultation and resource supports. Specific offerings of the Center include:

- A. Effective Governance, a series of three sessions on nonprofit board training covering everything from running efficient meetings to understanding monthly financial statements and audits.
- B. Nonprofit Leadership Certificate Program, a five-course series covering nonprofit governance and executive leadership, informing and persuading key constituencies, financial management for the nonprofit, managing staff and volunteers, and strategic planning.
- C. Proposal Writing Workshop, a series of six sessions covering everything from the basics to demonstrating outcomes and impact.
- D. Agency assessments, using one of two tools – the Unity Foundation capacity quotient that benchmarks capacity according to 60 standards of preferred practice, or the Wilder Nonprofit Life Stage assessment used by the Amhurst H. Wilder Foundation to determine what life stage an organization is in and its strengths and weaknesses.
- E. Technical assistance to agencies, provided by the staff and faculty of Rockford College, in the areas of nonprofit best practices, policies and procedures, employee handbooks, board development, business plans, and foundation listings, among other things.

University of Illinois College of Medicine/Rockford

UICOM/R, created as a regional medical program in 1972, provides the second, third and fourth years of medical education for its students. Students begin their degree program by completing their initial year at the University of Illinois at Urbana-Champaign. The College enjoys a solid relationship with Rockford's three hospitals – Rockford Health System, SwedishAmerican Health System, and OSF/St. Anthony Medical Center. The Rockford campus is also home to a number of additional University programs, including the following:

- A. The University of Illinois at Chicago College of Pharmacy offers a six-year program leading to the Doctor of Pharmacy degree. Of those six years, two years of pre-pharmacy are required before admission to the College of Pharmacy. These pre-pharmacy requirements can be completed at any accredited junior college, four-year college or university. In the Rockford area, they can be met at Rock Valley College, Rockford College, Beloit College, and NIU. In addition to the standard six-year program, the College of Pharmacy gives individuals with a bachelor's degree in pharmacy the opportunity to earn their doctorate with minimal disruption of their professional and personal lives. They can apply for admission to the Continuing Curriculum Option program in which students complete a series of self-study didactic courses followed by four six-week clinical clerkships that can be completed at the Rockford site.
- B. The UIC College of Nursing is consistently recognized as one of the top ten nursing programs in the United States. The Rockford Regional Program offers graduate education to nurses who want to develop advanced practical roles as either clinical nurse specialists or as nurse practitioners.
- C. In conjunction with the University of Illinois School of Public Health in Chicago, the UICOM/R offers a course of study leading to a Master of Public Health degree. The Rockford program is designed as a Professional Enhancement Program (PEP) specifically targeted to individuals who already have three or more years of medical, public health or other health-related experience, or students who are currently enrolled in medical school. Courses are available to degree and non-degree students.
- D. The Rockford Family Practice Residency program was established concurrently with the opening of UICOM/R and has enjoyed continuous full accreditation by the American Council on Graduate Medical Education, accredited to the University of Illinois. The residency accentuates the cardinal principals of family medicine – personal, familial and biopsychosocial care, conducted on a continuing basis. The affiliated institution, SwedishAmerican Hospital, allows for exceptional training and experience in the areas in which future family physicians need to be proficient. Family practice is the only residency program offered at UICOM/R.
- E. Health Systems Research (HSR), a unit of UICOM/R, serves faculty, students, health care providers, human service agencies and other community organizations throughout Illinois with demographic, health, social and economic data. HSR provides limited consultation, works in conjunction

River Edge Redevelopment Zone Program

with staff or volunteers of other organizations, or assumes total responsibility for projects – whichever meets the needs of the client being served. HSR handles both large and small projects and has assisted more than 200 organizations throughout Illinois, including hospitals, nursing homes, local health departments, United Ways, and schools, as well as government, community and not-for-profit agencies.

Rockford Business College

Ever since its establishment in 1862, the mission of Rockford Business College has been to prepare its students for entry into the workforce. They currently offer courses in four areas:

- A. Business administration and accounting – teaches skills in accounting, business, marketing, and information processing.
- B. Information technology – offers training and testing services for certifications offered by CompTIA and Microsoft, including MCSE, MCSA, MCP, MOS, IC3, A+ and Network+. They cover four specialties in the computer technology field – computer specialist, computer systems engineering, internet technology and design, and network security.
- C. Paralegal – RBC's paralegal program is the only one of its kind in the region.
- D. Health occupations – provides programs for medical assistants, nursing assistants, massage therapists, pharmacy technicians, and veterinary technicians.

Rasmussen College

Rasmussen College opened in Rockford in 2006. With more than 100 years of helping students reach their career goals, the college specializes in providing career-focused training and maximum job-placement potential in a short timeframe. They offer certification and associate's degrees in a wide variety of fields, including health care, criminal justice, business, information technology, computer science and design. The college has 11 full-time employees and 8 adjunct instructors with plans to add up to 20 more. Their enrollment goal is to have several hundred students by their one-year anniversary.

Comprehensive Community Solutions, Inc. (CCS)

CCS is a non-profit, 501(c)(3) corporation founded in 1992. Its mission is to bring about fundamental transformation of neighborhoods, communities and the circumstances of those who live there through programs and services which emphasize building human capital, communities and affordable housing. A major program of CCS is YouthBuild Rockford, a unique program serving out-of-school youth ages 16-24 who are from low-income communities, have dropped out of school and are unemployed. It provides academic education, vocational skills training, personal counseling, positive peer support, leadership development, job placement and follow-up support. Program participants spend half their time in academic programming, and half learning skills in construction or computer technology. They build or rehabilitate housing for low-income families and have produced 28 units of housing in Rockford since the program began. Twelve of these lie within the Zone.

SCORE (Service Corps of Retired Executives)

Northern Illinois SCORE, Chapter #574 of the national SCORE organization, supports and promotes local small businesses by providing counseling services and workshops. For the former, SCORE's unpaid volunteers share their business experience and provide business counseling to anyone who operates a small business or is thinking about starting one. Counseling services are free.

SCORE's workshops teach entrepreneurs how to start their own business, market their products and services, establish legal requirements, set up accounting procedures, and much more. Workshop topics for spring 2007 include:

- A. Funding your business – topics include financial life cycle, sources of capital, approaching a lender, and what the lender expects.
- B. Starting a small business – an overview with emphasis on the fundamentals.

River Edge Redevelopment Zone Program

- C. Managing your business – fundamentals of every-day operations, including improving company employee relations, decision making, financial management, time management, cost control, etc.
- D. Writing a business plan – an overview of business plan writing and its critical elements.
- E. Sales and marketing – methods for finding prospects and keeping them as customers.

The Boone and Winnebago Workforce Investment Board

The Local Workforce Investment Board (WIB) is appointed by the chief elected officials in each local area of the State in accordance with State criteria, and is certified by the Governor every two years under the Workforce Reinvestment Act of 1998. Goals of the Boone and Winnebago WIB include:

- A. Increasing the marketable skills of workers through improved targeting of occupational training programs to meet the specific needs of area employers;
- B. Increasing the economic self-sufficiency of at-risk populations by improving the coordination of area programs serving these groups and by targeting intensive training services to meet the employment related needs; and
- C. Increasing the efficiency of the labor market exchange through improving speed and accuracy by which employers can identify job applicants with the needed skills and experience.

Plans to achieve these goals concentrate on

- A. Improving interagency collaboration and coordination;
- B. Improving the one-stop system to provide core services, intensive services, on-the-job training, customized training and referral to training providers;
- C. Increasing customer choice through the use of Individual Training Accounts;
- D. Developing the technological infrastructure needed to provide information services; and
- E. Leveraging funds from other sources, i.e., contributions from one-stop partners and fee-for-service activities.

Facilities for Advanced Manufacturing

The ROCK Program (Rapid Optimization of Commercial Knowledge)

ROCK is a joint research project between commercial component fabricators in the Rockford area and NIU. Located at EIGERlab on Fulton Avenue in the Zone, the Program aids Rockford area companies in becoming better suppliers and offers NIU faculty opportunities to develop research programs working with industry and government. It develops and deploys new manufacturing process technologies within Rockford companies. And it is expanding a virtual collaborative network of complimentary small manufacturing companies into a virtual supply chain, called the Manufacturing Alliance of Rock River Valley (MARRV) with the advantages of speed, responsiveness, innovation and reduced costs. The Program offers the following services:

- A. Capabilities and Technologies
 - ♦ dSPACE offers a complete tool chain for controller and ECU development. With its graphical modeling and offline simulation, it can combine with MATLAB/SIMULINK to save time and costs. The same model of a function or even an entire system can be used throughout an integrated software environment. With its prototyping systems, ROCK staff can optimize the control design for the real plant without manual programming. Design faults are found immediately, and corrections can be carried out on the spot. dSPACE is the world's leading engineering tool for developing and testing mechatronic control systems.
 - ♦ ROCK's tool inspection system is used to capture images of the end mills used in micro milling machines as well as for parts inspection. With the images of the end mills, ROCK staff proposes to develop a software tool that will be used by a camera to recognize and distinguish the degree of tool wear and breakage from a used end mill. With this information, they will have the ability to predict the usable life of an end mill, and thus increase the accuracy and

River Edge Redevelopment Zone Program

precision of the manufactured parts. The long-term goal for this technology is to have a vision system with these capabilities actually mounted onto the milling machines. The mounted cameras will then be used for monitoring machine health and tool metrology.

- ◆ Using vibration analysis and simulation equipment, ROCK staff can record and simulate vibration down to an adjustable precision. They are developing a vibration cancellation platform that will isolate the milling machines from environmental vibration, as well as compensate for the machine vibration that will disturb the accuracy of the milling.
- ◆ CaMeLEAN®/cPLM project management software is a collaborative Process Lifecycle Management (cPLM) solution which allows organizations to plan and manage their manufacturing processes in a flexible and predictable way. It allows ROCK staff to define the Manufacturing Process Plan and enables them to assess the costs and benefits of each production choice before even a nut has been bought or built. CaMeLEAN® has advanced flexibility that can significantly improve competitive value.
- ◆ The ProMetal R-I Machine is a breakthrough in metal rapid prototyping equipment. Designed specifically for the needs of research and educational customers, it is an excellent tool for developing powder metal materials and processes, as well as training the next generation of manufacturing engineers and powder metal scientists. Its applications are enabling prototyping of small, complex PM parts without tooling, accelerating PM material research for layered manufacturing, and facilitating the education of employees and students alike.

B. ROCK Program Tasks

- ◆ Benchmarking – ROCK staff and NIU faculty are performing an analysis of the projected production cost of military components and comparing these to similar commercial component production costs. The intent is to look at similar components to see what cost saving potential lies in Army suppliers adopting more commercial practices. ROCK is partnering with Hamilton-Sundstrand in this task.
- ◆ Manufacturing production process improvement – ROCK staff and NIU faculty are working with Rockford companies on new processing technology development such as smart forming, titanium machining, ceramics, adiabatic processing, micro-welding, metal cleaning, etc. This task will use locally available creativity to improve the Army's ability to readily procure small quantities of spare or new parts.
- ◆ Supply chain technology support – The ROCK Program, in partnership with MARRV, is using low-cost technologies such as Internet-based collaboration to support a network of businesses. The idea is to produce a virtual collaborative network of complimentary businesses that sell and deliver collective offers. This combination of small businesses has the advantages of speed, responsiveness, innovation, flexibility and reduced costs.
- ◆ Wear benchmarking study – The objective of this task is to perform a benchmarking study of the Department of Defense's and industry's needs to address unusual wear on systems caused by abrasive or corrosive environments, or both. Special emphasis will be given to areas where use of coatings is likely to provide significant cost benefits. Another objective is to supply decision makers with authoritative and actionable information and insight on an ongoing basis relative to the status of applied Tribology and Tribology R&D, the tribological needs of the government and industry, and R&D and application priorities.
- ◆ Tribology – The objective of this task is for the Institute of Tribology and Coatings (ITC) to recommend at least three special projects in tribology/coatings that have the potential to:
 - ◆ Positively impact military and industrial systems by use of coatings;
 - ◆ Rapidly test materials for corrosion and wear characteristics; and
 - ◆ Verify the application of project results.

C. ROCK Program Partners located in Rockford

- ◆ MARRV, the Manufacturing Alliance of Rock River Valley, was developed by Rockford area manufacturers in response to severe economic challenges facing the region. It focuses on developing and implementing flexible manufacturing networks consisting of community-based manufacturers, engineering, financial, legal, government and private industry. MARRV works

River Edge Redevelopment Zone Program

to penetrate new manufacturing markets and strives to remain competitive with larger manufacturers who are already outsourcing components to meet current demands. They provide a tremendous opportunity for smaller companies to use their expertise in meeting those outsourcing demands. Originally a 501(c)(6) organization, MARRV's operating assets were recently acquired by SupplyCore, Inc., a leading defense contractor based in Rockford with offices in the River Edge Redevelopment Zone.

- ◆ EIGERlab, also located in the Zone, hosts the creative commercial uses of advanced manufacturing technologies, such as micro-machining. It brings together the mechanical and industrial engineering expertise of NIU, the University of Illinois (Urbana), and Alion Science and Technology. Researchers from these organizations, in conjunction with engineers and technicians from area companies, develop prototypes of precision manufacturing systems and devices, conduct field tests and process evaluations, and demonstrate the efficacy of these to the Department of Defense and potential commercial users in the region.
- ◆ TECHWORKS is a 25,000 square foot facility owned and operated by The Abilities Center that is dedicated to training and improving individual manufacturing skills. The facility currently houses two components of this program.
 - ◆ The Fastener Training & Technology Center, established through the combined efforts of local fastener companies, has the goal of creating an awareness of the opportunities available in the fastener industry.
 - ◆ The Woodward Academy has been teaching the manufacturing process for the past 37 years. It instructs people of every skill level from basic skills, such as manual machining and blueprint reading, to more advanced skills, such as 2D and 3D CAD, CNC programming and advanced GD&T. The Academy is a Rock Valley College Regional Training Center and a Haas Technology Center. Their program has the only manual machine labs in the area featuring mills, lathes, OD, and surface grinders.
- ◆ Alion Science and Technology is an employee-owned technology solutions company delivering technical expertise and operational support to the Department of Defense, civilian government agencies, and commercial customers. They work closely with DoD and government agencies worldwide helping define and support capabilities, processes, and forces to meet the new strategies. Their operational experts bring real-world insight to solutions for program management, analysis, and strategy development. Alion operates over 175,000 square feet of laboratory facilities. The company's in-depth knowledge and experience supports industrial operations, from manufacturing to materials development to acoustical engineering. Their technical experts integrate breakthrough sensor technologies providing support to the DoD's Night Vision Electronic Sensors Laboratory. In addition, Alion provides full engineering design services, reliability and quality control services, and testing capabilities.
- ◆ Ingersoll Machine Tools, Inc., located in the River Edge Zone, has a long history of making tools and machines to make tools and machines. They serve several industries worldwide – automotive, aerospace, construction, agriculture, power generation, and primary metals. Products range from general purpose machines such as the MASTERCENTER to aluminum scalpers, from advanced fiber placement machines to massive High Velocity Aluminum Profilers.
- ◆ Micro Machines International (MMI), a Certified Woman's Business Enterprise housed at EIGERlab, is pioneering a totally new way of machining small parts. These parts range from about the size of a quarter to a gear so small it can fit on the tip of Lincoln's nose on a penny. They can be accurately machined using the latest in micro machine technology and CNC programming. These machines provide lower initial investment, portability, inherent accuracy gains, and lab and cell configurations, as well as other benefits. Incorporating the latest in university research and laboratory proven technologies, MMI has produced the first practical tabletop micro machine.
- ◆ ATOMETRIC, Inc., located at EIGERlab, is dedicated to the economical manufacture of small metal and hard composite components requiring precision of one micron or less. ATOMETRIC develops machines, tools and processes focused on metal products smaller than 25 mm (generally fitting within a 1.00-inch cube). They can enable American manufacturers to enjoy a potential advantage in their competition with low-wage foreign companies

River Edge Redevelopment Zone Program

in the rapidly growing world market for tiny, precisely machined parts. ATOMETRIC can produce metal parts requiring four-axis machining of complex shapes with guaranteed accuracy.

The Abilities Center

Rockford's Abilities Center is a nonprofit 501(c)(3) organization that provides education, training and employment for residents of northern Illinois. Its programs prepare its participants for jobs in a variety of vocational fields and assists them in achieving individual economic goals. The Center offers strategic solutions to the problems of workforce development, helping businesses recruit, assess, and train employees while serving as brokers for job seekers who are interested in establishing new career directions. The Center's experience in computer-based training and workplace apprenticeship enable it to address a variety of employment needs. Individual programs of the Abilities Center include:

- A. JobStarter, LLC, a subsidiary of the Abilities Center, serves as an incubator company and investment vehicle for area entrepreneurs in the early stages of business development. JobStarter allows emerging companies to take advantage of a wide range of management and back-office services – temporary employees; office and production space; equipment; marketing and graphics design; accounting, purchasing and payroll; and management coaching – while developing a viable income stream and laying the groundwork for the eventual incorporation and transfer of the business.
- B. The EDGE (Enterprise Development, Growth and Excellence) Business Center, a program of The Abilities Center, is funded in part by the SBA Office of Women's Business Ownership. The EDGE provides business education, consulting, mentoring and networking for entrepreneurs. Their mission is to help entrepreneurs build financially sound businesses across each stage of business development – start-up, management, expansion and continuous improvement. Programs of The EDGE include
 1. Business education and training through a series of professional seminars focused on helping entrepreneurs start and build financially sound businesses. These hands-on seminars give entrepreneurs the tools and insight they need to make decisions throughout the life of their businesses.
 2. Consultation and coaching are offered in three different ways – one-on-one consultation, peer focus groups, and business coaching.
 - ♦ One-on-one consultation is offered to help entrepreneurs with individual issues specific to their business. Assistance is offered in the areas of business planning, access to capital, finance, cash flow, inventory management, marketing, certification as a women/minority business, and implementation of lean processes.
 - ♦ Peer focus groups consist of 8 to 10 entrepreneurs in non-competitive industries. These groups provide a "safe" group of peer advisors for individuals to discuss and address common business issues. Each session is led by an EDGE facilitator, and topics are determined in advance by the group.
 - ♦ Business owners can apply for business coach matches. Coaches have significant experience in areas that are relevant to, but not competitive with, the client's business.
 3. EDGE works with clients to identify potential funding sources for the start-up, management and expansion of their businesses. These sources include microloans, SBA loans, economic development funds, traditional bank loans, venture capital, and others. The EDGE also provides assistance in preparing business plans, cash flow projections, and required documentation for obtaining loans.
- C. Rent-A-Factory provides entrepreneurs access to up-to-date physical facilities in an ISO 9001:2000 certified environment. This can include a temporary or permanent workforce with customized job-training programs; access to –SBA loans through the Rockford Local Development Corporation; and business support services such as accounting, purchasing and payroll.
- D. Metalworks performs machining fabrication from print for milling, lathe and saw-cutting in a wide range of metals and plastics. It also can provide machine design and fabrication and can coordinate services with a number of suppliers to provide finished components to meet a client's requirements.

River Edge Redevelopment Zone Program

- E. MULTITREX® is an experimental education program offering courses in four subject areas – foundation skills, information technology, manufacturing technology, and human services. As The Abilities Center operates micro-businesses in many of the fields in which it provides instruction, it provides the opportunity for students to see how their learning applies, while offering a variety of job-shadowing and job-simulation opportunities. Students learn through problem-solving and critical-thinking exercises, and demonstrate their understanding of concepts by practical experiments. The courses offer fast-paced alternatives to traditional classroom education.

Economic Development Organizations

The Rockford Area Economic Development Council (RAEDC)

The RAEDC is a private, non-profit economic development organization whose mission is to recruit and retain employment and industry in Boone, Ogle, Stephenson and Winnebago Counties in northern Illinois. Formed in 1980 by a partnership of private and public sector leaders, the RAEDC works closely with many partners to learn what existing and new employers need to grow, and to match those needs with the correct resources. The Council offers confidential, client-consulting services for businesses in the region, including

- ♦ Project management for incentives;
- ♦ Site selection analysis;
- ♦ Regulatory and international trade assistance;
- ♦ State and local coordination;
- ♦ Supply chain referrals;
- ♦ Workforce development; and
- ♦ Demographic research.

In addition, RAEDC works with companies to find financial and technical assistance and incentive programs they may be qualified for. These currently include the following, to which will be added incentives available through the River Edge Zone once Rockford's Zone has been certified:

- A. Major Financial Incentives
1. EDGE tax initiatives;
 2. Participation Loan Program;
 3. Enterprise Zone Financing Program;
 4. Industrial Revenue Bonds;
 5. State Treasurer's Economic Program (STEP);
 6. Community Service Block Grant Loan Program (CSBG);
 7. Export Import Bank of the US;
 8. Large Business Development Programs (LBDP); and
 9. High Impact Business Program.
- B. Worker Training Assistance
1. Industrial Training Program;
 2. Job Training & Economic Development Grant Program (JTED); and
 3. Workforce Investment Act.
- C. Technology Transfer Programs
1. Illinois Technology Enterprise Development Centers (ITECs);
 2. Manufacturing Extension Programs (MECs); and
 3. Technology Challenge Grant Program (TCGP).
- D. Other Resources
1. TIF districts in Rockford (eleven of which are located in the River Edge Zone);
 2. Rockford's Enterprise Zone;
 3. Foreign Trade Zone (located in the River Edge Zone); and
 4. Winnebago County property tax abatements.

