CITY OF JOLIET, ILLINOIS

Rock Run Collection Business District

Eligibility Study and Business District Plan

FINAL REPORT | June 30, 2026

SBFRIEDMAN

CITY OF JOLIET, IL

Rock Run Collection Business District

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1. Introduction

The City of Joliet, Illinois (the "City") engaged SB Friedman Development Advisors, LLC (SB Friedman) to conduct an eligibility study and prepare a business district plan for the designation of a commercial area in the City as the proposed Rock Run Collection Business District (the "Business District" or "Area") under the provisions of the Illinois Business District Development and Redevelopment Law (65 ILCS 5/11-74.3-1 et seq., as amended) (the "Law").

This document (the "Report") includes two major sections: (1) information on the eligibility factors and other findings necessary to designate the area as a business district under the Law (the "Eligibility Study"); and (2) the Business District Plan (the "Plan"). SB Friedman has prepared this Report with the understanding that the City would rely on the findings and conclusions of this Report in proceeding with the designation of the proposed Business District and the adoption and implementation of the Plan in compliance with the Law.

The Proposed Business District

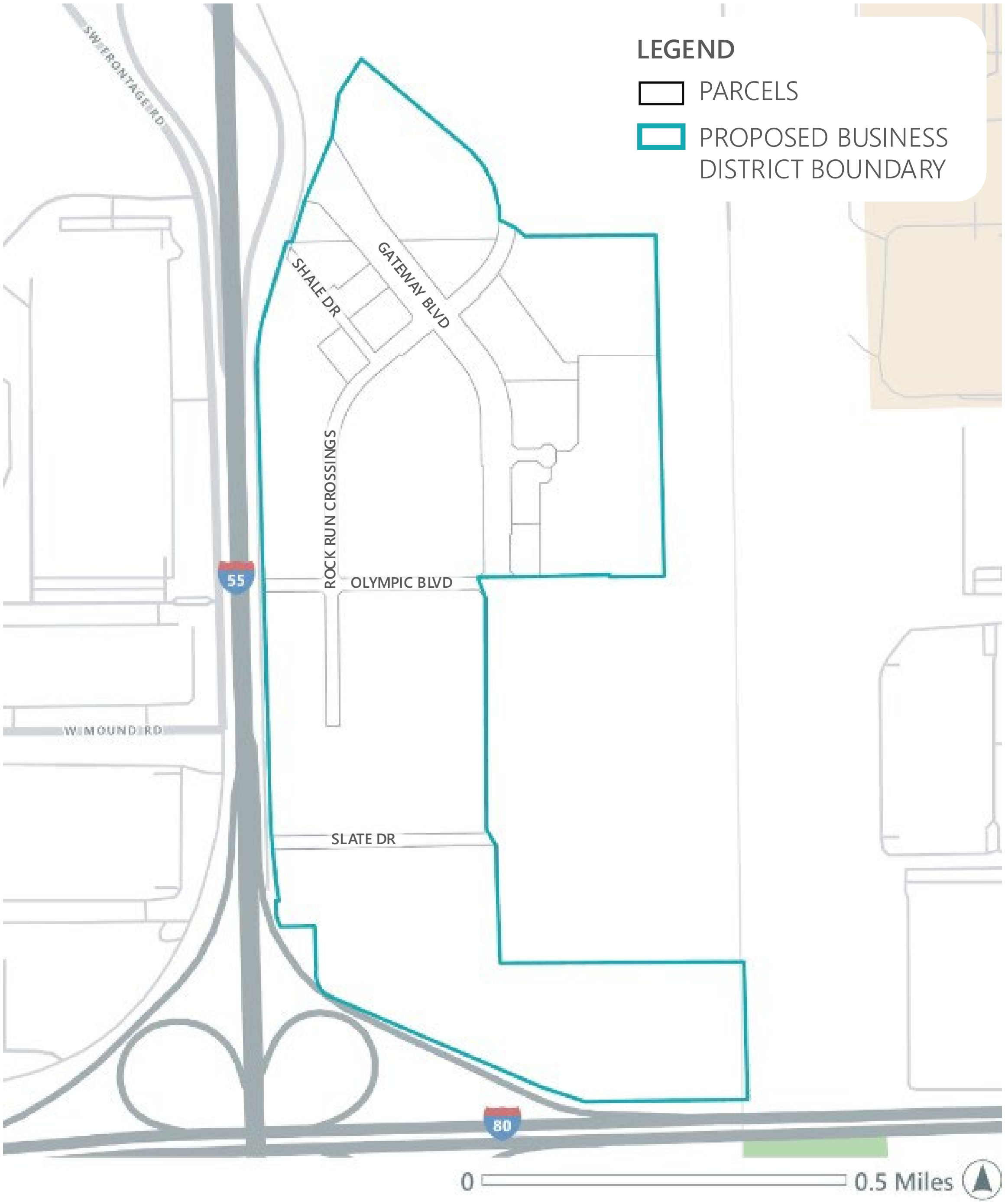
The proposed Business District generally encompasses properties on the northeast intersection of Interstate 55 and Interstate 80. The proposed Business District consists of 17 parcels. The Area contains approximately 195 acres, of which approximately 22 acres are rights-of-way as of June 2026. The location and detailed boundary of the proposed Business District is displayed on **Map 1** on the following page. The legal description of the proposed Business District and a list of Property Index Numbers (PINs) are included in **Appendix 1** and **Appendix 2**, respectively.