RAEDC's public policy priorities, based on input from local business leaders, are as follows:

River Edge Redevelopment Zone Program

- A. Improved workforce development, resulting in prepared workers who have the skills and attitude to succeed, particularly for workforce replacement or growth.
- B. Coordinated regional economic development plan that results in an area prepared for economic development.
- C. Reasonable business taxes and fees obtained through a legislative environment that provides a level playing field, enabling local businesses to compete both regionally and internationally.
- D. Customer-faced local government with seamless, competitive services that are delivered in a predictable process environment, from the first call to follow-up.

Rockford Local Development Corporation (RLDC)

RLDC is a private, not-for-profit business development organization that manages several revolving loan funds. Working with the US Small Business Administration, RLDC has been helping fund small business projects since 1979. They work with individual businesses and their lenders to help the businesses essentially borrow money with SBA's credit rating on the bond market at attractive, long-term fixed rates, with less money down than in a conventionally packaged loan.

RLDC is also the successful developer of the Greater Rockford Industrial Park (GRIP) located just north of the Airport and in the River Edge Zone. RLDC only retains ownership of 3 parcels in the 122-acre industrial park, the rest having been acquired and, for the most part, developed by a variety of corporations since land was first made available in the GRIP in 1984. RLDC has also been involved in other, smaller development projects, primarily the IGA grocery on South Main and redevelopment of a portion of the North Main TIF.

Most recently, RLDC has joined with the City of Rockford to form the Northern Illinois Investment Corporation (NIIC), a new community development entity that has submitted an application for New Markets Tax Credits. NIIC's goal is to accelerate establishment of the Rockford region as a premier logistics and distribution center for the Midwest and beyond. A significant part of this strategy will be played out in the River Edge Zone through inclusion of the Airport and nearby industrial parks.

City of Rockford

The City of Rockford's Economic Development Division focuses its efforts on attracting new businesses to the community and, just as importantly, retaining and expanding existing ones. Through use of everything from tax increment financing to historic preservation tax credits to just helping business or property owners work through the development and/or redevelopment process, the ED staff has as its focus improving Rockford's economy and the quality of life for its residents. The Division's three permanent staff members work with both industrial and commercial developments, managing the City's extensive TIF program and its Enterprise Zone. They work closely with other City departments, especially Public Works, and with a number of other organizations – the RAEDC, RLDC, the Rockford Area Convention and Visitors Bureau, and the Chicago Rockford International Airport, as well as smaller organizations representing specific areas of Rockford such as the River District and Mid Town District.

Rockford Chamber of Commerce

The Rockford Chamber of Commerce is a private, not-for-profit organization whose primary purpose is to enhance the economic vitality of its member companies and professionals. To that end,

- It advocates for a healthy business climate by taking positions on issues affecting businesses like healthcare, roads, city and county, taxes, education and the environment, and accompanying them with action plans.
- It works with local economic development partners to attract and retain businesses and jobs for the region.
- It provides professional growth opportunities through networking and education to key groups like small business owners, entrepreneurs, women, minorities and young professionals.

River Edge Redevelopment Zone Program

- It works to ensure the vital role of manufacturing, a key component of the region's economy, with services to support existing manufacturers, to help them advance their technologies, to maintain a well trained workforce and to improve the business climate for manufacturers in general.
- It acts as a regional leader; bringing together various governmental and business entities to support the economic development of the five-county region as a whole.
- It sustains a strong and effective communications network built from e-newsletters, business to business communications, Web sites, monthly newspapers and annual publications.

Stateline Angels

Founded in 2005, Stateline Angels consists of a small group of successful business executives in the Rockford area who have significant operational expertise in a variety of industries and businesses. They have dedicated themselves to fostering growth in the area by assisting individuals in creating successful businesses. Specifically, Stateline Angels is an angel investor organization that provides investment capital. Members who choose to invest are also committed to lending their operational experience to enhance the chance of success to the ventures in which they invest. Stateline Angels has a close relationship with Rockford Area Ventures and the EIGERlab, where it is located. Rockford Area Ventures provides initial assistance in screening proposals and in preparing business plans for submission to the Angels. Stateline Angels, in turn, provides funding and continued assistance to those ventures that meet its criteria and grow out of the research being done in the EIGERlab. The organization's investment criteria are as follows:

- A. A market opportunity sufficient to create a business with at least \$5 to \$10 million in revenues.
- B. A compelling, well articulated strategy for capturing and defending a significant market share.
- C. Proprietary technology or other strong barriers to market entry.
- D. Strong management (not necessarily a complete team) with relevant and successful experience.
- E. An exit strategy for the investors.
- F. A desire for advice and coaching.
- G. The company valuation must fit within the Angels' risk/reward expectations for the investment.

Stateline Angels' members look for situations where the capital sought (\$250,000 or more) will take the company to the next level and materially increase its valuation. A company must be able to demonstrate how it will use members' investment to complete at least some of the following:

- A. Proof of concept.
- B. Prototype of its product or technology.
- C. Patent filing (for broad patent).
- D. Product development.
- E. Market research.
- F. Product launch.
- G. Major contract or customers.
- H. Management team.
- I. Reduce other investment risks.

Telecommunications

Four companies provide fiber optic routes through all or part of the Zone. These four companies and the Zone areas they serve are shown in the following table.

River Edge Redevelopment Zone Program

	Choice One Communica- tions	Insight Communica- tions	McLeod USA	SBC
North Towne Mall area	X			X
North Main industrial area	X	X		X
Downtown	X	X	X	X
South Main area				X
Airport and industrial parks				X

e. Characteristics of the proposed River Edge Redevelopment zone area.

Rockford’s River Edge Redevelopment Zone is far from being monolithic in character – it is as varied as the City itself. With one exception – the North Towne Mall area – the common thread running through all of the Zone is the presence of manufacturing, either in the past or the present, or both. This reflects Rockford’s past as a community whose economy was based on manufacturing, whether it be knitting, furniture, fasteners or pianos. Our industrial base started on the Rock River because of the need for water power and its easy availability there. While the need for water power has not been a factor for decades, most manufacturing plants built by the end of the 1920s were still within less than a mile of the banks of the Rock River. As the way we manufacture goods has changed over time, many of these plants have been left behind as obsolete, dragging down the neighborhoods around them and posing environmental and financial risks for anyone interested in redeveloping them.

As was mentioned earlier in the land use section of Part C, this Zone contains four clearly definable areas. Working from north to south, these are:

- A. *North Towne Mall and Cliffbreakers* North Towne was one of Rockford’s first shopping malls, opening in 1956. Like many malls of this era, North Towne has fallen on hard times. Other than one major furniture store, Gustafson’s, and a second-run cinema, occupants of the mall are currently limited to smaller retail and restaurant operations. Two outlots on the property contain highly visible businesses – a branch of Chase Bank, and a McDonald’s. The latter was relocated onto this site from a smaller one a few blocks south on North Main Street a few years ago, and has become a highly successful location for the franchise.

Cliffbreakers is of more recent vintage, built in the early 1990s. It contains a motel, conference center and restaurant on its riverfront location. Both Cliffbreakers and North Towne recently changed hands and changes are expected at both.

This part of the Zone comes closer than any of the others to being suburban in nature. However, as many suburbs that developed in the ‘50s have discovered across the country, being suburban is no guarantee against becoming obsolete or being passed by. That is certainly true on this site which combines an indoor mall facility with a strip mall connected to it and two additional buildings on outlots. Incentives available through inclusion in the Zone will help the new owners in their efforts to revive this as a vital shopping area.

- B. *Essex Wire Industrial Area* Centered around the intersection of North Main Street and Fulton Avenue, this is one of Rockford’s older (but certainly not oldest) industrial areas. Based on 1939 aerial photos which show virtually no structures in the northwest quadrant of this intersection, the bulk of what exists here was built in the last 65 years. Served by highway access from Main Street (IL 2) and by rail, it became a major industrial center for Rockford in the ‘40s and ‘50s.

This area shows the classic elements of older, obsolete industrial plants but with a glint of hope through innovation. The announcement by Ingersoll, a century-old manufacturer in Rockford, that it was filing for bankruptcy and closing down in 2003, led local leaders of both the public and private

River Edge Redevelopment Zone Program

sectors to combine to re-create this area as a hub of innovative technology. Part of the Ingersoll facility became the home of Rockford Area Ventures and of EIGERlab. This has in turn led to more concentrated efforts to focus a little less on traditional manufacturing and a little more on the next generation with such things as micro machining. While these efforts are a positive for the area, the fact remains that a large part of the area is taken up with obsolete industrial facilities, some vacant and some not. During the 30-year lifespan of the River Edge Redevelopment Zone, a major challenge will be to redevelop this area in a way that strengthens the local economy.

- C. *Central Rockford* Extending from Auburn Street on the north to 15th Avenue on the south, this area represents the core of the community. A wide spectrum of uses and development types is found here, reflecting the length of time the area has been settled and the evolution of development patterns in Rockford. A majority of the area was platted as early as 1858. A map of the City of Rockford published at that time shows most of the area bounded roughly by Whitman Street to the north, 11th Street to the east, Montague Street/Catlin Street to the south, and West Street to the west as being subdivided. This portion of the River Edge Zone includes several areas of note:
1. The Water Power District (where Rockford industry began over 150 years ago) and “newer” industrial sites, such as the Barber-Colman complex, are prime examples of older manufacturing sites. Only one major industrial use – W A Whitney – still operates within the original District south of Cedar Street. Many of the other industries that were located there have either closed or relocated. This area includes the largest concentration of brownfield activities underway in Rockford with both US EPA and IEPA assistance. The largest single component of this is the Barber-Colman site, purchased by the City in 2002. Since then, full Phase I and Phase II ESAs have been completed on the site, and two buildings have been demolished and the site where they were located cleaned up. Barber-Colman has also been listed on the National Register of Historic Places, a move which should aid in redevelopment of remaining buildings.

The future redevelopment of this area is critical to the overall health of the Zone both because of its frontage on the river and its role as a gateway into Rockford’s downtown.
 2. A second concentration of industrial development, past and present, lies in the Kilburn Corridor which also includes a portion of Kent Creek. Existing industrial uses include Dean Foods, A-American Machine & Assembly, DLM Manufacturing Inc., E-Z Machine, and Kitzman’s Home Center Lumber. The Rockford Housing Authority’s Fairgrounds Development sits on one of these former industrial site, that of the Hess and Hopkins Company, a giant tannery. Just outside this area, the City owns several vacant lots being landbanked until Fairgrounds can go through the HOPE VI process. Other uses include the Horsman Quarry, a 13-acre quarry site owned by the City of Rockford which has been filled, primarily with construction debris; a few commercial enterprises at Kilburn and School Street; and a mixture of residential and vacant lots.
 3. East State Street downtown, which consists primarily of late 19th century and early 20th century commercial structures, forms a distinctive component of the Zone. All of East State from the river to the Faust Landmark is listed on the National Register of Historic Places. Use and condition of the buildings varies considerably, ranging from vacant and dilapidated to fully-occupied, frequently by offices, and fully renovated. It is and will remain a work in progress. Wide-scale improvements took place in the mid- to late 1980s following complete reconstruction of the street itself with the addition of street trees and brick pavers in the parkway. Since then, renovation has been sporadic, sometimes making use of the 20% federal income tax credits and sometimes with help from the City, usually in the form of a TIF façade rebate. While it is certainly more stable now than it was 25 years ago, it still has some glaring weaknesses in terms of the condition of some buildings and their use.
 4. West downtown is more varied than the east side due in part to large-scale demolition through the Urban Renewal program of the late 1960s. The predominant uses here are office, governmental, and parking with a limited amount of retail and residential. A series of large projects have been done over time in an effort to “save downtown” after it fell on hard times in the 1970s. The first was construction of the pedestrian mall which originally included not only the two Main Street legs still present, but also a block of West State Street on either side of Main. This had the effect of closing downtown’s 100% corner to vehicular traffic. Combined with the

River Edge Redevelopment Zone Program

opening of a regional mall at CherryVale, this had the opposite of the desired effect. The next big project was construction of the MetroCentre which opened in late 1979. This was done as part of a statewide program paid for through race track monies. While it certainly brought life back to a part of downtown, at least in its early years, it did not jump start widespread rebirth as had been hoped. A few years later, funds that had been allocated for construction of the MetroCentre but not needed for it were used for several smaller but still significant projects downtown – removal of the State Street leg of the mall, construction of the parking deck at State and Main, and replacement of a substandard surface parking lot on the riverfront that was owned by the City with substantial amounts of landscaping. The last became the site of the Zeke Giorgi State of Illinois Building. The last really big project, other than parking decks, was acquisition by the City of the Coronado Theatre, followed by an \$18.5 million renovation of the theater as a performing arts center. All of these projects gave downtown a boost, at least for a short time, but none provided the magic bullet to turn things around permanently.

West downtown, indeed downtown in general, remains a work in progress. Establishment of an active downtown organization – the River District Association – along with continued City involvement and a new generation of property owners have all contributed to a stronger downtown. It has evolved from its past as the retail center of Rockford to a home for the arts, for local government and the justice system, and for entertainment. It has seen the addition in recent years of several locally owned restaurants, and the start of a movement to convert upper stories of older commercial buildings into residences. A key factor in the success of downtown is using the fact that the Rock River runs through it as an advantage instead of as a divisive force. Past improvements have included the landscaping on the current site of the Giorgi building mentioned above, replacing another substandard surface parking lot behind the Rockford Public Library with landscaping and a pathway that ran south behind the Luther Center to West State Street, and installing park space behind the Waterside Building on the east bank of the river. The challenge now facing the community is to find a way to extend the green space in the form of a riverwalk throughout downtown and beyond.

5. Central Rockford includes three older commercial districts – 7th Street, Main & Auburn, and Broadway. The first formed the heart of Swedish settlement in Rockford and retains elements of its status as a shopping area as well as being home to several Swedish social organizations, headquarters of AMCORE Bank, and a privately owned highrise for elderly. It is also one of Rockford's first TIF districts. The area has suffered for the last 20 or 30 years with high levels of prostitution and drug use, or at least with the perception that this is true. Business owners on 7th Street have worked hard over the years to overcome this stigma, with varying degrees of success. The City has done its part with a Police substation on 7th Street, the addition of bike patrols, and by numerous sweeps. It also issued \$20 million in bonds based on TIF funds in 2004 for redevelopment projects on the street.

Main and Auburn is a 1920s'-era commercial corner that has also suffered through hard times in recent years. This is due in part to its being bypassed by big box stores and in part to uncertainty over what course future reworking of this intersection by IDOT will take. A redevelopment plan produced by Teska Associates for the City in 2005 recommended replacing the conventional intersection with a modern roundabout. This would serve two purposes – minimize the number of structures that would have to be removed for improvements, and, based on work done by the consultants, yield the most efficient roadway improvement of the five alternatives considered. This work is being built on in a current planning effort by Hitchcock Design Group for the North Main Corridor extending from just south of Auburn to just north of West Riverside Boulevard. Engineering design is currently being done on the roundabout as well. However, significant investments around this intersection are unlikely until property owners reach a higher level of certainty as to what will happen with the street and to adjoining properties.

Broadway – originally 14th Avenue – is sometimes considered an extension of 7th Street. Both are included in the Mid Town District, a business group similar to the River District Association for downtown. After a concerted effort in the early 1970s to update Broadway through installation of planters, bumpouts into the right-of-way, and in some cases a uniform exterior, most change has taken place on an individual basis. For example, Zion Development Corporation, a

River Edge Redevelopment Zone Program

CHDO, redeveloped the Grand Hotel for low-income apartments, after it had become a serious crime problem. Crusader Clinic, which provides medical and dental services for low-income individuals, converted a bank at the corner of 7th and Broadway into one of their major clinics. Individual business owners have worked hard to establish and retain good retail operations, but much of the street remains less than ideal as a retail location. While the area has been considered for creation of a TIF district, it has not been done yet.

6. Uses in the North Madison Street corridor on the east side of the river have changed over time, but properties lying between the street and the Rock River have consistently been used for a variety of non-residential uses. Over time, these have included warehouses for everything from roofing materials to produce, a brewery, two social clubs still in operation, a diaper service, car repair shops, various industrial uses, and residences. The area between Jefferson and Whitman Streets now includes the Park District's Riverview Ice House, trolley barn and dock for the Forest City Queen; the two social clubs (Verdi and Lombardi); the Brewhouse, which is largely vacant; one major industrial facility, Cellusuede; smaller industrial and warehousing establishments; and a scattering of residences. It has river frontage its full length and is traversed by a rail siding that runs up to Loves Park.

Both the City of Rockford's *2020 Plan* and the River District Association's *River District Framework Plan* (included as an appendix in the 2020 Plan) propose conversion of this portion of North Madison to a mixed use neighborhood of retail, restaurants and residential spaces. The City took the first step in this process in November 2006 with the rezoning of North Madison between Market and Whitman Streets from I-I Light Industrial to C-4 Commercial Oldtown. The new category allows the type of redevelopment being sought by both the City and the River District Association.

7. The North 2nd Street (IL 251) corridor extending northward from the Whitman Street interchange to the City limits at one time contained a major manufacturing site for the Skandia Furniture Works, with several large residences to the north of it. The area now contains Rockford's YMCA, a major facility that connects with the Park District's Bicentennial Rec Path; four historic homes to the north of the Y, one of which houses the office of the Community Foundation of Northern Illinois, the rest of which are still used as residences; and then the beginning of the Park District's Rec Path. This extends into Loves Park and includes not only the pathway but also the District's greenhouse, a rose garden, and small pond.
8. The Ingersoll/Rockford Watch Factory area lies along the east bank of the Rock River south of Walnut Street (Bus US 20). The City purchased the Ingersoll facility in 2002 and has been holding it since then for redevelopment, possibly as part of a proposed Whitewater Park. The Watch Factory is a 19th century industrial structure that is still in use, although not as a watch factory, and is considered a good candidate for redevelopment as well. Also in this same area are property owned by ComEd next to their dam on the river, a cement plant, administrative headquarters of the Rockford School District, and several properties owned by The Salvation Army. Except for the Salvation Army properties, all of these uses lie between the river and South Madison Street, reflecting the area's past as the east side portion of the Water Power District. Haight Village, a Victorian-era historic district, lies to the east of South Madison Street in this area.
9. The College/Seminary area lies immediately to the south of Haight Village. Its name derives from the fact that this area was the original home of what began as the Rockford Female Seminary and ultimately became Rockford College. Very few buildings remain from the College, which moved to its current East State Street location in the 1960s; however, much of the housing stock dates from when the College was the heart of this neighborhood. The one major exception to this is the Rockford Housing Authority's Jane Addams Development and adjacent Brewington Oaks highrise. The combined effects of the loss of the College, the addition of substantial numbers of RHA units, the decline of uses along Kishwaukee Street (IL 251) on the east side of the neighborhood, and success and expansion of neighboring industrial uses have led to the decline of the neighborhood. However, quality of life here should improve in the near future through the efforts of a strong neighborhood organization (ORCHiD), implementation of a new neighborhood 5-year plan now being prepared, demolition of the Jane Addams Develop-

River Edge Redevelopment Zone Program

ment in late 2007, reconstruction of the Morgan Street bridge and its approach on College Avenue, and modification of the entrance to Joseph Behr & Sons on the south side of the neighborhood.

10. The area east of Kishwaukee Street and between the two rail lines remains predominantly residential with older (early 20th century) housing stock. The area is traversed both by rail lines and by Keith Creek, resulting in more than one non-continuous street. Conditions in the area vary considerably, but many parts of it suffer from years of neglect, problems with crime, and general lack of investment. The City and Rockford Park District are both planning improvements for the Keith Creek corridor which should bring some positive improvement to the area. The City's focus is on flood control aspects while the Park District aims to build on this by widening the corridor as a major greenway from Alpine Dam to the Rock River.
11. The area south and west of the rail lines is made up mostly of industrial and residential uses. The prime industrial use – Valspar Paint – lies along the river. The Rockford Housing Authority's Blackhawk Development is in the northeast quadrant of Seminary Street and 15th Avenue. Except for a few scattered commercial establishments along 15th Avenue, the rest of the area is primarily made up of single- and two-family residences. Just on the other side of 15th Avenue, outside the Zone, is Blackhawk Park and Marinelli Field as well as The Abilities Center's TECHWORKS.
12. The final section of Central Rockford lies along South Main Street south of downtown and south of the industrial areas already discussed above. It contains two struggling commercial areas – one along South Main itself in the 1000-1200 blocks and the other on the west side of Main along Marchesano Drive. Most structures in the northern portion were built in the late 19th and early 20th centuries. The area has evolved over time from a largely Italian enclave to an African-American one to its current status as the heart of Rockford's Hispanic community. A business group called Southwest Ideas for Today and Tomorrow (SWIFTT) has struggled over the past several years to establish a presence on the street and to improve the image of South Main within the community as a whole. City efforts have included creation of some of its earliest Shopstead locations here, creation of a TIF, and working with the Rockford Local Development Corporation in the construction of a new grocery store, the IGA on South Main. However, the area is unlikely to stabilize and rebound until IDOT and the City make a firm decision on how the street itself will be improved in the future, and until visible progress is made in redeveloping the Barber-Colman property and the vacant land that lies between it and South Main Street.

Marchesano Drive was at one time a major retail location. However, the area has struggled over the last three decades to reestablish itself as a viable commercial area. The south side of the street contains the boarded-up remains of a commercial building that remains vacant after a fire over a year ago. On the plus side, the shopping area on the north side of Marchesano is largely filled after losing its primary occupant a couple of years ago. The other significant structure on the street is the former Box's Barbecue restaurant which remains vacant after it closed several years ago.

- D. *Chicago Rockford International Airport (RFD)* RFD itself encompasses over 3,000 acres, and is home to 30 industrial tenants and the largest regional parcel-sorting facility in the UPS system – the only facility of its type that handles coast-to-coast cargo. The Airport has progressively evolved from a general aviation facility to a dynamic commercial service airport. RFD is currently ranked as the 24th largest cargo airport in the nation and the 226th largest passenger airport, averaging between 21 and 25 flights per week. It is an international airport capable of landing aircraft in Category III conditions. These state-of-the-art facilities coupled with runway lengths of 10,000 feet and 8,200 feet allow RFD to land any jet aircraft operating in the world today, even under the most adverse conditions. The Airport is a US Customs Port of Entry, and the Airport Authority is grantee for Foreign Trade Zone #176. Over the past few years, RFD has invested over \$183 million in infrastructure improvements and facilities. A majority of these dollars came from local, state and federal grants. Completion of the projects involved has allowed RFD to position itself to accommodate the tremendous growth in both passenger and cargo services that it has experienced. Clearly, RFD is the economic engine driving this part of the River Edge Zone.

River Edge Redevelopment Zone Program

In addition to the Airport itself, this part of the Zone includes a large industrial area around it. This includes the Greater Rockford Industrial Park (GRIP) and Logistics Park, as well as several standalone industrial facilities. A small residential area – the last remnant of housing for Camp Grant – lies just east of Falcon Road between Airport Drive and Samuelson Road. There are a few commercial enterprises along 11th Street on the eastern edge of the Zone as well.

9. Local Revitalization Efforts: Describe public or private economic development related activities and commitments that have occurred within the past two years in the proposed River Edge Redevelopment zone.

TIF Districts

The City established five TIF districts in the Zone during the past two years. These are:

- ♦ River Oaks, on South Main Street;
- ♦ Garrison, south and west of Main and Auburn Streets;
- ♦ North Main and Auburn;
- ♦ State and Kilburn; and
- ♦ West Side #2.

These are in addition to the six that were already in place in the Zone – East Side, West Side, 7th Street, South Rockford, North Main/Eddy Avenue and Airport/Global Tradepark #1. [See a map of the TIFs in Attachment 6.]

Development Process

The City of Rockford is currently evaluating and modifying its development review and permitting processes with the goal of arriving at a process that is more predictable, understandable and direct than what is in place now. The effort relates specifically to annexation, zoning, platting, building permitting, and occupancy. It began earlier this year with four development workshops where members of the professional community of engineers, developers, homebuilders, and architects were invited to meet with the City's development review team from the Departments of Public Works, Community Development, Building, and Fire to discuss and propose changes to the development process that they, as our customers, felt would be beneficial. Their suggestions are currently under review for incorporation into City processes.

The City hired a facilitator to help the development review team use Value Stream Mapping to capture and demonstrate how development-related work is organized and progresses throughout the organization to enable people to visualize the processes, point to problems and focus direction for the continuous improvement transformation. A current status map and future map have been prepared and an implementation plan is underway. As the City's continuous improvement process moves forward, the City will enhance value with better development and permit flow with reduced waste.

While this effort is citywide, it clearly has implications for development and redevelopment within the River Edge Redevelopment Zone. Redevelopment and infill especially can be complicated even in the best of circumstances. By improving the City's review and approval processes, we hope to at least approach that best of circumstances level.

Downtown Efforts

The River Edge Zone includes the City of Rockford's Central Business District (CBD) which is also known as the River District. The City of Rockford partners on downtown development with the River District Association, a non-profit and Illinois Main Street organization comprised of downtown stakeholders. During 2006, the River District Association reported the expansion or renovation of 15 downtown businesses. In the same year, 26 new businesses were created in downtown Rockford. At least five new businesses are already scheduled to open in 2007 in the River District. Construction should be completed on 22 new loft condominiums in 2007 in downtown Rockford. Specific projects include:

- A. Approval of 8 façade rebate applications within the River Edge Zone during 2006. These grants were paid out in the form of rebates for exterior renovation work and were paid for from Tax Increment Fi-

River Edge Redevelopment Zone Program

nance (TIF) District funds. The 8 projects were located within the West Side #1, East Side, and 7th Street TIF Districts.

- B. The City of Rockford, Winnebago County, and Centre Events (the public authority that manages the MetroCentre) have teamed up to finance approximately \$20 million in improvements to the Rockford MetroCentre, downtown Rockford's 10,000-seat sports and entertainment arena. Construction will be completed in 2008 to renovate this facility into the new home of the Rockford IceHogs, the Chicago Blackhawks' new American Hockey League (AHL) farm team. The project will result in a new entrance, a dozen luxury suites and hundreds of club seats. It will be the facility's first major improvement since its opening in 1979. [See Attachment 7 for an illustration of the changes.]
- C. The City of Rockford granted \$750,000 in TIF assistance for the renovation of a vacant downtown office building located at 303 North Main Street. This vacant building is rapidly leasing up with office and retail clients. Anchor tenants include SupplyCore, Mid Northern Management Inc., and Watt Publishing, an international business-to-business information company in the agrifood, pet food, and woodworking industries. Watt provides content, data, research, and other information through web seminars, trade publications, in-person events, and online products to readers in over 150 countries. They will relocate at least 45 employees to Rockford from Mount Morris, IL and add an additional 5 jobs over the next year. Watt is moving to Rockford in order to attract and retain the talent needed to fuel their growth. Additional advantages of Rockford for Watt Publishing are broadband availability and improved access to Watt's vendor partners.
- D. Two nationally ranked museums are located within Rockford's River Edge Zone: Burpee Museum of Natural History and the Discovery Center Museum. Burpee is home to Jane the teenage dinosaur. *Child* magazine ranks the Discovery Center fourth on its list of best children's museums in the United States. The two museums are in the midst of the "Connecting Our Future" capital fundraising campaign with a goal of raising \$12.5 million, \$10 million for construction and \$2.5 million for an endowment. The campaign will add 35,000-sq. ft. to the two museums, including a 5,000 square-foot traveling exhibit hall to be shared by both and a connection between the two museums. The addition will permit traveling exhibits that currently bypass Rockford due to the lack of adequate exhibit space to come to Rockford, bringing even more visitors to the two museums. Additional enhancements include creation of a Teacher Leadership Center for kindergarten through 12th grade teachers, construction of a rooftop education and special events area, increased storage and classroom space, energy conservation measures, additional lunchroom space for student visitors, and development of an outdoor special events venue. The fundraising portion of the museums' capital campaign should be completed in October 2007. (Illustrations of the planned changes are shown in Attachment 8.)

Industrial Development

The City of Rockford signaled the importance it places on the future of industry in this community two years ago when it hired its first Industrial Development Manager as part of its Economic Development Division. This was the first time the City had anyone on its staff dedicated full time to working with business owners, property owners and other organizations to strengthen industrial development in Rockford. Other steps that have been taken in the last two years include

- A. A finalized development plan for Logistics Park, the new City-owned industrial park near the Airport. The site is development ready with all utilities, public and private, installed. The final plat for the Park is about to be signed and recorded.
- B. Exploring with property owners near the Airport opportunities for additional industrial park expansion.
- C. Actively marketing, both locally and regionally, Logistics Park and additional privately owned land in the River Edge Redevelopment Zone. This is being done by both the City and RAEDC.
- D. Acquisition of the right-of-way needed to extend Logistics Parkway from Blackhawk Road to Airport Road. When constructed, this will serve as the north-south collector-level street for this industrial area. Engineering design has already begun for this project.

River Edge Redevelopment Zone Program

PART D. ECONOMIC ASSETS AND LIABILITIES

- I. Describe the obstacles to economic activity in the proposed River Edge Redevelopment zone and the major social and economic liabilities and problems. Indicate the cause, nature and extent of the obstacles. These should be zone specific, but may also be explained in the context of the city, county or region. For example, obstacles may be: infrastructure problems, crime, high insurance rates, lack of access to capital, lack of skilled labor force, labor climate, negative image, high utility taxes, lack of a collaborative effort among public and private sector groups to stimulate economic development activities, etc.***

Environmentally-Challenged Sites

[NOTE: See Attachment IB for a map of environmentally challenged sites.]

Causes The abandonment of several factory complexes within the River Edge Zone during the past 25 years and the resulting loss of employment has resulted not only in large blighted industrial areas but also in the serious decline of adjacent commercial districts and residential areas. Several companies abandoned their major plants, downsizing and relocating to much smaller plants. Others simply closed their plants in Rockford and relocated or went out of business altogether. Taken together, the impact has been severe with major losses in both industrial jobs as well as neighborhood retail and service sector jobs. Formerly healthy though older residential neighborhoods with residents who worked nearby and used the nearby restaurants and retail establishments going to or from work or on their lunch hour have gone into serious decline. They have suffered major losses in jobs for those in the neighborhood, loss of retail services in the nearby commercial areas, and deterioration within the residential neighborhoods with loss of units, board-ups and continued deterioration. Job loss has resulted in a general lack of positive activity in these areas. As economic activity declines, crime increases and property values decline leaving these neighborhoods as neighborhoods that few would choose.

Nature The nature of the obstacles to economic development are threefold: first, there are the obsolescent and deteriorating industrial buildings of various sizes which may have environmental issues, are difficult to reuse, and are expensive to acquire and tear down. In addition, land assembly problems are often encountered when major redevelopment projects are proposed. Restoring employment to these sites is difficult because of these redevelopment costs and issues, especially when compared to development on a greenfield site. Second, these same areas have obsolescent and deteriorated commercial structures, many of which are vacant. Many of these commercial structures have apartments above the first floor, which are often vacant. They usually lack adequate off-street parking, as well as adequate traffic to support national chain stores if a site is available. The combined effect of all these factors is to send these commercial areas into serious decline. Restoring employment to the adjacent industrial area is a viable way to restore sustainable retail and service businesses. Third, the residential neighborhood which has undergone a serious decline due to job loss and loss of retail and services in the neighborhood has its best chance to become revitalized when employment, retail and services are restored to the neighborhood. Otherwise, continued decline can be expected.

Extent Environmentally-challenged sites exist throughout the heart of the Zone where there is a preponderance of older, industrial property. Going from north to south, these sites include:

A. Essex Wire Building Area

1. Triangular-shaped industrial area, located west of North Main Street and including the industrial structures south of Ford Avenue, north to the railroad crossing and west to the railroad.
2. Includes approximately 75 acres.

River Edge Redevelopment Zone Program

3. Includes nine structures, four of which are large industrial structures.
 4. Large Essex Wire Plant is currently not in use.
 5. The former Atwood Vacuum plant and the former Southern Imperial plant are both vacant. Each has environmental concerns stemming from manufacturing operations during the past 60 to 80 years using VOCs and petroleum products.
 6. Status of Environmental Assessments: no USEPA funded ESAs have been performed; privately funded ESAs may exist, but probably would need updating to current standards.
- B. Riverfront Museum Campus Area*
1. Includes the area east of North Main Street to the Rock River from Dickerman Drive to Whitman Street.
 2. Includes approximately 19 acres.
 3. Site includes ten structures, two of which are large non-residential structures.
 4. What is now the Rockford Museum Center was originally built as a Sears retail store and included a large auto service center with hydraulic lifts and potential petroleum contamination; the former Illinois National Guard structure on the south end of this area, currently vacant and City-owned, had unknown uses and potential environmental issues.
 5. Environmental Assessments: No USEPA- funded ESAs have been performed in this area. The former Illinois National Guard Armory has not been assessed. A leaking underground storage tank was removed at the Museum Center approximately 16 years ago, and an NFR letter received following corrective action work. However, museum expansion plans call for the removal of the easternmost portion of the building that housed the auto service center and environmental professionals have indicated a need for further assessments following demolition.
- C. The Brew House Area – North Madison Street Corridor*
1. The area between the Rock River and the alley east of North Madison Street which separates the residential area to the east from the industrial area to the west.
 2. Includes approximately 37 acres.
 3. Area includes a large, vacant former brewery and a total of 40 structures, most of which are industrial in nature; entire area is located in a narrow valley served by rail for over 100 years and has had numerous industrial uses including petroleum bulk storage, metal plating, chemical processing and chemical production.
 4. Environmental Assessments: An eligibility determination matrix has been prepared for this area to address the USEPA eligibility process. This process included a review of historical documents and maps as well as environmental records. According to this review by an environmental consulting firm, 37 properties in this area are suspected of having petroleum or hazardous substances contamination or both.
- D. Ingersoll/Rockford Watch Area*
1. This area is located on the east bank of the Rock River from Walnut Street south to the Illinois RailNet line and east to South First Street.
 2. Includes approximately 35 acres.
 3. This area has been primarily industrial in nature for over 120 years and includes approximately 20 structures. Among these are the former Ward Pump foundry and W.F. and John Barnes factories, former Rockford Watch factory, a former Ingersoll machine assembly plant, and a large ComEd site which formerly housed a hydroelectric power plant and, later, a coal-fired electric power generating plant. All of these sites were served by rail, with one rail adjacent to the Ward Pump/W.F. and John Barnes factories and one adjacent to the Rockford Watch Factory at a 20-foot higher elevation. A former electrical transformer storage yard, a gas station site, other underground petroleum storage tanks and an atomic reactor site (at W.F. and John Barnes) are among the numerous environmental concerns in this area. The major remaining industrial structures are either vacant or seriously underused.

River Edge Redevelopment Zone Program

4. Environmental Assessments: A full Phase I ESA and Phase II ESA were performed for the City-owned former Ingersoll properties. Some petroleum contamination has been found. An eligibility determination matrix revealed a total of four additional major sites with suspected environmental contamination within this area.

E. Industrial Area North of the City-Owned Barber-Colman Site and South of Downtown

1. This area is located west of the Rock River and north of Loomis Street to Cedar Street on the north, Winnebago Street to the northwest, Church Street to the southwest and including the area adjacent to Buchanan Street on either side of Loomis Street.
2. Includes approximately 116 acres.
3. This area contains approximately 95 structures, the vast majority of which are industrial; most of the remaining are commercial, including former gas stations. Much of this area has been industrial for over 160 years, starting with the City's first industrial area, the Water Power District. This area was served by rail – the Chicago, Galena and Union RR – before 1860, while the remainder received rail service between 1890 and 1910 with two additional lines serving the area, the Chicago Burlington and Quincy and the Illinois Central. Factory structures that remain include the former Nelson Knitting mill, the W.A. Whitney complex, Rockford Bolt and Steel, Barron Industries, the former Eclipse Fuel Engineering, former North American Clutch Drive, and numerous former machine shops and gas stations. The area also includes a large rail yard area with several remaining structures, many of which are vacant. Even active industries such as W.A. Whitney have vacant structures within their complex.
4. Environmental Assessments: A Desktop Phase I was performed for approximately 25% of this area. Within this area, referred to as Barber-Colman Village North, a total of 28 properties have recognized environmental conditions requiring a full Phase I. The remainder of this large area is divided by South Main Street into two large sub-areas, the Water Power District to the east of Main Street and the Rail Yard Area to the west.

F. Kilburn Corridor

1. Includes the area on either side of Kilburn Avenue between West Jefferson and Auburn Streets, paralleling the railroad tracks.
2. Includes approximately 121 acres.
3. This area is industrial to the west of Kilburn Avenue and a commercial/industrial mix to the east of Kilburn. There are several vacant former gas stations in this corridor as well vacant or underused industrial structures. Based on a 2005 Desktop Phase I, there are 15 sites with environmental concerns within this corridor.
4. Environmental Assessments: A Desktop Phase I was prepared for this corridor during October 2005. No further Environmental Site Assessments have been prepared.

G. Federal Courthouse Site

1. This site is bounded by Chestnut Street on the north, Green Street on the south, Court Street on the west and Church Street on the east.
2. Includes approximately 8 acres.
3. This site had several former auto dealerships, two machine shops, gas stations and other sites of concern. It is now completely vacant with 85% of the site owned by the City of Rockford and the remaining 15% by the US General Services Administration. Negotiations have been ongoing concerning the resolution of this site for a new Federal Courthouse.
4. Environmental Assessment: This site has received full Phase I and Phase II ESAs and it has been enrolled into the Illinois Site Remediation Program. A No Further Remediation (NFR) Letter was received during 2006, but the site cannot be developed because of the current ownership pattern.

H. City-Owned Barber-Colman Site

1. This site is bounded by Loomis Street on the north, Knowlton Street on the south, Rock Street on the west and the Rock River on the east.

River Edge Redevelopment Zone Program

2. Includes approximately 14 acres.
3. This site was headquarters for the Barber-Colman Company for approximately 100 years, until the early 1980s. The City acquired it in January of 2002. Barber-Colman primarily manufactured machines which were used to produce textiles. The machines produced in this plant were shipped throughout the world. There are 12 structures remaining, 4 of which are more than two stories in height. These 12 structures total approximately 650,000 square feet of floor space and are either vacant or are used for storage. The vacant buildings are not used primarily due to leaking roofs. A tire recycling facility also operates in one of the structures. The entire site is listed on the National Register of Historic Places.
4. Environmental Assessments: Full Phase I and Phase II ESAs have been completed for this site. Asbestos removal cost estimates show the need for approximately \$1.6 million in asbestos removal if all of the structures are to be re-used, slightly less if some of the structures are demolished. Estimates were also prepared for lead based paint removal, which would vary considerably between residential, commercial or industrial re-use of the buildings.

I. Bliss Building Site

1. Small site bounded by Church Street on the west, Mulberry Street on the south, a public alley on the east and private property to the north.
2. Includes approximately 0.5 acres.
3. The site includes a two-story commercial building proposed to be converted to residential condominiums, and a former gas station site with underground tanks in place
4. Environmental Assessment: Full Phase I ESA was performed and confirmed that the gasoline tanks are still in place. The property is privately owned (two owners) and they have not given permission for site access to perform Phase II Assessments

Poverty and Unemployment

Causes Poverty and unemployment occur at higher rates in much of the Zone than in the City as a whole, in large part due to the presence of older industrial plants which in turn have a blighting influence on surrounding neighborhoods. (See discussion of this on page 33.)

Nature and Extent Census data show that the River Edge and adjacent residential areas have severe poverty and unemployment when compared to the City as a whole. The River Edge Zone includes the economically distressed area west of the Rock River and south of Auburn Street. This area includes riverfront areas in and near downtown, along major transportation corridors such as North and South Main Street, West State Street, and Auburn Street; as well as deteriorated industrial areas in and near rail yards and rail lines to the south and west of downtown. Two riverfront brownfield areas near downtown on the east bank of the Rock River are also included. In evaluating the level of poverty, we looked not just at the resident population within the River Edge Zone, but also at surrounding census tracts. This gives a clearer image of the scale of the problem than just the data for people living in the Zone. All of the data in the table below are taken from the 2000 Census.

	West Side*	Southwest	East Side	Targeted Area	Citywide
Total population	24,669	14,418	13,652	38,321	150,115
Minority population	65%	77%	33%	53%	28%
Persons living below poverty	30%	36%	26%	29%	14%
Families living below poverty	26%	32%	22%	25%	11%
Median household income	\$25,291	\$19,661	\$22,554	\$24,173	\$37,667

* West Side = Census tracts 25 through 29, 31 and 32
 Southwest = Census tracts 25 through 29
 East Side = Census tracts 8 and 10 through 13

River Edge Redevelopment Zone Program

The 2000 Census reported unemployment for the City of Rockford as a whole at 4.7%. Average unemployment for 2005 was estimated at 8.1% for the entire City, but was 19.4% in the Near West and Southwest area and 15.7 % for the West Side south of Auburn Street. Three of the included census tracts were over 20% the area unemployment for 2005. When the Near East and Southeast areas are included, the River Edge area as a whole has an unemployment figure of 14.5%, still considerably higher than the City average. [Source: Illinois Monthly Labor Force Report, Illinois Department of Employment Security] 2000 Census data also reveal that 22% of the City’s population 18 and over never finished high school, while, in the Near West and Southwest side the figure was 48.4 %, 38.4% if the Near Northwest side is included. For the entire River Edge area, the figure is 38.4%, still considerably higher than the City average. This low level of educational attainment represents a serious stumbling block to improving the economic status of Zone area residents as more and more jobs require not just a high school education but college-level education or at least technical school training.

To put this in perspective, we compared Rockford’s citywide median household income in 1990, 2000 and 2005 with that of several other Illinois cities. As can be seen from the table below, Rockford is losing ground to these other communities.