The Area primarily includes vacant land intended for commercial use. The land has been under private developer control since 2015; however, despite the Area's strategic location near Interstate 55 and its long-term development potential, limited vertical development has occurred to date. In 2022, the City of Joliet entered into a Redevelopment Agreement ("RDA") with the developer to facilitate development of the Area and nearby sites. As part of the RDA, the City agreed to issue approximately $100 million of its general obligation bonds to fund major infrastructure improvements, including the construction of an interchange to provide access from Interstate 55 to the Area.

A recent Rock Run Collection site plan (the "Site Plan") indicates that roughly 1.2 million square feet of commercial space, including retail and entertainment users, and over 470 hotel rooms could be built. However, the scale of development contemplated by the Site Plan has not yet materialized. To date, two buildings, a Chipotle and Hollywood Casino, have been constructed within the Area. The developer has indicated that development will not proceed in the Area without additional financial assistance. This is further evidenced by the City's recent amendment to the RDA pursuant to an Amended and Restated Development Agreement adopted on May 5, 2026 (the "Amended RDA"), which provides additional assistance (consisting of the proposed issuance by the City of its notes and additional general obligation bonds) intended to catalyze development in the Area.

The lack of substantial development activity since the developer's acquisition of the land in 2015, combined with the need for significant public infrastructure investment and the Amended RDA, indicates that private market forces alone have not been sufficient to induce the anticipated commercial development.

Map 1: Proposed Business District Boundary



Sources: City of Joliet, Esri; SB Friedman; Will County

2. Eligibility Study

The proposed Business District suffers from a defective, non-existent, or inadequate street layout. These characteristics appear to hinder the economic potential of the proposed Business District. To enhance its economic viability, it is critical that the physical conditions of the proposed Business District be improved. Without required multimodal transportation infrastructure that is necessary to support development in the area, the economic viability of the proposed Business District will continue to be challenged. The proposed Business District will benefit from a strategy to improve access and connectivity, allowing for economic growth and redevelopment.

The eligibility findings presented herein cover events and conditions that were determined to support a finding that the Area qualifies as a "blighted area" under the Law.

Eligibility Provisions of the Illinois Business District Development and Redevelopment Act

In order to impose sales and hotel taxes within a business district, a municipality must find that the area meets the "blighted area" provision under the Law and satisfies several other findings and tests. These eligibility criteria are summarized below.

BLIGHTED AREA DEFINITION

A business district can be considered a blighted area under the Law by the predominance of at least one of the following five factors:

- Defective, Non-Existent or Inadequate Street Layout
- Unsanitary or Unsafe Conditions
- Deterioration of Site Improvements
- Improper Subdivision or Obsolete Platting
- Existence of Conditions which Endanger Life or Property by Fire or Other Causes

In addition, the presence of the factor(s) must have at least one of the following four effects on the business district:

- Retard(s) the Provision of Housing Accommodations
- Constitute(s) an Economic or Social Liability
- Constitute(s) an Economic Underutilization of the Area
- Constitute(s) a Menace to the Public Health, Safety, Morals or Welfare

OTHER REQUIRED FINDINGS AND TESTS

Four additional findings and tests are required for designation of a business district:

1. **Lack of Growth and Development through Private Investment.** The City is required to evaluate whether or not a business district as a whole has been subject to growth and development through

investment by private enterprises and must substantiate a finding of lack of such investment prior to establishing a business district.