Median Household Income			
	1990	2000	2005
Aurora	\$35,039	\$54,861	\$55,950
Bloomington	\$29,354	\$46,496	\$51,273
Champaign	\$22,967	\$32,795	\$30,443
Elgin	\$35,554	\$52,605	\$51,232
Joliet	\$30,967	\$47,761	\$56,175
Peoria	\$26,074	\$36,397	\$40,276
Springfield	\$27,995	\$39,388	\$43,054
Average	\$29,707	\$44,329	\$46,915
Rockford	\$28,282	\$37,667	\$35,356
Rockford/Average	96.97%	87.23%	75.33%

Source: 1990 and 2000 Census data; 2005 US Census Survey of Communities

Disinvestment in Rockford’s Housing Stock

Cause Related to the problems of high poverty and unemployment rates is the lack of investment in much of Rockford’s older housing stock. Low incomes generally result in low investment in housing, not because of any lack of desire to do so, but because of lack of resources.

Nature and Extent A housing market study prepared for the City of Rockford by Western Economic Services, LLC in 2004 sets out a discouraging picture of this community’s housing market. Using information obtained from the Rockford Township Assessor, they ranked only 26% of the City’s housing stock as being of good to excellent quality; 64% were judged to be of average to excellent quality, leaving roughly a third, or over 15,000 units, as being unsound to fair. [“Average” indicates that normal wear and tear is apparent, and the structure has average attractiveness and desirability. “Fair” indicates a structure has marked deterioration but is usable, and is judged as being rather unattractive and undesirable.]

Perhaps the most the most telling point of the study is the conclusion that in 2000 there were 1,212 unoccupied units in Rockford that were neither for sale nor for rent – roughly 2% of the total housing stock. Additionally, the Rockford Township Assessor has classified nearly 2,000 housing units as approaching unsound-

River Edge Redevelopment Zone Program

ness. [These statistics do not include any multifamily properties owned by the Rockford Housing Authority.] The consultant's recommendation was to demolish 1,000 units over a 5-year period.

High Property Tax Rates

Cause We can point to two factors as the reason for Rockford's higher than average property tax rate. The first, and perhaps most telling, is the City's low overall equalized assessed valuation, something that affects all taxing bodies within Winnebago County. Because of low valuation, it takes higher tax rates to generate the same income available in other communities with lower tax rates but higher assessed valuation. For example, Peoria's total EAV is roughly twice that of Rockford's. Not surprisingly, their tax rate, reported at \$0.95/\$100 of EAV in 2002 on DCEO's website, is less than half that of Rockford's. A second reason for high property tax rates in Rockford is the City's non-home rule status, which limits its ability to avail itself of other revenue generating options.

Nature and Extent The table below contains data from various websites on taxing structures in Illinois cities and figures for 2005 total EAV obtained from each community. It shows rates for each.

City	City Rate	Total Rate*	City %	City Total EAV	
				2005	'01-'05 Growth
Aurora	1.7900	7.9364	22.55%	\$3,523,396,362	52.69%
Bloomington	1.2935	9.5110	13.6%	\$1,541,447,858	29.90%
Champaign	1.3120	7.6551	17.14%	\$1,190,820,008	37.73%
Elgin	1.9223	8.5167	22.57%	\$1,939,463,700	38.99%
Joliet	0.9096	7.6048	11.96%	\$2,295,776,361	61.45%
Peoria	0.9476	7.9419	11.93%	\$1,616,801,731	22.67%
Rockford	2.1093	10.6787	19.75%	\$1,818,982,692	16.64%
Springfield	1.1269	7.8718	14.32%	\$1,748,394,988	15.64%

The end result of this problem is that potential employers as well as individuals considering moving to Rockford may view this as meaning that their taxes will be higher than in other cities of similar size, when this may in fact not be the case because of the lower value placed on real property in Winnebago County. Compounding this is the fact that the problem seems to be worsening as Rockford's total EAV is growing at a low rate relative to all but one of the other cities shown here.

Infrastructure Deficiencies

Cause Several factors play into Rockford's infrastructure problems, both in general and as they relate specifically to the River Edge Zone. While the City has had an active capital improvements program for the last 25 years, it is limited by the City's ability to levy property taxes or to find alternative sources of funding. (See discussion above concerning property tax rates.) While it has been successful during that time in passing road referenda to enable the City to issue general obligation bonds to pay for road improvements, this has resulted in a fairly substantial amount of debt that the City must pay, limiting the amount available for actual road improvements, as well as other types of infrastructure.

Nature and Extent Rockford's Department of Public Works estimates that it could take hundreds of millions of dollars to do all the work needed to bring all components of its infrastructure up to par. It recently embarked on a \$75 million upgrade of its water system, but other components lag far behind. One frequently overlooked facet of this was brought to the fore on Labor Day 2006 when a flash flood along Keith Creek, part of which is in the Zone, wrought an estimated \$10 million in damage to private and public property.

River Edge Redevelopment Zone Program

Compounding the problem is the lack of a statewide capital program. This has impacted the schedule for such things as rebuilding the Morgan Street bridge (from which truck traffic has been banned because of the poor condition of the bridge); reconstruction of parts of both South and North Main Street, including the proposed roundabout at Main and Auburn; and reconstruction of West State Street. Without significant improvements to these state-controlled roadways, Rockford's River Edge Zone will continue to struggle to meet transportation demands within its older areas.

The City's CIP for the next five years includes several projects within the Zone, the largest single project being construction of a new Morgan Street bridge and approaches to it extending from Kishwaukee Street (IL 251) on the east side to South Main Street (IL 2) on the west side. At one time scheduled for construction in 2004 as part of the State's FY2002 Major Bridge Program, completion of the project has been pushed back to 2011 or 2012. Other significant projects planned within the Zone include replacing the bridge that carries Kishwaukee Street over Keith Creek, a two-year project begun in 2007 costing an estimated \$5.85 million overall; reconstruction of South Main Street from Harrison Avenue to Cedar Street; construction of a modern roundabout at North Main and Auburn Streets; Keith Creek watershed improvements; and construction of a portion of the Riverwalk.

Availability of Skilled and Technical Workers

Cause Based on the report on labor availability in Boone and Winnebago Counties by The Pathfinders published earlier this year, this is not an uncommon problem. These types of workers are in great demand and are difficult to find in many places.

Nature and Extent The Pathfinders' report states that, of the companies interviewed, 43% considered skilled worker availability to be excellent or good, while 30% considered it to be fair. Only 3% viewed it as excellent. The availability of technical workers was viewed somewhat better – 42% good and 42% fair. The following table from the report provides a composite portrait of employers' experiences with and opinions of workers in the two-county area. While this general picture does not necessarily hold true within the confines of the Zone, it does give an indication of where problems may lie.

Category	Excellent	Good	Fair	Poor
Availability of skilled workers	3%	40%	30%	27%
Availability of unskilled workers	21%	58%	21%	0%
Availability of professional workers	0%	49%	36%	15%
Availability of technical workers	3%	42%	42%	13%
Worker productivity	9%	82%	9%	0%
Worker reliability	11%	80%	6%	3%
Worker attitudes	3%	85%	9%	3%
Reading competency	0%	76%	21%	3%
Writing competency	0%	70%	27%	3%
Calculations competency	3%	72%	19%	6%
Teamwork skills	9%	70%	21%	0%
Entry level skills	0%	62%	24%	14%

Source: The Boone and Winnebago Counties, Illinois Area Labor Availability Report, compiled and prepared by The Pathfinders, January 2007

In a more detailed section of the report, area employers identified the skills gaps and/or needs in the workforce shown in the table on the following page.

River Edge Redevelopment Zone Program

Skills Gaps/Needs in the Workforce	% of Employers
Technical	25%
Basics (reading, writing, math, science)	22%
English speaking	16%
Interpersonal	16%
Work ethics	13%
Communications	13%

This may be a reflection of how many employers view local public schools. While 57% felt the schools provide students a good education, 40% felt they only did a fair or poor job of educating the next generation of workers.

Projected Worker Shortage

Cause In addition to the causes cited above for potential shortages of skilled and technical labor, two other factors point to future difficulties in retaining a viable workforce in Rockford. These are rapid technological change and globalization, and demographic trends.

Nature and Extent A report released by Next Generation Consulting of Madison, Wisconsin in February 2007 defines these two issues in these terms.

In Rockford, where manufacturing is a storied part of the community's history, globalization and technology are having a deep impact. It's not that manufacturing's impact is declining; the value produced by US manufacturers continues to grow briskly from year to year. But the value is being created by fewer and fewer workers. Greater knowledge and skills are required by workers to hold jobs in advanced manufacturing environments. [*Rockford: Research, Report and Recommended Actions*, page 3]

Rockford is losing its share of educated young professionals. In 2005, about 25% of the U.S. population held bachelors degrees, compared with 13.1% in Rockford. At a time when the economy is demanding higher job skills, Rockford cannot afford to lose its young, educated workforce. To make matter worse, broader demographic trends indicate that the race for young talent will become even more heated. This is because of the Baby Boom...and bust. As Boomers head closer to retirement, there is a smaller generation of replacement workers following behind them. [page 4]

Crime

Cause Causes vary, depending on circumstances, but overall the blame for Rockford's high crime rate can rest on four factors – drugs, gangs, guns and poverty.

Nature and Extent The reason for including high crime rates as a deterrent to economic development is the chilling effect that it has on potential employers and also individuals considering moving to Rockford to work. If it is perceived as an unsafe place to be, individuals and businesses will think twice about locating here.

In the 2005 (and latest) latest version of the Illinois State Police on *Crime in Illinois*, Winnebago County and Rockford are shown to have crime rates well above the statewide average, both in violent crimes and property crimes. These are summarized in the following table.

Area	Total Crime Index Offenses*	Violent Crimes*	Property Crimes*
State of Illinois	3,727	568	3,159
Urban Counties	4,115	608	3,508
Winnebago County	6,023	645	5,378

River Edge Redevelopment Zone Program

City of Rockford	7,603	958	6,645
Aurora	3,360	441	2,919
East St. Louis	15,730	8,181	7,550
Elgin	4,713	466	4,246
Joliet	3,564	371	3,194
Naperville	1,826	56	1,769
Peoria	7,633	927	6,706
Springfield	7,911	1,465	6,446

*Rate per 100,000 people

As can be seen from the data in this table, while Rockford does not have the worst record in terms of crime among these locations, it is also far from the best. The City's rate for total crimes considered here is over twice that of the State, nearly 85% higher than that of all urban counties combined (not including Cook County or any of the collar counties), and 26% higher than that of Winnebago County as a whole. Of the seven other cities used for comparison here, Rockford's total crime rate exceeds that of four cities. While Rockford is far from being the worst of the worst, the numbers are bad enough to serve as one more reason why a company or individual might not want to move here.

2. Describe the economic development assets and special features of the River Edge Redevelopment zone which provide opportunities for stimulating economic activity. These should be zone specific, but may be explained in the context of the city, county or region.

- A. The Rock River itself and related open space and recreational areas, both existing and planned, provide a significant opportunity for stimulating economic development. Over the last three decades, cities across the country have found that their riverfronts frequently represent a critical piece of the economic development puzzle for their communities, especially for their downtown areas. A report from the American Planning Association states that "Restoring natural features, creating riverfront parks, and redeveloping brownfields all improve a city's image and livability. Cities that have redeveloped downtown waterfronts to include attractive walkable areas with historic, cultural, commercial, and recreational amenities have an edge in competition for new residents and businesses. Such amenities also attract visitors through tourism, conventions, and special events." [PAS Report 518-519: *Ecological Riverfront Design: Restoring Rivers, Connecting Communities*] The report goes on to state that riverfront redevelopment "can be a catalyst for downtown rejuvenation. Riverfronts redeveloped with recreational and other amenities also appeal to business owners." Rockford has been striving for 30 years to convert its riverfront from a main focus for local manufacturing to a focal point for recreation, commerce and living.
- B. The first piece of riverfront redevelopment was creation of the Bicentennial Rec Path along North Second Street (IL 251) starting on the north side of the Whitman Street interchange. Opened in 1977, it replaced the Skandia Furniture Works with a linear park combining a major pathway (long the community's only pathway) with the Park District's greenhouse, a small pond, a rose garden and open space. Attracting thousands of visitors each year, it represents one of the largest single draws in Rockford's downtown area.

This venue will only get better in the next few years. The Rockford Park District will celebrate its 100th anniversary in 2009. As part of the celebration, the District will unveil a new and improved Sinnissippi Park Riverfront that will greatly increase the number of annual visitors to that area. Plans are underway to revitalize the riverfront area from just south of the greenhouse as far north as Symbol, all located within the Zone. The first phase includes replacing the current greenhouse with the state-of-the-art Nicholas Conservatory and Gardens which will feature a permanent, year-round oasis of plant materials, seasonal flower shows, meeting space, and a children's play and learning area. This \$6.75 million project, named after Ruby and William Nicholas whose sons donated the lead gift of \$2.1 million, will be the cen-

River Edge Redevelopment Zone Program

terpiece for the Centennial Celebration. Additional projects in the initial phase include refurbishing the lagoon, rose and perennial gardens, reconstructing the Gus Boehland Memorial, and creating a permanent concession near Symbol. The second phase will include creating boat dock facilities and a trolley station to provide greater access to the conservatory and gardens by the trolley and Forest City Queen. (For drawings of the Conservatory and site improvements, see Attachment 9.)

- C. Several of the sports venues that earned Rockford the title of *Sports Illustrated's* Sportstown USA for Illinois in 2004 lie within or adjacent to the Zone. These include SportsCore I, a soccer and softball venue; the Riverview Ice House in downtown; Marinelli Field, built as a minor league baseball stadium; Rockford Country Club; and several public and private boat docks and ramps along the Rock River. An exciting possibility exists for a new whitewater park on City-owned property on South Water Street.
- D. The Chicago Rockford International Airport (RFD) is in a class of its own as an economic engine for the Rockford area. The Airport itself is home to UPS' second largest distribution center, employing 1,700 people and investing millions in its physical plant at the Airport. While freight is the bread and butter of Airport operations, passenger service has become an important component in recent years. At present, three airlines fly to five destinations, carrying 175,964 passengers in 2006. In addition, the Airport property includes several other employers, including UPS (1,700 employees), MTE (665) and Metcut (205). The Airport's standing as a location for future development has been enhanced through establishment of the Global TradePark Redevelopment Area, establishment of a tax increment financing district, and creation of a foreign trade zone.
- E. The Foreign Trade Zone located at RFD, FTZ #176, saw approximately \$45 million of product moved through it in FY 2004-05. Boundaries of Rockford's Port of Entry service area are the Wisconsin border to the north, I-88 to the south, IL 23 through Marengo to the east, and IL 26 through Polo and Freeport to the west. FTZ #176 is a general-purpose zone, established for multiple activities by multiple users and operated as a public utility. It also includes subzones for firms desiring status for a specific plant, usually manufacturing facilities. It currently consists of four subzones (one activated) and seven general purpose zone sites (two activated).
- F. A number of significant entertainment venues sit within the Zone, most but not all in the downtown area. In its 2006 annual report, the Rockford Area Convention and Visitors Bureau lists the following Zone sites among the top 30 sites in the Rockford area. Numbers indicate 2006 attendance figures.
 - ◆ Rockford MetroCentre – 491,946
 - ◆ Rockford IceHogs – 143,790
 - ◆ Discovery Center – 135,366
 - ◆ Burpee Museum of Natural History – 116,083
 - ◆ Coronado Theatre – 37,775
 - ◆ Rockford Art Museum – 36,472
 - ◆ Rockford Symphony Orchestra – 32,000
 - ◆ Rockford Dance Company – 25,343
 - ◆ Davis Park – 16,676
 - ◆ Erlander Home Museum – 10,599
 - ◆ Mendelssohn Club – 10,000

These numbers should increase as new management of the Coronado Theatre hits its stride in the coming year, and as the MetroCentre undergoes a \$20 million makeover.

An important factor in drawing people to these venues is the special events they host. The same report from the RACVB shows that just three events – the Fourth of July Celebration, On the Waterfront, and Air Fest – accounted for over 780,000 people visiting the Zone. The first two are located downtown while the Air Fest is, of course, at the Airport. Numbers for the Air Fest are expected to increase as it is only in its third year and grows each year. Other events within the Zone with significant attendance in 2006 were the Stars & Guitars Summer Concerts with roughly 15,000 attendees, and the Head of the Rock Regatta, the largest such regatta in Illinois. Just outside the Zone, Klehm Arboretum drew over 14,000 people to its special events.

- G. Rockford's River Edge Redevelopment Zone includes a significant number of historic properties and museum sites. As recognition of the importance and value of historic buildings grows, their presence in the

River Edge Redevelopment Zone Program

Zone represents an increasingly important component of economic development efforts. The Zone includes four districts listed on the National Register of Historic Places – East Rockford (primarily East State Street from the Rock River to the Faust Landmark), Haight Village, 7th Street, and the Barber-Colman Industrial complex. A fifth district – West Downtown – is under review. Listing on the National Register brings with it eligibility for use of the 20% federal historic preservation income tax credit, a major incentive to redevelop these buildings. A small local historic district – Northeast State & Main – has been certified as being eligible for tax credits as well.

In addition to these districts, 11 sites in the Zone are listed individually on the National Register. Of these, three represent development opportunities. These are the Chick House on South Main Street, the former Illinois National Guard Armory on North Main Street, and the former Elks Club building on West Jefferson. All are being actively marketed at this point.

- H. The largest new construction project in Rockford's downtown since the MetroCentre was built over 25 years ago is nearing completion – the new Winnebago County Criminal Justice Center. Paid for by a 1% sales tax increase approved by voters in 2004, the Center will house not only a new County jail but also the offices of the County Sheriff, State's Attorney, Public Defender and Court Service departments as well as four courtrooms. The project covers four square blocks and will cost \$145 million.
- I. There are also plans to begin construction on a new federal courthouse in downtown as soon as it clears funding hurdles in Congress. The City has already purchased and cleared the two blocks of land needed for the facility, and has completed environmental requirements on the property. When built, the new courthouse will replace one built in the '70s which does not meet current security requirements, nor does it provide enough space for what is needed now.
- J. While the large number of vacant industrial and commercial structures definitely constitutes a liability, it also presents us with a largely untapped asset in the form of architecturally interesting, usually well constructed buildings that are ripe for redevelopment for other uses. These buildings are a largely untapped resource in Rockford, made only more enticing by their relatively low acquisition cost (by Chicago and Collar County standards). As we find individuals and companies with the experience and financial ability to work with these properties, they will truly become assets in every meaning of the word for this community,

River Edge Redevelopment Zone Program

PART E. DEVELOPMENT GOALS AND OBJECTIVES

I. List and explain in order of priority the specific long-term (10 years) development goals of the River Edge Redevelopment Zone program.

These 10-year goals represent the first major steps in accomplishing the following along Rockford's Rock River riverfront:

- ◆ Increasing public access physically and visually to the Rock River and the riverfront;
- ◆ Ensuring to the greatest extent possible that environmentally-challenged sites within Rockford's River Edge Redevelopment Zone are cleaned up and available for new uses;
- ◆ Building on existing assets in the Zone – including public improvements – to strengthen its role in the local economy, both as a place to work and as one to live and play.

In order to begin this process, we have established the following 10-year goals:

Riverfront Access

1. Expand the pathway system and increase public green spaces – i.e., the Riverwalk – within the River Edge Redevelopment Zone, completing the pathway system from Davis Park to Klehm Arboretum that includes a corridor through the Water Power District, Barber-Colman Village North, and Barber-Colman. The ultimate goal is to have Riverwalk extend the full length of the River Edge Redevelopment Zone along the Rock River from Riverside Boulevard to the Airport.

Improving Environmentally-Challenged Sites

1. Complete environmental cleanup of 20% of the 425 acres of environmentally-challenged sites within the River Edge Redevelopment Zone. This will include cleanup of the following sites:
 - 1.1. Barber-Colman industrial complex;
 - 1.2. Riverfront Museum Campus, including the former Illinois National Guard Armory;
 - 1.3. Ingersoll/Watch Factory area;
 - 1.4. Amerock;
 - 1.5. TAPCO; and
 - 1.6. Bliss Building site
2. Carry out partial cleanup of the following sites:
 - 2.1. Essex Wire area – 50% complete
 - 2.2. The Water Power District and Rail Yard areas within the industrial area south of downtown – 20% complete
 - 2.3. Kilburn Corridor – 20% complete
 - 2.4. Brewhouse Area/North Madison Street – 40% complete
3. Begin redevelopment of other environmentally-challenged sites as they are cleaned up.

Building on Rockford's Assets

1. Complete expansion and redevelopment of the Riverfront Museum Campus, including Burpee Museum of Natural History and Discovery Center, and reuse of the former National Guard Armory.
2. Public improvements to be completed
 - 2.1 Complete construction of the new Morgan Street Bridge, including new approaches between South Main (IL 2) and Kishwaukee (IL 251) Streets.
 - 2.2 Bring commuter rail and/or Amtrak service to Rockford with a station located in the Zone.
 - 2.3 Complete reconstruction of South Main Street (IL 2) by IDOT.

River Edge Redevelopment Zone Program

- 2.4 Construct a new downtown parking deck on the east side of the Rock River.
 - 2.5 Reconstruct or remove the Downtown Mall.
 - 2.6 Complete development of the new Federal Courthouse and nearby sites.
 3. Prepare redevelopment plans for those parts of the River Edge Redevelopment Zone not included in either a TIF redevelopment plan, a corridor study/plan, or a redevelopment planning area.
 4. Complete development of a 9-hole, par-3 youth golf course in conjunction with the Learning Center.
 5. Redevelopment projects (public and private) – recruit developer(s) and targeted businesses to acquire and rehabilitate for appropriate uses underused or vacant properties in the Zone, including the following:
 - 5.1 The Brewhouse/North Madison Street area as mixed uses, primarily commercial and residential;
 - 5.2 The Barber-Colman complex;
 - 5.3 Barber-Colman Village North;
 - 5.4 The Water Power District;
 - 5.5 The Rail Yard area.
 - 5.6 The Kilburn Avenue Corridor.
 - 5.7 Redevelop the South Main rail yards as a mixed use development.
 - 5.8 Complete redevelopment of the Cedar Street lofts.
2. **List and explain in order of priority the specific three year development goals and objectives of the River Edge Redevelopment Zone. The objectives must be quantifiable. Describe the specific tasks, activities and commitments which must be accomplished to achieve each objective. Indicate who is responsible for each task or activity and when each task will be completed. For examples, if a business retention effort is proposed, identify the elements of the proposal, who will be responsible for the program and the time line for program initiation and completion.**

The requirements for some objectives for the River Edge Redevelopment Zone are already very well defined. In those cases, we have shown detailed goals, tasks and timeframes, as well as who will be responsible for carrying them out. In other instances, primarily relating to redevelopment of individual properties or specific areas, details are not known at this stage. For those, we have laid out a more generalized framework that can be made more specific as we progress.

Riverfront Access

- I. Complete development of the Riverwalk from West State Street to the Chestnut Street Bridge.

Objectives: To plan, design, acquire land as needed, and construct the Riverwalk between State Street and Chestnut Street.

Tasks, activities, commitments and timelines:

 - Step 1 Tasks – Complete the conceptual design underway now for this section of the Riverwalk.
Responsible parties – City of Rockford and Hitchcock Design Group
Timeframe – Complete by June 1, 2007
 - Step 2 Tasks – Secure permanent easements to the two properties (Taphorn property and State of IL property) needed to complete the project
Responsible parties – City of Rockford
Timeframe – November 2007
 - Step 3 Tasks – Complete Phase I design in accordance with ITEP requirements.
Responsible parties – City of Rockford, design consultant
Timeframe – July 1, 2007

River Edge Redevelopment Zone Program

- Step 4 Task – Complete Phase II design in accordance with ITEP requirements
Responsible parties – City of Rockford, design consultant
Timeframe – September 2008
- Step 5 Task – Construction of Riverwalk section
Responsible parties – City of Rockford, construction firm
Timeframe – July 2008
2. Complete 75% of the Rockford Park District’s Sinnissippi Centennial Project from the Swan Anderson Building to Auburn Street.
- Objectives: Complete as much of this project as possible by 2009, the Park District’s 100th anniversary.
- Tasks, activities, commitments and timelines:
- Step 1 Task – Complete 80% of Phase I fundraising for the Conservatory and Lagoon restoration.
Responsible party – Rockford Park District
Timeframe – October 2007
- Step 2 Task – 85% completion of the Conservatory
Responsible parties – Rockford Park District
Timeframe – November 2008
- Step 3 Task – 50% of Lagoon restoration
Responsible party – Rockford Park District
Timeframe – November 2008
- Step 4 Task – Complete Conservatory
Responsible party – Rockford Park District
Timeframe – May 1, 2009
- Step 5 Task – Complete Lagoon restoration
Responsible party – Rockford Park District
Timeframe – December 2009
- Step 6 Task – Complete 80% of Phase I fundraising for Symbol area food service and restrooms
Responsible party – Rockford Park District
Timeframe – December 1, 2009
- Step 7 Task – Complete 80% of construction of Symbol area food service and restrooms
Responsible party – Rockford Park District
Timeframe – July 1, 2010
- Step 8 Task – Complete construction of two river boat docks and two rail trolley stops
Responsible party – Rockford Park District
Timeframe – May 1, 2010

Improving Environmentally-Challenged Sites

- I. Complete environmental cleanup of 7% of the 425 acres of environmentally challenged sites within the River Edge Redevelopment Zone.
- Objectives:
- I.1. Complete environmental cleanup of the 14 acres remaining on the Barber-Colman site that have not been done yet.
- I.2. Complete the cleanup of the Riverfront Museum Campus, including the former Illinois National Guard Armory.
- I.3. Complete cleanup of the City-owned Ingersoll site.
- I.4. Complete the cleanup of the Bliss Building site.

Tasks, activities, commitments and timelines:

River Edge Redevelopment Zone Program

- Step 1 Tasks – Perform Phase II Environmental Site Assessments and prepare Remedial Action Plans for each site.
Responsible parties – Environmental consultants under contract with the City of Rockford.
Timeframe – complete reports by December 31, 2007.
- Step 2 Tasks – Prepare Cleanup Grant applications and receive Cleanup Grants from USEPA and IEPA to clean each of these sites.
Responsible parties - City of Rockford.
Timeframe – Submit additional grant applications in December 2007; grant notifications received May 2007 and May 2008.
- Step 3 Tasks – Upon receipt of the Cleanup Grants and Revolving Loans, perform the cleanup of these four sites.
Responsible parties - City of Rockford.
Timeframe – July 2007 through December 31, 2009.
2. Complete the cleanup of the riparian corridor of Keith Creek from the Rock River to 9th Street, primarily for flood protection purposes with additional use as part of a greenway system along Keith Creek.
- Objectives are for the Keith Creek corridor to be environmentally acceptable as a pathway corridor, with appropriate locations suitable for passive recreation, and for the corridor to function as a storm drain-
ageway.
- Step 1 Tasks – Perform Phase I and Phase II environmental assessment for City and/or Park District properties in the corridor.
Responsible parties – Environmental consultants under contract with the City of Rockford
Timeframe – complete by August 2007
- Step 2 Task – Demolish key buildings on properties under the City’s control.
Responsible parties – City of Rockford
Timeframe – August 2007
- Step 3 Task – Prepare cleanup strategy for the corridor to meet parkland soil standards.
Responsible parties – City of Rockford
Timeframe – December 2007
- Step 4 Tasks – Prepare Cleanup Grant applications and receive Cleanup Grants from USEPA and IEPA to clean each of these sites.
Responsible parties – City of Rockford.
Timeframe – Submit grant applications in December 2007; grant notifications received May 2008.
- Step 5 Tasks – Upon receipt of the Cleanup Grants and Revolving Loans, perform the cleanup of corri-
dor sites.
Responsible parties – City of Rockford.
Timeframe – August 2007 through December 31, 2009.

Building on Rockford’s Assets

1. Carry out the planned expansion and upgrade of the MetroCentre.
- Objective is to complete a planned \$23 million renovation of the MetroCentre, a 10,000-seat arena in downtown Rockford. Plans are complete and bids have been let. All that remains is for the current arena football season to end at which time construction will begin. The arena is due to reopen in time for ice hockey in fall 2007.
2. Complete currently planned expansion of Burpee Natural History Museum and the Discovery Center.
- Objectives: To expand both institutions, creating a shared exhibit space, developing additional education and research programs, significantly increasing the number of visitors to each institution (and downtown), and building new public connections to the Rock River.
- 2.1 Plan for and construct a “green building” for 35,000 square feet of additional space that will use geo-thermal energy and meet overall Silver LEED’s certification.

River Edge Redevelopment Zone Program

- 2.2 Construct additions to both museums that will add educational benefits, create new exhibit space and enhance the quality of life for the entire region.
- 2.3 Construct riverfront terraces that will provide an outdoor venue for special entertainment and events on the Rock River.
- 2.4 Complete the planned Outdoor Education Center at Burpee that will facilitate environmental education and natural science programs, and draw visitors to the riverfront.

Tasks, activities, commitments and timelines:

- Step 1 Tasks – Hire Sustainable Design LEED’s architects to study the benefits and costs of “greening up” the museums’ additions.
Responsible parties – Grumman-Butkus Associates Architectural Firm
Timeframe – April 2006-October 2007
 - Step 2 Tasks – Hire architects and construction firms to build the additions and riverfront terraces.
Responsible parties – Larson & Darby and Rockford Associates (two Rockford architectural firms) and construction firms to be selected by bid process.
Timeframe – October 2004-December 2008
 - Step 3 Tasks – Collaborate with the City of Rockford on the Riverwalk that will extend from downtown Rockford through the museum campus development.
Responsible parties – the City of Rockford, Rockford Park District, Burpee Museum of Natural History, Discovery Center, Riverfront Museum Park
Timeframe – May 2007-December 2008
3. Redevelop the former Armory building, ideally in a way that incorporates it into the campus of the Riverfront Museum Park.

Tasks and responsible parties for the next 3 years are as follows:

- Step 1 Tasks – Determining the best use for the site through development of a concept plan that is marketable.
Responsible parties – City of Rockford, Rockford Park District, Rockford Area Convention and Visitors Bureau
 - Step 2 Task – Find an appropriate end user
Responsible party – City of Rockford
 - Step 3 Task – Enter into a redevelopment agreement with a qualified developer for redevelopment of the Armory and any associated new construction and/or parking
Responsible party – City of Rockford
4. Complete the Envision North Main corridor plan for North Main Street from Myott to Johns Woods Drive.

Objectives are a plan that:

- 4.1 Evaluates existing resources, market conditions and stakeholder interests.
- 4.2 Allows for meaningful public input, equivalent to what is required for IDOT’s Context Sensitive process.
- 4.3 Creates alternative land use and transportation strategies for the City of Rockford and the public to evaluate.
- 4.4 Creates a final plan that includes land use recommendations, recommended changes within the right-of-way, and proposed regulatory changes to help accomplish the desired result.

Tasks, activities, commitments and timelines:

- Step 1 Tasks – Complete the Opportunity Analysis to show existing resources and issues
Responsible parties – Hitchcock Design Group with Houseal Lavigne and Business Districts, Inc.; and the City of Rockford
Timeframe – Completed
- Step 2 Tasks – Develop alternative strategies for the roadway and other elements to be included in the ROW, including discussions with IDOT

River Edge Redevelopment Zone Program

- Responsible parties – Hitchcock Design Group and City of Rockford
Timeframe – Completed
- Step 3 Tasks – Develop alternative strategies for public and private land uses and develop a preliminary implementation strategy.
Responsible parties – Hitchcock Design Group, Houseal Lavigne and the City of Rockford
Timeframe – Completed
- Step 4 Tasks – Prepare final master plan incorporating all of the above elements
Responsible parties – Hitchcock Design Group, Houseal Lavigne and the City of Rockford
Timeframe – Draft for public presentation to be done by June 1, 2007
- Step 5 Task – Approval of the master plan by Rockford City Council
Responsible parties – Hitchcock Design Group and the City of Rockford
Timeframe – Complete process by September 1, 2007
5. Replace the bridge carrying Kishwaukee Street over Keith Creek, with related improvements to 10th Avenue Park.
- Tasks, activities, commitments and timelines:
- Step 1 Tasks – Complete land acquisition of properties needed for ROW.
Responsible parties – City of Rockford
Timeframe – October 2007
- Step 2 Task – Relocate utilities affected by new ROW requirements.
Responsible parties – City of Rockford, construction firm
Timeframe – March 2008
- Step 3 Tasks – Remove existing bridge, realign Keith Creek, install new bridge, and make improvements to 10th Avenue Park (including a new pedestrian bridge over the creek).
Responsible parties – City of Rockford, construction firm
Timeframe – March 2008-September 2009
6. Plan for redevelopment of the Jane Addams Development site.
- Tasks and responsible parties for the next three years are as follows:
- Step 1 Task – Prepare a plan for the long-term redevelopment of the site with appropriate uses for the neighborhood.
Responsible parties – City of Rockford, Rockford Housing Authority, Rockford Park District
- Step 2 Task – Begin implementation of the plan
Responsible parties – City of Rockford, Rockford Housing Authority, Rockford Park District
7. Establish a Center for Design and Planning in downtown.
- Objectives:
- 7.1 Create a regional center that will coordinate planning activities throughout the region.
7.2 Provide space to display presentation materials for City projects and initiatives, making them accessible to the public for review and comment.
7.3 Serve as a central clearinghouse of planning documentation.
7.4 Create a Center for Design that will allow corridor plans and neighborhood plans to be completed in-house.
- Tasks, activities, commitments and timelines:
- Step 1 Task – Create a Design Center charter, including by-laws, board structure, funding structure, regional representatives, staffing (including job descriptions) and strategic plan.
Responsible parties – City of Rockford
Timeframe – September 2007
- Step 2 Task – Identify and procure acceptable space to house the Design Center.
Responsible party – City of Rockford
Timeframe – December 2007

River Edge Redevelopment Zone Program

- Step 3 Task – Begin to implement the Design Center concept.
Responsible parties – City of Rockford, regional partners
Timeframe – January 2008
8. Redevelop properties on North Madison Street as commercial and/or residential uses.
Tasks and responsible parties for the next three years are as follows:
- Step 1 Task – Prepare a redevelopment plan for North Madison, showing potential redevelopment sites.
Responsible party – City of Rockford
- Step 2 Task – Complete environmental assessments and, if needed, cleanup as funding and opportunities arise.
Responsible party – City of Rockford
- Step 3 Task – Enter into development agreements with developers for qualified redevelopment and/or redevelopment projects as opportunities arise.
Responsible party – City of Rockford
9. Complete improvements to Davis Park, Rockford's downtown festival park.
Objectives: Complete development of the site as a fully functional festival park that can be used year round for a variety of events and recreational purposes.
Tasks and responsible parties for the next 3 years include the following:
- Step 1 Task – Decide on and sign agreements for a long-term management structure for the park
Responsible parties – City of Rockford, MetroCentre
- Step 2 Task – Determine capital improvement needs for the park's long-term success
Responsible parties – City of Rockford, park users
- Step 3 Task – Complete improvements
Responsible party – City of Rockford
10. Acquisition and development of the Keith Creek Greenway for recreational purposes from the Jane Addams Development to 6th Street
The objective here is related to the second goal under improving environmentally-challenged sites, but is directed towards the recreational aspects of the project as opposed to flood protection and drainage.
- Step 1 Task – Develop Phase 1 and 2 concept plans and acquisition plans
Responsible party – Rockford Park District
Timeframe – By 12/31/2007
- Step 2 Task – Complete land acquisition of Phase 1 (Jane Addams to 10th Avenue Park)
Responsible party – Rockford Park District
Timeframe – By 12/1/2008
- Step 3 Task – Apply for IDNR BP Grant for Phase 1 multipurpose path construction
Responsible party – Rockford Park District
Timeframe – By 3/1/2008
- Step 4 Task – Complete 80% of land acquisition for Phase 2 (10th Avenue Park to 6th Street)
Responsible party – Rockford Park District
Timeframe – By 12/1/2009
11. Improvements to the Kilburn corridor
Tasks and responsible parties for the next three years are as follows:
- Step 1 Task – Prepare a corridor plan for Kilburn from Auburn to North Central Avenue, including re-use of the City-owned Horsman quarry
Responsible parties – City of Rockford, stakeholders in the area
- Step 2 Task – Reconfigure the intersection of Kilburn at Auburn Street

River Edge Redevelopment Zone Program

Responsible party – City of Rockford

- Step 3 Task – Begin implementation of the corridor plan
Responsible party – City of Rockford

12. Individual redevelopment projects

A number of vacant and underused properties are ripe for redevelopment over the next three years. Redevelopment will occur as opportunities arise. General steps to be taken include the following:

- Step 1 Task – Determine appropriate uses for each property
Responsible party – City of Rockford
- Step 2 Task – Market each site
Responsible parties – City of Rockford, RAEDC, River District, Greater Rockford Airport Authority (depending on location)
- Step 3 Task – Enter into development agreement with developers for qualified redevelopment or infill projects as opportunities arise
Responsible party – City of Rockford

Sites/buildings included in this goal:

- A. Riverfront access and/or recreational projects
- ◆ Riverside Bridge Rec Path, Phases 2 and 3
 - ◆ Kent Creek Path, Fairgrounds Park to Tinker Park
 - ◆ Tinker Swiss Cottage Museum Railroad garden
- B. Public improvements
- ◆ Pre-construction activities for construction of the new Morgan Street Bridge, including design, land acquisition and bidding out the project. Current plans call for actual construction to be carried out between 2009 and 2012 with the first two years for bridge construction and the third year for related roadway improvements.
 - ◆ New public parking deck on the west side of downtown, location to be determined
- C. Development/redevelopment sites
- ◆ City-owned vacant lots at West State and Church Streets and at 206 North Church Street (Lincoln Hotel site)
 - ◆ Redevelopment of the City-owned Ingersoll site and adjacent ComEd property as a whitewater park and mixed use development
 - ◆ Elks Club building at 210 West Jefferson Street
 - ◆ Amerock building at 416 South Main Street
 - ◆ TAPCO building at 222 Cedar Street
 - ◆ 317 Mulberry Street
 - ◆ Essex Wire facility at
 - ◆ 227 North Wyman Street
 - ◆ Chick Hotel at 123 South Main Street
 - ◆ Rockford Furniture Mart building at 212 East State
 - ◆ Hanley Furniture building at 301 South Main Street

River Edge Redevelopment Zone Program

PART F. COURSE OF ACTION—ZONE MANAGEMENT PLAN

- 1. Identify the industries and types of businesses that are or will be targeted for expansion within the proposed River Edge Redevelopment zone. Indicate how the local economic climate suits the needs of that industry or type of business and the deficiencies or liabilities which exist that must be corrected in order to encourage growth.*

Businesses Targeted For Expansion – Downtown

The Rockford River Edge Redevelopment Zone includes the Central Business District (CBD) or downtown neighborhood, also called the River District. Leadership in this area has been provided by downtown stakeholders through a non-profit neighborhood organization called the River District Association (RDA).

The RDA reports that 15 downtown businesses expanded or renovated during 2006. In the same year, 26 new businesses were created downtown while 10 businesses closed. At least 5 new businesses are projected to open in the River District during 2007.

Many of these new businesses are food ventures including restaurants and gourmet grocers. Others are spa-type companies specializing in personal care such as hair care, skin care, nail care, and tattoos. It is expected that these categories of downtown businesses will remain strong and will continue to be recruited.

Downtown's low-priced buildings and rents combined with a supportive network of existing entrepreneurs has created a market for the River District as the home to new young entrepreneurs, particularly start-ups. The City of Rockford, Enterprise Development Growth & Excellence (EDGE), Downtown Retailers' Collective (DRC), and the River District Association are working together to market downtown Rockford to new business owners. In order to reduce start-up costs for new entrepreneurs, the City of Rockford is working to link new businesses to kiosk and push cart locations. The City is also identifying underused space in publicly and privately owned buildings near the Rock River as inexpensive locations for new businesses. We are also researching methods to lease or lease-purchase kiosks and carts to new businesses.

The City and the River District Association are also targeting young entrepreneurs through outreach to Rockford high schools and nearby colleges. The goal of this effort is to build relationships with young entrepreneurs while they are still in school. It is hoped that these entrepreneurs will locate and expand their businesses in Rockford while they are in school and after they graduate.

Before 1999, 13 loft apartments were located in the River District. Since then, 49 rental units and 18 owner-occupied units have been added downtown. The construction of another 22 residential units should be completed in downtown Rockford in 2007. Downtown residences and mixed-use development with retail and restaurant uses on the first floor and housing on upper floors will continue to be encouraged.

The downtown office space market is also enjoying a rebirth as well. Watt Publishing, SupplyCore, and Mid Northern Management Inc. are all new tenants leasing renovated loft space with high ceilings and an open floor plan in the previously vacant 303 North Main Street building. Additional downtown office demand is being created by law firms that have remained downtown to be near the various courthouses and now wish to expand to meet their long-term space needs for the next two decades.

Downtown Rockford with its river, historic buildings, art galleries, and theatres has always been the neighborhood of choice for creative people to live, work, and play. The City of Rockford intends to capitalize on its attraction to creative people by initiating a marketing campaign to encourage artists to relocate to downtown Rockford to live and work. This campaign is supported by the success of Paducah, Kentucky's Artist Relocation Program.

Businesses Targeted for Expansion – Main and Auburn

This neighborhood is designed to become a commercial node. Transportation access will be improved by construction of the new roundabout, replacing the existing conventional intersection. Potential re-uses in-

River Edge Redevelopment Zone Program

clude retail and restaurants with the possibility of redeveloping the closed Jerome's Furniture building into a nationally branded retail drugstore. The local economic climate supports retail development here due to the intersection of two heavily traveled streets, North Main (IL 2) and Auburn Streets. Additionally, TIF funding and a supply of vacant buildings provides potential solutions to improve and beautify this neighborhood. Based on preliminary findings of the Envision North Main corridor study now underway, this area is more likely to be able to sustain locally owned retail businesses and restaurants rather than national big box stores, at least for the foreseeable future.

Businesses Targeted for Expansion – 7th Street

The 7th Street district is being redeveloped as a mixed-use neighborhood to take advantage of the substantial inventory of historic multi-story buildings in the area. Upper floors will be redeveloped into residential apartments or condominiums, while first floors will be used for retail and restaurant space. Several buildings are available for purchase along 7th Street for reasonable prices. The rehabilitation costs to redevelop these properties can be reduced through assistance from TIF funds and historic preservation tax credits. While the existing TIF district is due to expire in 2015, the City plans to de-TIF and re-TIF the district, creating a new TIF district with a term of 23 years. The current redevelopment of the Lantow and Mid Town Loft projects serve as good examples of future developments in this neighborhood. A strong neighborhood organization serving the area, the Mid Town District Association, is an added asset to the neighborhood.

Businesses Targeted for Expansion – South Main Street

The South Main Street neighborhood also has a future as a mixed-use neighborhood. It already benefits from an existing TIF district which is not due to expire until 2023. Its large inventory of vacant multi-story industrial buildings provides good sites for mixed-use development through adaptive reuse, assuming environmental issues can be resolved. These former industrial buildings cannot be re-used for industrial purposes since modern industrial uses now require large one-story buildings with high ceilings and close to highways. TIF funds, historic preservation tax credits, and environmental remediation assistance will all be needed to successfully redevelop these large industrial buildings; some will undoubtedly prove too costly to redevelop and will be demolished.

The neighborhood already has a nucleus of independent Hispanic retailers and restaurants which serve to anchor the neighborhood. There is also a grocery store off South Main – the IGA built some years ago by the Rockford Local Development Corporation. The City of Rockford owns the vacant land and former industrial buildings comprising the Barber-Colman complex. These areas present a great opportunity for re-development and for new infill construction if environmental issues can be resolved and a development plan can be created and implemented for the Barber-Colman site.

South Main's role as the birthplace of Rockford industry through the Water Power District comes into play as well with the presence of three museums – Graham-Ginestra House and the Ethnic Heritage Museum directly on Main Street, and Tinker Swiss Cottage Museum overlooking it from the bluff off Kent Street. These three venues combined brought about 13,000 visitors to South Main during 2006; these numbers should increase as Graham-Ginestra reopens under new ownership.

The neighborhood also benefits from two active non-profit organizations located on South Main Street – SWIFTT (South West Ideas for Today and Tomorrow) and CCS (Comprehensive Community Solutions). SWIFTT serves as a community organization for individuals and families to address neighborhood issues, and assists new businesses with business planning and counseling. CCS is Rockford's YouthBuild affiliate. The organization builds and rehabilitates homes, and provides job training for at-risk youth. They also run a retail store on South Main that sells salvaged building materials. Three retail storefronts will be created on the first floor of the organization's South Main office building.

Industries Targeted for Expansion

The RAEDC contracted with Carter & Burgess, a major national site selection and architectural/engineering firm, to complete a target industry analysis for the Rockford area. The results of this effort were published in February 2006. In producing their recommendations, Carter & Burgess worked from the following conclusions concerning their perceptions of the area's strengths and weaknesses:

River Edge Redevelopment Zone Program

- A. Transportation/logistics (strength): The Rockford area is an obvious distribution center location from a transportation/logistics viewpoint.
- B. Labor costs (strengths and weaknesses): By locating in the Rockford area, target employers can save at least 6% over Chicago and 4% over Milwaukee for labor, but will pay 5% more than Des Moines, 2% more than Toledo and 6% more than Fort Wayne. In order to compete with these and other cities, Rockford must offset these costs through other means including incentives.
- C. Labor availability (strengths and weaknesses): Engineers, particularly aerospace and machine related, are relatively plentiful and easy to recruit locally right now, with the exception of the chemical/ pharmaceutical area. High demand in the future for engineers (particularly systems related) will require major training and recruiting efforts.
- D. Due to the engineering center environment, R&D operations, especially in the aerospace and machinery areas, are well suited for Rockford. R&D product development leads to commercialization of products which in turn leads to material, component and equipment manufacturing.
- E. Skilled workers such as transportation equipment and industrial machinery operators are tougher to recruit in this market. Unskilled labor is no problem to recruit.
- F. Labor quality (strength): Target prospects will be very satisfied with labor quality issues in the Rockford area, particularly machine tool and aerospace related.
- G. Electric power (strength and weakness): Local employers are generally satisfied with ComEd (Exelon) electric power services, but some are concerned about reliability and cost.
- H. Sites (strength and weakness): The Rockford area needs to identify and develop new fully improved industrial tracts with large sites (over 100 acres), some with rail, especially to compete with Wisconsin locations that offer subsidized site options. Carter & Burgess viewed the best opportunities as being the Airport area (in the Zone), the area south of the Airport and west of I-39, and the area west of Meridian Road near U. S. 20.
- I. Industrial buildings (strength and weakness): The lack of a significant number of modern industrial buildings will eliminate Rockford from some searches.
- J. Incentives (strength and weakness): The Rockford area needs to be aggressive in order to compete, especially with Wisconsin competitors. Reduced price or free land would be a very visible sign that Rockford is serious about doing deals.
- K. Education/training (strength and weakness): Rockford colleges will be a tremendous asset to new companies looking to jump-start a new work force; however, area businesses have concerns about the quality of public secondary schools in Rockford.
- L. Community services (strength): Area companies rate all services as good to very good.
- M. Cost of living/quality of life (strength and weakness): Relocation of corporate employees should be a relatively easy sell when combining competitive prices and the good quality of life offered in the Rockford area. School and crime issues will dictate neighborhood preferences.
- N. Preliminary target impacts (strength): Most preliminary targets offer solid economic impacts.

Based on the above factors and other, more detailed analyses, Carter & Burgess identified the following industries as representing the best fit for the Rockford area.

- ♦ Transportation equipment manufacturing and R&D;
- ♦ Industrial machinery manufacturing and R&D;
- ♦ Warehouse/distribution;
- ♦ Back office/call centers;
- ♦ Metals manufacturing and R&D;
- ♦ Food processing; and
- ♦ Chemicals manufacturing (pharmaceuticals, ethanol and related)

They then went on to identify area strengths and weaknesses as they relate to each industry. These are summarized in the table below.

River Edge Redevelopment Zone Program

Rockford Area Strength	Rockford Area Weakness
Warehouse/distribution	
<ul style="list-style-type: none"> ◆ I-90/I-39/US 20 access ◆ Access to Midwest markets ◆ Improved smaller sites (25-50 acres) with rail ◆ Labor availability ◆ Labor quality ◆ Good labor/management relations ◆ No state inventory tax ◆ Large regional location activity ◆ Good job impact 	<ul style="list-style-type: none"> ◆ Large (100+ acre) sites with rail ◆ Labor costs ◆ Electric power rates ◆ Low wage impact
Metals Manufacturing	
<ul style="list-style-type: none"> ◆ Labor availability ◆ Engineering talent ◆ Market access ◆ Potential sites with rail ◆ Low cost existing buildings ◆ Supplier access ◆ Enterprise Zone/Incentives ◆ Good labor/management relations ◆ Large regional location activity 	<ul style="list-style-type: none"> ◆ Some skilled labor availability ◆ Labor costs ◆ Electric power rates ◆ Larger sites with rail ◆ Lower job/capital investment impact
Chemical Manufacturing	
<ul style="list-style-type: none"> ◆ Access to raw materials ◆ Highway access ◆ Industrial sites with rail ◆ Water and sanitary sewer capacity ◆ Labor availability ◆ Good capital investment impact 	<ul style="list-style-type: none"> ◆ Electric power costs ◆ Labor costs ◆ Engineer availability ◆ Some labor quality ◆ Low regional location activity for pharmaceuticals/biotech
Auto Parts Manufacturing	
<ul style="list-style-type: none"> ◆ Market access ◆ Distance to auto plants ◆ Labor availability, especially skilled and engineering ◆ Labor quality ◆ Incentives ◆ Regional suppliers ◆ Good labor/management relations ◆ Large regional location activity ◆ Good job and wage impact 	<ul style="list-style-type: none"> ◆ Labor costs ◆ Electric power rates ◆ Larger sites with rail
Aerospace R & D	
<ul style="list-style-type: none"> ◆ Access to aerospace engineering and other technical talent ◆ Other aerospace R&D operations in the region ◆ Training and higher education access ◆ High quality of life and culture ◆ Access to an airport site/buildings for testing and prototyping ◆ Commercial air service (O'Hare) 	<ul style="list-style-type: none"> ◆ Access to a major research university
Industrial Machinery	
<ul style="list-style-type: none"> ◆ Labor availability, especially skilled and engineering 	<ul style="list-style-type: none"> ◆ Labor costs ◆ Electric power rates

River Edge Redevelopment Zone Program

<ul style="list-style-type: none"> ◆ Labor quality ◆ Market access ◆ Training opportunities ◆ Regional suppliers ◆ Good labor/management relations ◆ Large regional location activity ◆ Good job and wage impact 	<ul style="list-style-type: none"> ◆ Larger sites with rail
Back Office/Call Centers	
<ul style="list-style-type: none"> ◆ Labor availability ◆ Labor quality ◆ Telecommunications ◆ Training incentives ◆ Existing Class B buildings ◆ Access to O'Hare air service ◆ Large regional location activity ◆ High wage/job capital impact 	<ul style="list-style-type: none"> ◆ Labor costs ◆ Electric power rates ◆ Presence of other operations
Food Processing	
<ul style="list-style-type: none"> ◆ Access to raw materials ◆ Labor availability ◆ Market access ◆ Excess water and sewer capacity ◆ Incentives ◆ Highway access ◆ Good labor/management relations ◆ Large regional location activity 	<ul style="list-style-type: none"> ◆ Labor costs ◆ Electric power rates ◆ Larger sites with rail

Source: Carter & Burgess, *Target Industry Analysis*, prepared for the Rockford Area Economic Development Council, February 2006, pages 46-48.

RAEDC, the City of Rockford and the Chicago Rockford International Airport are all pursuing these types of businesses in their recruiting efforts.

A. RAEDC lists the following as targeted industries on their website and in other marketing materials:

1. Warehouses and distribution centers
2. Aerospace and transportation equipment
3. Industrial machinery
4. Metals manufacturing
5. Back office operations/call centers
6. Food processing
7. Chemicals manufacturing

Examples of these marketing and informational materials are attached.

B. The City of Rockford's Economic Development staff has made a concerted effort to garner new employers and retain existing ones in these industries. The two largest in the distribution category are clearly the UPS operation at the Airport which opened in 1994 and continues to expand, and the Lowe's Distribution Center which opened in early 2007 just to the west of the River Edge Zone. While these two locations are clearly the gold standard for economic development, City staff has been just as strong an advocate for other potential employers falling within any of these categories.

C. The focus of Airport efforts is on bringing new industrial and aviation tenants to their site. They look for manufacturers, packagers, and warehouses among industrial tenants. Aviation tenants fall into one of the following categories – companies in the aviation or aircraft industries, fixed base operators, passenger service airlines, and corporate aviation. For increased accessibility to their information, RFD has begun to load their listings of available leasable space into LOIS. [See www.flyrfd.com/tenantinfo.asp and www.flyrfd.com/buildingleases.asp.]

River Edge Redevelopment Zone Program

2. **Identify who or what entity will be responsible for marketing the River Edge Redevelopment zone and the amount and sources of funds committed to marketing the zone. Indicate marketing activities to be undertaken.**

Marketing of the Zone will be a shared responsibility of the City of Rockford, primarily through its Economic Development Division; the Rockford Area Economic Development Council; the Rockford Area Convention and Visitors Bureau; the Chicago Rockford International Airport; and the River District Association. Specifics of how this will be done vary by organization.

City of Rockford

- A. The City of Rockford will spend approximately \$110,000 per year marketing the River Edge Zone. Marketing efforts include: incentives including Tax Increment Financing (TIF), Historic Preservation Tax Credits, and exemption of sales tax for construction materials; site marketing; conducting neighborhood and site tours; zoning and building permit advocacy; preparation and distribution of marketing materials, preparation of retail marketing studies & strategies, and attendance at trade shows. The City of Rockford often teams up with other local partners to conduct marketing activities. Our partners include the River District Association, the Rockford Area Economic Development Council (RAEDC), and the Rockford Area Convention and Visitors Bureau (RACVB). The City of Rockford hopes to leverage the joint marketing of Rockford's new "real original" regional brand in partnership with the RACVB.
- B. City of Rockford marketing is largely handled by Rob Lamb, Industrial Development Manager, who focuses on industrial retention and attraction and Rick May, Commercial Development Coordinator, who concentrates on downtown development along with commercial, retail, and office retention and attraction.
- C. Potential trade shows include various International Council of Shopping Centers (ICSC) international and regional events, National Brownfield Association (NBA) events, Swedish American Chamber of Commerce (SACC) Entrepreneurial Days, International Downtown Association (IDA) events, etc.

Rockford Area Economic Development Council

The RAEDC is a marketing organization focused on promoting the City of Rockford and the region surrounding it. RAEDC's annual budget comes from contributions from private and public entities and should total about \$1.2 million for 2007. The majority of the funding covers the employees, overhead and grant partners. To carry out its marketing role, RAEDC creates and markets sales information on properties held by the City and special zones – such as the River Edge – established by the City. This information can be part of our website, a separate sales sheet, part of a brochure, part of the regional map, part of one of the twelve trade shows the EDC attends, and/or part of the reports they provide to clients. (For examples of current RAEDC marketing materials, see Attachment 11.)

More specifically, the RAEDC has an active marketing program in place for industrial sites within the area, using a variety of means. These include

- A. The RAEDC website (www.rockfordil.com), which includes LOIS (Location One Information System), which weekly postings from the Rockford Area Association of Realtors posts as well as sites that are not listed through RAAR; demographic information; links to publications; information on assistance to businesses available in the area (including major financial incentives); and information on targeted industries.
- B. Sale sheets on individual properties (samples included with additional materials submitted with this application).
- C. A development map and resource guide (also included).
- D. A booklet with results of their "Voice-of-the-Customer" Analysis of the Rockford Global Tradepark.

These materials will be modified where appropriate to include reference to the River Edge Redevelopment Zone when an individual property lies within the Zone, and include information about incentives available in the Zone in any publications they have showing incentives and assistance available in the area. Level of detail on those incentives will vary, depending on the type of publication.

River Edge Redevelopment Zone Program

Chicago Rockford International Airport (RFD)

Virtually all of Rockford's Airport is located in the Zone. Consequently, they will include reference to that fact in its relevant marketing materials and on their website (www.flyrfd.com). For example,

- A. RFD has an active recruiting program for its industrial and commercial sites (sample materials attached as Attachment 12); reference to the River Edge Zone incentives will be added to their information packets for these sites.
- B. A fact sheet concerning the River Edge incentives will be added to their website. This will be equivalent to the one already there for the Foreign Trade Zone.

RFD will modify its marketing materials to include reference to the River Edge Zone and its incentives as it updates its materials over the coming year. Advertising in varying forms is budgeted at \$334,000 for FY08; direct cost of adding the reference to Zone incentives will be minimal since most of the materials involved are on the website. Airport revenue sources are diverse and include airport fees (accounting for approximately 33% of total revenues), lease revenues (15%), tax levy (30%) and other income sources for the remaining 22 percent. RFD has good cash flows and is virtually debt free with only \$288,000 remaining in bonds with a \$124 million balance sheet.

River District Association

River District has an active marketing program for commercial and residential properties in Rockford's downtown. Their marketing is done primarily through their website (www.RiverDistrict.com) and listings in their newsletter, *Crossings*. For examples of River District's current marketing efforts, see Attachment 13.

- A. The website contains a list of commercial property available that includes address, property name or type, whether it's for sale or lease, and a contact person and phone number. It also includes additional information on a few sites and a separate document with the "Top Ten Development Opportunities." The site also contains a similar list of residential properties available.
- B. While *Crossings* contains the same listing of commercial and residential properties as the website, it also includes articles explaining certain facets of developing in the River District. Following certificate of Rockford's River Edge Redevelopment Zone, this is an additional venue that can be used to inform property and building owners of the incentives available within the Zone.
- C. In 2006, River District Association published the *Downtown Developer's Guide* explaining in great detail how best to go about a development or redevelopment project in the downtown area. Since it is in looseleaf binder form, an addendum can easily be made highlighting the incentives available for properties in the River Edge Zone. This will be done within the first year of the Zone's being certified.

River District's annual budget for upkeep of the website and for publication and distribution of *Crossings* is \$5,000. All of it goes to market sites within the River Edge Redevelopment Zone; roughly 5% of it could be dedicated to marketing the Zone itself as an incentive that's available to developers. A 501(c)(6) organization, the River District generates most of its funds through donations and dues. The City of Rockford contributes \$40,000 annually for operation of the organization.

Other Organizations

Several other groups market sites or events that take place within the Zone but would not normally include as part of that information on the incentives available. These include

- A. The Rockford Area Convention and Visitors Bureau (RACVB), which not only does standard "tourism" marketing, but also does trade shows along with organizations such as the RAEDC.
- B. The Rockford Area Association of Realtors has a \$30,000 tie-in with *Chicago Industrial Properties*, with most Rockford listings being either downtown or at the Airport.
- C. The Rockford MetroCentre and Centre Events
- D. On the Waterfront
- E. The Coronado Performing Arts Center

River Edge Redevelopment Zone Program

3. Describe any plans or programs which will be offered to provide for the disposal of publicly-owned real property within the River Edge Redevelopment zone. Describe the objectives of each program and how they will be achieved.

The City of Rockford owns significant parcels of land throughout the Zone, as shown in Attachment 10. These range from small slivers that are the remnants of land used for roadway construction to the City's largest single parcel, the Barber-Colman site. The bulk of this land is needed for City operations of one type or another, whether it be City Hall or a fire station or a parking deck. However, there are a number of parcels that the City intends to dispose of. These fall into three main categories – non-buildable remnants of lots, buildable vacant lots, and lots with structures on them in need of redevelopment. The approach for each varies.

- A. *Remnants* In those cases where they do not serve a public function, such as land required for utilities, the City will continue its long-standing policy of offering these parcels to adjacent landowners. If adjacent owners do not want to accept them, then the City would in all likelihood retain ownership.
- B. *Buildable vacant lots* Those lots that are large enough to be built on under City zoning regulations and that are deemed surplus – i.e., not needed for a planned City project or for the conduct of City operations – will be made available for sale. Right of first refusal for sale of residential lots will go to adjacent property owners unless they are facing code violations on that property. Sale of any of these parcels is to be accompanied by a development agreement between the new owner and the City specifying what will be built on the land. Any such agreements will include minimum design standards to be determined by the City. The inventory of City-owned parcels will be reviewed annually to determine which lots fall into this category and should therefore be placed up for sale.
- C. *Developed properties* Issues here are much more complex, resulting in individual treatment for each parcel. Those that fall into this category include the following:
 1. The Barber-Colman site, a largely vacant industrial complex lying between the Rock River and South Main Street. It includes 13 structures and major environmental challenges because of past industrial uses on the property.
 2. The Ingersoll site on South Water Street on the east bank of the Rock River. This contains one major structure and unknown environmental challenges.
 3. The former Illinois National Guard Armory on North Main Street has been vacant for a number of years.
 4. About two-thirds of the Chick Hotel, also known as the Chick House, is owned by the City. The remaining third is under private ownership. (The parcel line goes down the middle of an interior staircase.) The Chick is adjacent to a large City-owned vacant lot in the heart of downtown.
 5. The Waterworks lot is a municipal lot situated on the north side of Jefferson Street and on the west bank of the Rock River. An office building was constructed on the northern half of the lot in 1990s; the rest could be used for some other type of development.

Each of these properties will be treated on an individual basis to meet individual opportunities and challenges. For example, three of the sites – Barber-Colman, the Chick and the Armory – are listed on the National Register, making them eligible for the 20% federal income tax credit if they are redeveloped to preservation standards. Most are either right on the Rock River or within sight of it. Unfortunately, most if not all fall into the category of environmentally-challenged sites as well.

River Edge Redevelopment Zone Program

4. **Local River Edge Redevelopment Zone Incentives.** *Furnish the information in the format described below for each local incentive, program, special activity or commitment to be provided in support of the proposed River Edge Redevelopment zone program. Include only those incentives which will be offered, not those “under consideration”.*

The City of Rockford offers five major incentives within the River Edge Redevelopment Zone beyond those offered by the State of Illinois as part of the program. The local incentives include the following:

A. Tax Increment Financing (TIF)

Incentive: Uses the difference between the amount of property tax revenue generated within a TIF district before the TIF was created and the amount generated afterwards to provide gap financing for development projects. The increased real estate taxes from a development project can only be used within the TIF district’s boundaries. These funds can also be used to pay for the costs of public improvements such as streets, sidewalks, landscaping, public utilities, and so forth.

Implementation: There are currently eight TIF districts located within the Zone; additional districts may be considered by the City of Rockford as conditions warrant. Potential developers within a TIF provide City of Rockford staff with pro formas, cash flow statements, and sources and uses of funds for their project. After analysis and negotiation, TIF agreements are drafted for approval by the Mayor and City Council.

Provider: Applicant.

Limitations/applicability: Available only within TIF districts. These are limited by the fact that districts may cover only “blighted” or “conservation” areas where development would not occur “but for” the presence of a TIF district. Their other major constraint lies in the fact that they do not generate enough of an increment to make a major difference until a substantial project is carried out.

Period of availability: Each district can last up to 23 years. Expiration dates vary for each of the TIF districts in the Zone, depending on when they were created. Expiration dates for Rockford’s existing TIF districts are as follows:

- ◆ 7th Street TIF District – 2015
- ◆ East Side TIF District – 2015
- ◆ West Side TIF District #1 – 2015
- ◆ South Rockford TIF District – 2023
- ◆ Global Trade Park #1 – 2025
- ◆ North Main/Eddy – 2025
- ◆ Garrison School – 2026
- ◆ River Oaks – 2026
- ◆ N. Main & Auburn – 2029
- ◆ W. State & Kilburn – 2030
- ◆ West Side TIF District #2 – 2030

Source of funds: Property tax increment in each district and/or bonds based on that increment.

Revenue impact: From one perspective, it is neutral – the increment is “lost” to the General Fund but would not have existed to begin with without the TIF. The long-term view is that it would have a positive impact on City revenues. As a result of TIF financing, more development will occur than would have without TIF assistance. This will increase real estate and sales tax revenues from increased real estate investments and real estate appreciation within the River Edge Zone.

Benefit to Zone residents: TIF financing is an incentive for Zone businesses to reinvest in their properties. Zone residents and businesses will benefit from a larger choice of housing, retail, restaurant, product, and service choices along with generally benefiting from a more viable, healthier, and livelier neighborhood.

River Edge Redevelopment Zone Program

B. Façade Rebate Program

Incentive: Grants paid as a rebate of up to 30% of the cost of exterior construction/rehabilitation work on buildings within one of four TIF districts – Westside #1, Eastside, 7th Street, and South Rockford. Maximum rebates are capped at \$25,000 per building in any given year.

Implementation: Building or business owners submit an application to the City of Rockford's Economic Development Division before work is done. The application outlines the work to be done and includes cost estimates. Applications are reviewed by a City-appointed design review committee for compliance with design guidelines. Rebates are paid out following completion of work and a check by City staff for compliance with what was approved.

Provider: Applicant.

Limitations/applicability: Primary limitations are the relatively low level of funds available for any given project, and the fact that the program is only offered in four of the Zone's eight TIF districts. An additional limitation is that funds are only available for work on the exterior of a building.

Period of availability: Same as the life of the host TIF district.

Source of funds: TIF district in which the project is located.

Revenue impact: Neutral.

Benefit to Zone residents: While limited in the dollar amounts and geographic area covered by the rebate program, it has provided a level of assistance to Zone business and property owners to aid them in their redevelopment projects.

C. Historic preservation tax credits

Incentive: Under the provisions of the Tax Reform Act of 1986, a 20% federal income tax credit is available for the substantial rehabilitation of commercial, industrial, or rental residential buildings that are certified as historic (i.e., eligible for listing on the National Register of Historic Places, either individually or as a contributing structure in a historic district). The credit may be subtracted directly from federal income taxes owed by the owner or sold to a taxpayer that can use the credits.

Implementation: Building and/or business owner works directly with staff of the Illinois Historic Preservation Agency, although City staff may offer some assistance in learning about the program and how to go about applying for it. Applications must ultimately be approved by the US Department of the Interior and the IRS.

Provider: Federal government via the Illinois Historic Preservation Agency.

Limitations/applicability: Available only for properties listed on or deemed eligible for listing on the National Register of Historic Places, and then only for approved work which must be done in accordance with the Secretary of the Interior's Standards and Guidelines for Rehabilitation.

Period of availability: Until repealed by the federal government.

Source of funds: N/A

Revenue impact: Positive as a result of significant improvements made to historic buildings resulting in increased property values and taxes.

Benefit to Zone residents: Offers a significant financial benefit for the rehabilitation of historic properties within the Zone. Renovations of historic buildings within the Zone will increase residential, entertainment, dining and shopping choices, as well as increased employment opportunities through businesses housed in structures renovated through this program. Such activity also helps make a neighborhood livelier and more viable, as well as increase their attraction to visitors looking for places to tour, dine, shop and be entertained. Currently, approximately 150 buildings would meet the eligibility requirements for the program by virtue of being contributing structures in a National Register historic district or being listed on the Register individually. This number will increase by 41 if the West Downtown National Register Historic District is approved by the Keeper of the National Register as submitted.

River Edge Redevelopment Zone Program

D. Property Tax Assessment Freeze Program

Incentive: The Illinois Revenue Act (35 ILCS 200/10-40) provides for an 8-year freeze on the assessed valuation of owner-occupied residences when a substantial renovation is carried out on a certified historic structure. (Substantial is defined as being worth 25% or more of the market value of the home, as determined by the Supervisor of Assessment.)

Implementation: Property owners apply for a Certificate of Rehabilitation from the Director of the Illinois Historic Preservation Agency (IHPA).

Provider: IHPA provides the evidence of commitment.

Limitations/applicability: To qualify for the tax freeze program, a property must be owner-occupied and must be a registered historic structure, either by listing on the National Register of Historic Places, or by designation under an approved local historic preservation ordinance. [Rockford's ordinance does qualify.] Qualifying properties in Rockford's River Edge Zone would lie within one of four local historic districts – Haight Village, Indian Terrace, Garfield Avenue or Northeast State & Main – or within one of four National Register districts – Haight Village, East Rockford (i.e., East State Street downtown), Barber-Colman, and 7th Street. A fifth National Register district – West Downtown – is under review.

Period of availability: Until the enabling legislation is repealed.

Source of funds: N/A

Revenue impact: This incentive encourages property owners to reinvest in the renovation of historic properties. Ultimately, real estate values and real estate tax revenues from these properties should increase. It is expected that the increased valuation will also spill over to properties adjacent to renovated historic structures.

Benefit to Zone residents: Zones residents and businesses receive the benefit of living and working among renovated historic structures. Historic preservation should make the neighborhood more viable, and it should permit the renovation of buildings that might not be rehabilitated without this incentive. Historic buildings also serve as an attraction that draws tourists and potentially increase the time visitors spend in the neighborhood. Additional visitors and additional time spent in the neighborhood by visitors benefit neighborhood stores, restaurants, and entertainment centers by increasing customer traffic.

E. New Markets Tax Credits

Incentive: New Markets Tax Credits offer a 39% credit on an equity investment to a Community Development Entity (CDE) that is claimed over a 7-year compliance period (5% over the first 3 years and 6% over the last 4). The CDE must then make a Qualified Equity Investment or loan to a Qualified Business in a Qualified Low-Income Community. Most commercial and mixed use development projects located in LICs are Qualified Businesses. The New Markets program is designed to encourage investments in LICs that traditionally have had poor access to debt and equity capital.

Implementation: The firm of Virchow Krause & Company prepared an application for a block of New Markets dollars on behalf of the City of Rockford and the Rockford Local Development Corporation (RLDC) which has been submitted by RLDC. The program will be carried out by RLDC once the credits are made available to them

Provider: Federal government provides the credits; RLDC provides local implementation.

Limitations/applicability: New Markets Tax Credits are only available in census tracts that are CDBG-eligible. However, virtually all of the River Edge Redevelopment Zone south of Auburn Street lies within CDBG-eligible census tracts.

Period of availability: 7 years

Source of funds: Federal tax credits

Revenue impact: Positive as a result of significant improvements made to historic buildings resulting in increased property values and taxes.

Benefit to Zone residents: Offers a significant financial incentive for development within the Zone.

River Edge Redevelopment Zone Program

In addition to these five incentives, the City will participate in those offered by the State of Illinois within the enabling legislation for the River Edge Redevelopment Zone. It should be noted that none of these incentives are available for strictly residential projects. The incentives are as follows:

F. Sales Tax Exemption

Incentive: A 6.25% sales tax exemption is allowed on construction materials for substantial rehabilitation or new construction projects within the River Edge Zone. This incentive will stimulate reinvestment with the Zone.

Implementation: Certificates of Eligibility will be completed by the purchaser and signed by both the purchaser and the Zone Administrator.

Provider: Applicant

Limitations/applicability: The exemption does not cover any future sales taxes issued by the City of Rockford as result of a sales tax referendum to finance public infrastructure.

Period of availability: 30 years – the term of the River Edge Redevelopment Zone.

Source of funds: Not Applicable

Revenue impact: The City estimates that it will exempt sales tax revenues on \$60 million of building materials during the 30-year life of the River Edge Zone. The City will not collect its 1-% sales tax on this total, resulting in an estimated loss of \$600,000 in sales tax revenue over 30 years. It can be argued that a substantial portion of these sales probably would not have occurred without the sales tax exemption and the River Edge Zone Program. It is also anticipated that the sales tax exemption will leverage 1.5 times the lost sales tax in new sales tax revenues totaling at least \$900,000 over the same 30-year period as a result of sales generated from retailers and restaurants that have built or expanded facilities as a result of River Edge Sales Tax Exemptions. The sales tax exemptions on construction material also stimulate real investment, which increases property tax values and the City's real estate tax revenues.

Benefits to Zone residents and businesses: The sales tax exemption will stimulate investment within the River Edge Zone and increase the number of residential condominiums, apartment units, offices, restaurants, and retail businesses. The River Edge Zone should create livelier neighborhoods with an increased number of residents and an increased number of businesses resulting in additional around the clock activity, as these neighborhoods become live-work-play centers. Additionally, these areas will see additional visitors, traffic, and sales.

G. Property Tax Abatement

Incentive: City of Rockford portion of taxes on real property located in the River Edge Zone may be abated for a period of three (3) years.

Provider: City of Rockford.

Limitations/applicability: Abatements are not to exceed the amount attributable to the construction of improvements or the renovation or rehabilitation of existing improvements on the parcel in question, and are only available for properties used for commercial and/or industrial purposes. Properties that are also located in either an area designated as a Redevelopment Area under the Industrial Jobs Recovery Law (65 ILCS 5/11-64.6-1 et seq.) or the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) will not be eligible for tax abatements.

Period of availability: The program will be for 30 years. Individual abatements are limited to three (3) years.

Source of funds: Not applicable.

Revenue impact: While the impact of this particular incentive will be softened by the fact that many projects being undertaken in the River Edge Zone will be carried out by tax exempt organizations on property that is tax exempt, there will nonetheless be a short-term negative impact. However, because the abatement is limited to a three-year period, its long-term effect should be minimal.

River Edge Redevelopment Zone Program

Benefits to Zone residents and businesses: Residents and businesses will benefit from increased investment in businesses in the Zone, resulting in an improved environment in which to work and live as well as a stronger employment base.

H. Investment Tax Credit

Incentive: A state investment tax credit of 0.5% is granted to a taxpayer who invests in qualified property in the River Edge Zone. The credit may be carried forward for up to 5 years.

Implementation: Taxpayers will apply for this credit on their State of Illinois Income Tax return form.

Provider: State of Illinois.

Limitations/applicability: None

Period of availability: The 30-year life of the River Edge Zone plus an additional 5-year period to permit the credits to carry forward for a maximum of 5 years after the River Edge Zone terminates. Effectively, this incentive will be effective for a maximum of 35 years.

Source of Funds: None

Revenue impact: This incentive should stimulate investment of at least \$10 million in qualified depreciable property within the River Edge Zone that probably would not have occurred without the River Edge Zone incentives including the Investment Tax Credit. This investment will result in an additional \$353,333 in real estate property taxes to the taxing bodies within the River Edge Zone. Since several TIF Districts are located within the River Edge Zone, the City of Rockford should see a substantial share of the increased real estate property tax revenue.

Benefit to Zone residents and businesses: The Investment Tax Credit will stimulate investment within the River Edge Zone and increase the number of residential condominiums and apartment units in mixed-use buildings, as well as offices, restaurants, retail businesses and manufacturers. The River Edge Zone should create livelier neighborhoods with an increased number of residents and an increased number of businesses resulting in additional around-the-clock activity, as these neighborhoods become live-work-play centers. As a result, these areas will see additional visitors, traffic, and sales.

I. Jobs Tax Credit

Incentive: The Jobs Tax Credit allows a taxpayer conducting a business in the Zone to receive a credit of \$500 on State of Illinois Income Taxes for each job created in the River Edge Zone for each certified dislocated worker or economically disadvantaged individual hired. The credit can be carried forward for five years. A minimum of five eligible employees must be hired to qualify for the credit.

Implementation: Taxpayers will apply for this credit on their State of Illinois Income Tax return form.

Provider: State of Illinois

Limitations/applicability: To use the credit, a taxpayer must hire new employees for a business in the Zone with those employees meeting requirements stipulated in the River Edge Redevelopment Zone enabling legislation.

Period of availability: The 30-year life of the River Edge Zone plus an additional 5-year period to permit the credits to carry forward for a maximum of 5 years after the River Edge Zone terminates. Effectively, this incentive will exist for a maximum of 35 years.

Source of Funds: N/A

Revenue impact: The River Edge Zone benefits, including the Jobs Tax Credit, should increase the amount of investment in real estate, restaurants, and retail businesses within the zone. This increased investment should increase the collection of real estate taxes by the taxing bodies within the City of Rockford and also increase sales tax receipts by the City of Rockford. The amount of the increased taxes is difficult to estimate, and it is also difficult to correlate the increased revenues to a particular incentive within the River Edge Zone.

Benefits to Zone residents and businesses: We estimate that zone businesses will benefit from a workforce of at least 300 economically disadvantaged or certified dislocated workers who will be hired

River Edge Redevelopment Zone Program

within the Zone during the 30-year life of the Zone. Many of the economically disadvantaged and certified dislocated workers live in or near the Zone, and they will benefit by employment, increased income, and increased job skills. The River Edge Zone, its businesses, and its residents will benefit from the labor pool provided by previously economically disadvantaged and certified dislocated workers who will help staff Zone businesses.

J. Dividend Income Deduction

Incentive: Individuals, corporations, trust, and estates are not taxed on dividend income from corporations doing substantially all their business in a zone.

Implementation: Application for the Dividend Income Deduction will be made on the State of Illinois Income Tax Return form.

Provider: State of Illinois

Limitations/applicability: Only applies to dividends earned from corporations doing substantially their business in the Zone.

Period of availability: During the 30-year life of the River Edge Zone.

Source of funds: N/A

Revenue impact: While it is difficult to calculate the revenue generated to the City of Rockford from the Dividend Income Deduction, it is anticipated that the City's revenue from real estate and sales taxes would increase as a result of this incentive and the creation of the River Edge Zone.

Benefit to Zone residents and businesses: The River Edge Zone, its residents and businesses will benefit from this incentive through the creation and relocation of corporate businesses to the River Edge Zone. Additional businesses within the Zone will create increased employment opportunities and the increased availability and selection of goods and services.

K. Interest Deduction

Incentive: Any taxpayer that is a financial organization within the meaning of Section 304(c) of the Illinois Income Tax Act will be allowed to deduct from its Illinois corporate income tax return an amount equal to the interest received from a loan for development in the Zone.

Implementation: The exemption shall be documented on State of Illinois Income Tax Return Forms.

Provider: State of Illinois

Limitations/applicability: Restricted to loans from financial institutions for development that occurs in the Zone.

Period of availability: Term of river Edge Zone (30 years)

Source of funds: N/A

Revenue impact: While it is difficult to estimate the direct impact on the City's revenue from the interest deduction, it is anticipated that this benefit will spur lending within the River Edge Zone. These loans will be used to make real estate improvements that increase real estate tax revenue for the City and other taxing bodies. Loans will also be used to start and expand both retail and industrial businesses, which increases the collection of sales tax revenue by the City of Rockford.

Benefits to Zone residents: The interest deduction benefit should make it easier to obtain loans from financial institutions for businesses and investments within the River Edge Zone. This in turn may lead to new or expanded businesses, both retail and industrial, which in turn would lead to increased employment opportunities within the Zone.

L. Contribution Deduction

Incentive: This incentive doubles the value that can be deducted by businesses from their taxable income for cash and in-kind contributions to approved projects of designated zone organizations.

River Edge Redevelopment Zone Program

Implementation: Businesses will apply for the double deduction on their State of Illinois Income Tax Return Form.

Provider: State of Illinois

Limitations/applicability: Two conditions must be met for the double deduction to be allowed – the recipient of the contribution must be an officially Designated Zone Organization, and the contribution must be given specifically for a project that has been approved by both the City of Rockford and DCEO as a Zone project.

Period of availability: The entire term of the River Edge zone (30 years)

Source of funds: N/A

Revenue impact: We perceive that this incentive will have neutral revenue impact on the City of Rockford since the designated zone organizations are non-profit organizations, which generally do not pay real estate or sales taxes to the City. Any revenue impact would be indirect through such things as increased tourism if the museum campus achieves DZO status or decreased levels of Police presence if groups such as neighborhood watch groups achieve DZO status.

Benefit to Zone residents While it is difficult to accurately estimate the benefits to Zone residents and businesses, it is planned that the contribution deduction will increase donations to designated zone organizations. As a result, these organizations can expand their programs and services to Zone residents. An additional benefit is the improved fiscal health of the designated zone organizations.

M. Reinstate Environmental Remediation Tax Credit

Incentive: The Environmental Remediation Tax Credit allows a company or an individual to obtain an income tax credit for certain environmental clean-up costs. This credit originally expired January 1, 2002, but it has been renewed under the River Edge Redevelopment Zone Program. The credit equals up to 25% of unreimbursed eligible remediation costs incurred performing remediation at a site within the Zone for which a NFR letter was issued and recorded under Section 58.10 of the Environmental Protection Act. A minimum investment of \$100,000 is required.

Implementation: The credit will be available on the State of Illinois Income Tax Return Form.

Provider: State of Illinois

Limitations/applicability: None beyond what is stated in the description of the incentive.

Period of availability: Throughout the 30-year term of the River Edge Zone.

Source of funds: N/A

Revenue impact: This incentive should have a positive impact on the City's revenue by remediating brownfield properties, which in turn will increase the market and tax values of these contaminated properties, increasing the likelihood of their redevelopment. In view of the large number of brownfield sites within the Zone (427 acres), this could play a significant role in the future redevelopment of several Zone properties.

Benefit to Zone residents: The Environmental Remediation Tax Credit will spur the clean up of several brownfield sites within the River Edge Zone. Zone residents and businesses will benefit from the re-use of vacant and underused brownfield properties, which will be transformed into viable mixed use, residential, and retail developments.

The State of Illinois offers the following additional incentives for economic development that can be used in the River Edge Zone but are not limited to the Zone. While the provider for all of these programs is the State of Illinois, the RAEDC and City of Rockford's Economic Development Division will aid firms in working through the application process for any of these programs.

River Edge Redevelopment Zone Program

N. State Treasurer's Economic Recovery Loan Program

Incentive: Below market-rate loans to companies bringing good paying jobs with benefits to Illinois; primary emphasis is on manufacturing. Loans are for up to 5 years. For each job created, the Treasurer can deposit up to \$50,000 into the borrower's financial institution for the loan.

Implementation: Applications submitted to and processed by State Treasurer's office in Chicago.

Limitations/applicability: Project must involve an out-of-state company bringing good-paying jobs with benefits to Illinois.

Period of availability: Until ended by the State of Illinois.

Source of funds: State of Illinois.

Revenue impact: While it is difficult if not impossible to estimate the direct impact of this program on the City, especially as it is used in the Zone, it serves as one more tool to bring the types of jobs to the area that are needed – those with good wages and benefits. Indirect benefits of this program would be increased employment, which leads to increased sales and sales tax revenues.

Benefit to Zone residents: As with the revenue impact on the City, it is difficult to estimate how much of an impact this program will have on Zone residents. However, it is clear that if this program is used successfully within the Zone it will bring new jobs with it which can only enhance the quality of life within the Zone.

O. State Treasurer's Economic Program (STEP)

Incentive: Below market-rate loan, currently at 2.1% for a maximum of 5 years. Loan amount can be up to \$25,000 per job created or retained when 5 or more jobs are created or retained.

Implementation: Application submitted to and processed by State Treasurer's office in Springfield.

Limitations/applicability: Project must either create or retain 5 jobs.

Period of availability: Until ended by the State of Illinois.

Revenue impact: While it is difficult if not impossible to estimate the direct impact of this program on the City, especially as it is used in the Zone, it serves as one more tool to bring the types of jobs to the area that are needed – those with good wages and benefits. Indirect benefits of this program would be increased employment, which leads to increased sales and sales tax revenues.

Benefit to Zone residents: As with the revenue impact on the City, it is difficult to estimate how much of an impact this program will have on Zone residents. However, it is clear that if this program is used successfully within the Zone, it will bring new jobs with it that can only enhance the lives of those living in the Zone.

P. Large Business Development Program (LBDP)

Incentive: Incentive funding to encourage large out-of-state companies to locate in Illinois, or encourage existing Illinois companies to undertake major job expansion or retention projects within Illinois.

Implementation: Applications submitted to and processed by State of Illinois.

Limitations/applicability: Businesses must have 500 or more employees to qualify; the project must represent an extraordinary economic development opportunity, involving the creation or retention of 300 or more jobs.

Period of availability: Until ended by the State of Illinois.

Source of funds: State of Illinois.

Revenue impact: The impact of successful use of this program would be significant just by the fact that it creates or retains at least 300 jobs. The degree of that impact is difficult to assess and would vary depending on the types of jobs and whether these are 300 new jobs or 300 jobs that are not lost.

River Edge Redevelopment Zone Program

Benefit to Zone residents: As with the revenue impact on the City, it is difficult to estimate how much of an impact this program will have on Zone residents. However, it is clear that if this program is used successfully within the Zone, any new jobs it creates can only enhance the lives of those living in the Zone while retention of existing jobs would play an equally powerful role in residents' quality of life.

Q. Employer Training Investment Program (ETIP)

Incentive: Provides grant funds in the form of reimbursements to assist with employee training; can be used for single-company or multi-company projects. The program has both large- and small-mid-company components. It provides for reimbursement of up to 50% of total training costs of approved training programs.

Implementation: Applications submitted to and processed by IL DCEO in Springfield.

Limitations/applicability: Employees being trained must be full-time, permanent employees, and the training program must meet eligibility requirements. To qualify for the large company component, a business must have at least 250 full-time permanent employees.

Period of availability: Until ended by the State of Illinois.

Source of funds: State of Illinois.

Revenue impact: Any revenue impact on the City of Rockford would be positive, but it is difficult to estimate what that impact would be.

Benefit to Zone residents: As with any training program, this would enhance job opportunities for Zone residents by opening up training opportunities ties to full-time, permanent employment.

R. Export-Import Bank of the U. S.

Incentive: Provides funding for qualified exporters through of export loans, insurance, and working capital guarantees. The total level of Ex-Im Bank support will be the lesser of 85% of the value of all eligible goods and services in the US supply contract or 100% of the US content in all eligible goods and services in the US supply contract. Financing is for 3, 5 or 7 years at the Treasury rate plus 1 percent.

Implementation: Applications submitted to and processed by IL DCEO.

Limitations/applicability: Goods eligible for financing must meet Ex-Im Bank's foreign content requirements and must be shipped from the US to an international buyer. Military or defense items are generally not eligible, nor are sales to military buyers.

Period of availability: 30-year life of the Zone, or until this program ends.

Source of funds: Export-Import Bank of the US

Revenue impact: If there is any impact at all on City revenues, it would be positive since there are no out-of-pocket costs to the City or tax abatements of any type involved.

Benefit to Zone residents: Would primarily benefit any who work for a business that uses this program. Beyond that, the benefit derives from one more thing to help strengthen Zone businesses.

S. Industrial Revenue Bond Program

Incentive: Long-term financing at interest rates lower than conventional financing; fixed or variable rate financing; financing of up to 100% of project cost. Terms are structured by the participating bank (usually below prime) with amounts generally over \$1.5 million.

Implementation: The IL Finance Authority issues tax-exempt Industrial Revenue Bonds on behalf of manufacturing companies to finance the acquisition of fixed assets such as land, buildings, or equipment; and to finance either new construction or renovation. For most companies, bank participation is necessary before bonds can be sold to investors; the participating bank makes the credit decision, structures the terms and sets collateral requirements. Final determination of project eligibility is subject to a legal opinion from a recognized municipal bond attorney. Banks can either guarantee the bonds by providing a Direct Pay Letter of Credit, or purchase bonds directly to hold as an investment in their portfolio.

River Edge Redevelopment Zone Program

Limitations/applicability: The program includes a \$1,500 nonrefundable application fee, and a closing fee equal to 75 basis points on the par amount of the bonds. Eligible projects include facilities which are primarily used to manufacture or process tangible goods. Periods of availability: 30-year life of the Zone, unless this program ends before the Zone program does.

Source of funds: Private sector.

Revenue impact: If there is any impact at all on City revenues, it would be positive since there are no out-of-pocket costs to the City or tax abatements of any type involved.

Benefit to Zone residents: Would primarily benefit any who work for a business that uses this program. Beyond that, the benefit derives from one more thing to help strengthen Zone businesses.

T. High Impact Business Program

Incentive: Tax incentives for companies making substantial capital investment and creating above average number of jobs. Under this program, businesses may qualify for investment tax credits, a state sales tax exemptions on any of the following: building materials; utilities; and manufacturing equipment purchases, repair and replacement parts.

Implementation: Applications submitted to and processed by IL DCEO.

Limitations/applicability: The project must involved an investment of at least \$12 million resulting in the creation of 500 full-time jobs or an investment of \$30 million resulting in the retention of 1,500 full-time jobs. The investment must occur outside an Enterprise Zone. [Rockford's River Edge Redevelopment Zone and its Enterprise Zone are mutually exclusive.]

Period of availability: 30-year life of the Zone, or until the program is ended by the State, whichever comes first.

Revenue impact: Impact on the City's revenues would be positive if any business in the Zone were to take advantage of this program. However, it is difficult to estimate the impact on the City's bottom line of the addition of 500 new jobs or retention of 1,500 jobs.

Benefit to Zone residents: The sheer number of jobs this program creates or retains would be a major benefit to Zone residents and to other Zone businesses.

U. Manufacturing Modernization Loan Program

Incentive: Loans at sub-prime rates to manufacturers for financing upgrading and modernization of equipment and operations. Loans are for a maximum term of 10 years and carry a fee of 1%-2% of the loan amount. Loans are for between \$10,000 and \$750,000 or 25% of the total project cost, whichever is less.

Implementation: Applications are submitted to and processed by IL DCEO.

Limitations/applicability: Limited to existing Illinois manufacturing companies employing fewer than 500 full-time employees and that are retooling, upgrading their equipment, or expanding their business.

Period of availability: 30-year life of the Zone program, or until this loan program is ended.

Source of funds: State of Illinois

Revenue impact: There is no direct cost to the City, so any impact would be a positive one resulting from business expansion and/or modernization.

Benefit to Zone residents: The major benefit would derive from strengthening an existing business, hence its employment base.

V. Participation Loan Program

Incentive: This program is designed to work through banks and other conventional lending institutions to help small businesses with no more than 500 employees by providing subordinated financial assistance. The size of loans ranges from \$10,000 to \$750,000 and may not exceed 25% of the total project cost. Loans may not be used for debt refinancing or contingency funding, but may be used for a number

River Edge Redevelopment Zone Program

of business activities such as purchase and installation of machinery and equipment, working capital, acquisition of land, or building construction or renovation.

Implementation: While this is a program of IL DCEO, participating lending institutions are responsible for reviewing applications for eligibility and setting terms.

Limitations/applicability: Any for-profit small business operating in Illinois which has, including its affiliates, fewer than 500 full-time employees is eligible to participate.

Period of availability: 30-year life of the Zone, or until this loan program is ended.

Source of funds: Private lending institutions.

Revenue impact: There is no direct cost to the City, so any impact would be a positive one resulting from business expansion and/or modernization.

Benefit to Zone residents: The major benefit would derive from strengthening an existing business, hence its employment base.

W. Minority, Women, and Disabled Participation Loan Program (MWD/PLP)

Incentive: The MWD/PLP is a variation on the Participation Loan Program described above in that IL DCEO subordinates loans through participating lending institutions, but this program provides small businesses that are at least 51% owned and managed by persons who are minorities, women, or disabled with loans up to \$50,000 or 50% of the total project, whichever is less. DCEO's interest rate will be established at the time of its loan commitment; it may be lower than on a regular participation. Funds from this program may be used for the same types of activities as under the Participation Loan Program, and may not be used for debt refinancing or contingency funding.

Implementation: Applications are submitted to and reviewed by lending institutions.

Limitations/applicability: Participation is limited to for-profit small businesses operating in Illinois which has, including its affiliates, fewer than 500 full-time employees and meets the criteria of a minority, woman, or disabled owned business.

Period of availability: 30-year life of the Zone, or until this loan program is ended.

Source of funds: Private lending institutions.

Revenue impact: There is no direct cost to the City, so any impact would be a positive one resulting from business expansion and/or modernization.

Benefit to Zone residents: The major benefit would derive from strengthening an existing business, hence its employment base.

X. Industrial Participation Loan Program

Incentive: The IL Finance Authority assists businesses that create or retain jobs by offering a loan participation program in conjunction with private lenders. Through this program, IFA will purchase up to \$1,000,000 or a 50% participation in the loan, whichever is less, directly from the borrower's bank. These loans can be used to finance land or building acquisition, building construction or renovation, and machinery and equipment acquisition. Interest rates are 200 basis points (2.0%) below the rate charged to the borrower by the bank, resulting in a lower blended interest rate on the loan. Participating banks may retain up to 100 basis points as a servicing fee. A minimum of 100 basis points must be passed on to the borrower. Loans are for a maximum of 10 years.

Implementation: Participating banks originate, underwrite and service all loans. IFA staff reviews the bank's analysis to ensure it meets IFA standards. If the maturity exceeds 10 years, IFA requires a balloon payment at the end of 10 years.

Limitations: Businesses participating in the program must create new or retain existing jobs; funds from the participation purchased by IFA must be used primarily for the acquisition of fixed assets.

Period of availability: 30-year life of the River Edge Zone, or until the program is ended by IFA.

Source of funds: Private lenders and IFA.

River Edge Redevelopment Zone Program

Revenue impact: There is no direct cost to the City, so any impact would be a positive one resulting from job creation and/or retention.

Benefit to Zone residents: The major benefit would derive from strengthening an existing business, hence its employment base.

Y. IDOT's Economic Development Program (EDP)

Incentive: The purpose of the EDP program is to provide state assistance in improving highway access to new or expanding industrial, distribution or tourism developments. It provides up to 50% in state matching funds, not to exceed \$2 million, for eligible local agency roadway-related construction and engineering items. The remaining funds must be provided by local or private sources. EDP is a reimbursement program for a portion of eligible costs on approved projects as opposed to a straight grant program. All projects must be built to MFT standards and must have a local government sponsor (county, municipality, township or other taxing body). Cost-effectiveness is a major factor in evaluating proposed projects under this program. Priority considerations are given to the following:

- ◆ Need for the highway improvement and imminence of development.
- ◆ Compatibility of the proposed roadway with the design of the existing roadway system.
- ◆ Primary jobs created or retained in Illinois and total developer site cost estimate.
- ◆ Annual and peak day attendance at tourist developments.
- ◆ Commitment of the industrial/distribution/tourist development to the site to be served by the facility.
- ◆ Willingness of the sponsoring local government to participate in the local share of the improvement costs.

EDP funding may *not* be used for land acquisition, building demolition, landscaping, sidewalks, street lighting or utility adjustments.

Winnebago County offers two economic development programs. These are not limited to the River Edge Zone but can be used in the Zone.

Z. Winnebago County Tax Abatement

Incentive: Tax abatement on the County portion property taxes owed with an average abatement of 100% for 3 years; terms may vary with project; not to exceed 10 years or \$4 million.

Implementation: Apply through the Winnebago County Department of Regional Planning and Economic Development.

Provider: Winnebago County.

Limitations/applicability: Business must be located in Winnebago County; project must result in job creation or retention. Financing is generally 1/3 bank participation, 1/3 client and 1/3 County, but may go as high as 1/2 County.

Period of availability: Life of the River Edge Zone (30 years) or until the County ends the program.

Source of funds: N/A

Revenue impact: None on the City of Rockford as the abatement only applies to the County portion of the property tax. In the long-run, the impact should be positive on the City since use of the program will result in physical property improvements, yielding increased property taxes to Rockford, as well as job retention and/or creation.

Benefit to Zone residents: Residents and businesses in the Zone will benefit from increased investment in businesses in the Zone, resulting in an improved environment in which to work and live as well as a stronger employment base.

AA. Winnebago County Loan Program

Incentive: Low-interest loans of up to \$15,000 for each new job created in the first 2-3 years of the loan.

River Edge Redevelopment Zone Program

Implementation: Submit application to Winnebago County Department of Regional Planning & Economic Development.

Provider: Winnebago County

Limitations/applicability: Rate varies with need; ranges between 3% and 6% with the maximum loan generally \$100,000. The amount may vary with project size and fund availability.

Period of availability: 30 years or until the program is ended by Winnebago County.

Source of funds: Winnebago County

Revenue impact: None on the City of Rockford as the loans come from County resources, not the City's. In the long-run, the impact should be positive on the City since use of the program will result in more jobs.

Benefit to Zone residents: Residents and businesses in the Zone will benefit from increased investment in businesses in the Zone, resulting in an improved environment in which to work and live as well as a stronger employment base.

Other programs that may be used to stimulate economic development activities in the Zone are:

BB. Foreign Trade Zone (FTZ)

Incentive: The benefit offered by the FTZ program is to enable a company to defer, reduce or even eliminate Customs duties on products admitted to the FTZ. Specifically, it offers

- ♦ Deferral of duties – cash flow savings by paying duties if and when merchandise enters US customs territory.
- ♦ Reduction of rates – through selection of merchandise zone status which determines the duty rate.
- ♦ Elimination of duties – re-export; products scrapped, wasted, destroyed or consumed in a zone.
- ♦ Other savings – labor, overhead (value added) are excluded from the dutiable value of foreign merchandise.; special Customs procedures (direct delivery, weekly entries); quotas and ad valorem taxes may produce bottom-line benefits.

Implementation: Greater Rockford Airport Authority; US Customs Service

Limitations: Benefit only available for goods that would normally go through Customs.

Period of availability: 30-year life of the River Edge Zone.

Revenue impact: None on the City of Rockford. In the long-run, it should yield a positive impact for the City as it may increase the amount of international business done in the Zones (River Edge and FTZ).

Benefit to Zone residents: Residents and businesses in the Zone will benefit from increased investment in businesses in the Zone, resulting in an improved environment in which to work and live as well as a stronger employment base.

CC. CSBG Small Business Loan Program

Incentive: The program offers two types of loans. Micro-loans for \$20,000 or less at 3-5% interest and small business loans providing up to 49% of the overall loan for loans over \$20,000, again at 3-5% interest. A full-time job for a low-income person must be created for every \$20,000 loaned. Loans cannot exceed seven years.

Implementation: Loans are completed and submitted to Community Services staff of Rockford's Human Services Department. After they approve the application, it goes to DCEO for final approval.

Limitations: The small size of the loans offered, the requirement to create a full-time job for a low-income person for every \$20,000 loaned, and the seven-year life of the loans.

Period of availability: 30-year life of the River Edge program, or until this program is ended.

Source of funds: Community Service Block Grant funds via the City of Rockford.

River Edge Redevelopment Zone Program

Revenue impact: The only direct cost to the City is for staff to review and follow-up on applications and loans. The long-term impact should be a positive one through creation of full-time jobs for low-income individuals. To date, \$1,369,851 has been invested in businesses located in the City of Rockford.

Benefit to Zone residents: The major benefit would be creation of new jobs, albeit in limited numbers, and creation of new businesses in blighted areas.

River Edge Redevelopment Zone Program

PART G. COMMUNITY SUPPORT

Describe the input, assistance, resources and commitments which public and private sector entities provided in development of the application and will provide in the implementation of the zone. Letters from individuals, business, labor, community or other groups in support of this application may be attached. However, letters of commitment in support of activities (e.g., technical assistance, financial assistance, business management information, jobs, job training and other appropriate types of assistance or actions) which will help to accomplish the proposed River Edge Redevelopment zone objectives are of greater significance.

City of Rockford staff worked extensively with other economic development providers and with major stakeholders in the River Edge Redevelopment Zone in putting this application together. This included meetings with staff of the following organizations: the Rockford Area Economic Development Council, the Rockford Park District (including two museums – Burpee Museum of Natural History and the Discovery Center Museum), the Chicago Rockford International Airport, and the River District Association. Their input was critical in determining how best to address some of the issues involved, especially marketing of the program, and in determining what areas to include in the initial River Edge Zone. While this was a very lengthy process, taking several months, it enabled the City and the other participants in this process to arrive at a solid understanding of what the program does – and does not – offer. This has in turn led to substantial commitments to follow up on commitments once the Zone is certified.

Following completion of a draft of the application, the City invited about 35 stakeholders to two sessions. Individuals could attend either or both of the sessions, and could send as many people as they desired. The purpose of these meetings was to give an overview of the program and the draft application, with the major emphasis on getting comments on the application. The draft application had been made available to attendees via the City's website or as hard copy on request. At the meetings themselves, City staff gave a brief PowerPoint presentation explaining the program. Large format versions of the boundary map and of the brownfields map were hung on the wall, as was a large format version of Part E (Development Goals and Objectives) of the draft application.

The first session was held on June 12, 2007 at 5:30 PM; the second, on June 19, 2007 at 3:30 PM. Overall, about 20 individuals attended, representing 15 organizations and companies. The PowerPoint presentation and notes from both of these sessions are included in Attachment 14. Major comments and questions concerned how the program could be used by individual firms, as well as more generalized:

- A. There were questions about the impact of some properties being moved from the Enterprise Zone into the River Edge Zone, specifically about property tax abatements. The response was that these would remain in place as they are an option in both programs.
- B. There were recommendations that the City re-order the 10-year and 3-year priorities so that they were consistent (done), and that projects that are already funded and ready to go move up the priority list. The one example that was mentioned was renovation of the MetroCentre.
- C. There were questions about the ability to change the Zone boundaries. Staff responded that the program lasts for 30 years and that we can submit amendments to our application, whether they be boundaries or types of incentives offered, at any time during that 30 years.
- D. The question was asked if incentives could be used for projects begun before Rockford's program is certified by the State. The response, based on a response to that question from DCEO, was that starting before certification would jeopardize eligibility for River Edge incentives.

River Edge Redevelopment Zone Program

At the end of each session, City staff stated that the City would sponsor a workshop on how to take advantage of the various incentives provided through the River Edge program, and that all in attendance would receive an invitation to the workshop. [There will also be a general public invitation to anyone who is interested to attend.]

Following the public meetings, the City received letters of support from the following organizations:

- ▶ Rockford Area Convention and Visitors Bureau
- ▶ Rockford Area Economic Development Council
- ▶ Discovery Center
- ▶ Chicago Rockford International Airport
- ▶ Burpee Museum of Natural History
- ▶ Rockford Chamber of Commerce
- ▶ River District Association
- ▶ Rockford Park District

Copies of these letters are also included in Attachment I4.

Public hearings to (a) amend the boundary of Rockford Enterprise Zone #1 and (b) create the Rockford River Edge Redevelopment Zone were held on Monday, July 2, 2007. Transcriptions are included with this application. Aside from staff and the City Council member chairing the hearing, only one individual attended and he made no comments.

For its part, the City of Rockford commits to taking the following steps to ensure successful implementation of the River Edge program in Rockford:

- A. Publicizing as widely as possible, both through traditional means and via the Internet, the fact that Rockford's program has indeed been certified.
- B. Preparing a basic "how-to" packet for organizations and firms to use in navigating their way through the various incentives offered in the program. The goal is to have a basic package ready at the time of certification, with more advanced marketing materials to follow as quickly as possible.
- C. Continuing to work closely with the organizations that helped to create this application in seeing it implemented.
- D. Working closely with individual firms and organizations to help them make full use of the River Edge incentives.
- E. Coordinating the City's future Capital Improvement Programs with River Edge objectives.
- F. Continuing to pursue all options for brownfield assessment and remediation within the River Edge, including but not limited to those provided by the River Edge program.
- G. Following through on all activities listed in Part H (Zone Administration).

River Edge Redevelopment Zone Program

PART H. ZONE ADMINISTRATOR

Describe the responsibilities of the Zone Administrator. Indicate the Administrator's name, title and telephone number. In the case of a joint application, the selection process and criteria, and the formula or method for financially supporting the position, must also be stated below as well as in the initiating ordinance or intergovernmental agreement.

Reid Montgomery, Director of Community and Economic Development, City of Rockford
815-987-5600

The Zone Administrator, with the assistance of his staff, will be responsible for the following activities:

- ◆ Monitor implementation of the 10-year development goals of the Zone.
- ◆ Monitor implementation of the 3-year development goals and objectives of the Zone.
- ◆ Oversee preparation of any documents related to amendments to the Zone application and/or boundary.
- ◆ Prepare and submit quarterly reports to
 - ◆ Rockford City Council
 - ◆ RAEDC
 - ◆ Rockford Park District Board of Commissioners
 - ◆ Greater Rockford Airport Authority Board
- ◆ Prepare and submit progress reports as required to DCEO and/or IEPA.

River Edge Redevelopment Zone Program

PART I. DESIGNATED ZONE ORGANIZATION

Describe the role of the designated zone organization(s) (DZO). List the functions, programs and services to be performed by the DZOs. Cite the specific subsection of Section 8 of the River Edge Redevelopment Zone Act and the section of the designating ordinance and/or intergovernmental agreement which authorizes the activities. If the applicant has a recently created entity or existing entity seeking status as a DZO, an application to certify the eligibility of the DZO to solicit tax deductible contributions may also be attached.

None at this time.

River Edge Redevelopment Zone Program

PART J. APPLICANT CERTIFICATION

THE APPLICANT CERTIFIES THAT:

To the best of my knowledge and belief, data and other information in this application are true and correct, and this document has been authorized by the governing body of the applicant. I further certify that each incentive authorized by the governing body will be implemented and that all necessary administrative procedures will be established and effected.

CERTIFYING REPRESENTATIVE: (To be signed by the Chief Elected Official)

City of Rockford
Designating Unit of Government

Chief Elected Official

Date

Mayor, City of Rockford
Title

River Edge Redevelopment Zone Program

ATTACHMENTS

- IA River Edge Redevelopment Zone boundary map
- IB Map of River Edge Redevelopment Zone environmentally challenged properties
- 2 Rockford's *2020 Plan: Entering the 21st Century* and RATS' *Long-Range Transportation Plan for 2035* (2 CDs)
- 3 River Edge Land Use map
- 4 Major employers, vacant facilities and industrial parks in the River Edge Zone (3 maps)
- 5 Morgan Street Bridge (drawings)
- 6 TIF Districts in the River Edge Zone (map)
- 7 Burpee Museum of Natural History and Discovery Center "Connecting Our Future" Campaign (brochure)
- 8 MetroCentre redevelopment (drawings)
- 9 Nicholas Conservatory and Gardens (drawings)
- 10 City-Owned Properties in the River Edge Zone (map)
- 11 Marketing materials, RAEDC and the City of Rockford
- 12 Marketing materials, Chicago Rockford International Airport
- 13 Marketing materials, River District Association
- 14 Community input and support