2. **"But For" the Creation of a Business District, Area Would Not Be Redeveloped.** The City must find that the area would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district plan.
3. **Contiguity and Substantial Benefit.** The boundary of a business district must contain contiguous parcels that are directly and substantially benefited by the plan.
4. **Conformance to the Plans of the City.** A business district plan must conform to the comprehensive plan of the City or, for municipalities with a population of 100,000 or more, regardless of when the business district plan was approved, the business district plan either:
    a. Conforms to the strategic economic development or redevelopment plan issued by the designated planning authority or the municipality, or
    b. Includes land uses that have been approved by the planning commission of the municipality.

Methodology Overview

SB Friedman conducted the following analyses to determine whether the proposed Business District qualifies as a blighted area, as defined by the Law:

- Parcel-by-parcel fieldwork in March 2026 documenting external property conditions and infrastructure status;
- Analysis of equalized assessed value (EAV) for which data are available and final (2025) from the County Assessor's Office, compared to EAV for shopping centers in Will County;
- Review of building permit records (From 2023 through June 2026);
- Review of local zoning and building regulations for the Area;
- Review of geographic information systems (GIS) parcel shapefile data from Will County;
- Review of the status of planned infrastructure investments for the Area, based on materials from the City of Joliet Public Works Department, including a March 30, 2026 memo ("Public Works Memo") and annotated maps describing public right-of-way and pedestrian investments as of March 2026;
- Review of the Site Plan for the Area, provided on April 21, 2026;
- Review of the RDA and Amended RDA;
- Review of the City's current comprehensive plan ("1959 Comprehensive Plan") and documentation related to the forthcoming City of Joliet Comprehensive Plan update.

All properties were examined for qualification factors consistent with the blighted area requirements of the Law. SB Friedman evaluated the eligibility factors on a parcel-by-parcel basis and analyzed the spatial distribution of the eligibility factors. When appropriate, the presence of eligibility factors was calculated on adjacent infrastructure and ancillary properties associated with the structures. The eligibility factors were linked to tax parcels and buildings using aerial photographs, property files created from field observations, and record searches. The information was then graphically plotted on a parcel map of the proposed Business District to establish the distribution of eligibility factors, and to determine which factors were present to a meaningful extent and reasonably distributed throughout the proposed Business District.

Eligibility Findings

BLIGHTED AREA FINDING

SB Friedman's research indicates the proposed Business District on the whole qualifies as a blighted area under the Law due to the predominance of the following factor:

1. Defective, Non-Existent or Inadequate Street Layout

Map 2 displays the spatial distribution of this factor throughout the proposed Business District.

Defective, Non-Existent or Inadequate Street Layout

SB Friedman conducted fieldwork and collected data from the City to assess the street layout and multimodal transportation dynamics within the proposed Business District.

The proposed Business District exhibits conditions that indicate a defective and inadequate road and pedestrian network, which materially impair access, circulation, and the overall functionality of the Area as a viable commercial environment. In the Public Works Memo, the City's Director of Public Works indicates that the Area's public infrastructure does not support safe access or circulation. The existing roadway system is characterized by an incomplete road network, fragmented internal circulation patterns, constrained ingress and egress, and lack of an overall pedestrian network to support multimodal connectivity. This has implications for future business occupancy.

- **Incomplete Road Network.** Gateway Boulevard, Shale Road, and portions of Olympic Boulevard and Sandstone Drive have been constructed but have yet to be reviewed and accepted by the City.[1] Portions of Olympic Boulevard and Rock Run Crossings Drive are only partially installed to the binder course but have not been surfaced. Other planned roads, including Graphite Drive, Briarstone Drive, Heathstone Drive, Festival Boulevard, Slate Drive, and Quartz Drive have not yet been designed.

- **Fragmented Internal Circulation Patterns.** Many properties rely on singular access points from perimeter roadways, with little to no internal connectivity to adjacent parcels. A significant portion of the Area is comprised of large, irregularly shaped parcels that lack internal drive aisles, cross-access easements, or coordinated circulation systems. These parcels function as isolated superblocks rather than integrated components of a cohesive street network, limiting the ability for vehicles to move efficiently within and between parcels. Furthermore, contemporary retail, restaurant and service users require well-defined internal circulation patterns that support intuitive navigation, multiple points of ingress and egress, and separation of customer and service traffic.

- **Constrained Ingress and Egress.** Properties within the Area are characterized by a limited number of ingress and egress locations. Several large parcels rely on single curb cuts or indirect access routes, constraining the ability of vehicles to enter and exit parcels efficiently. The existing access configuration

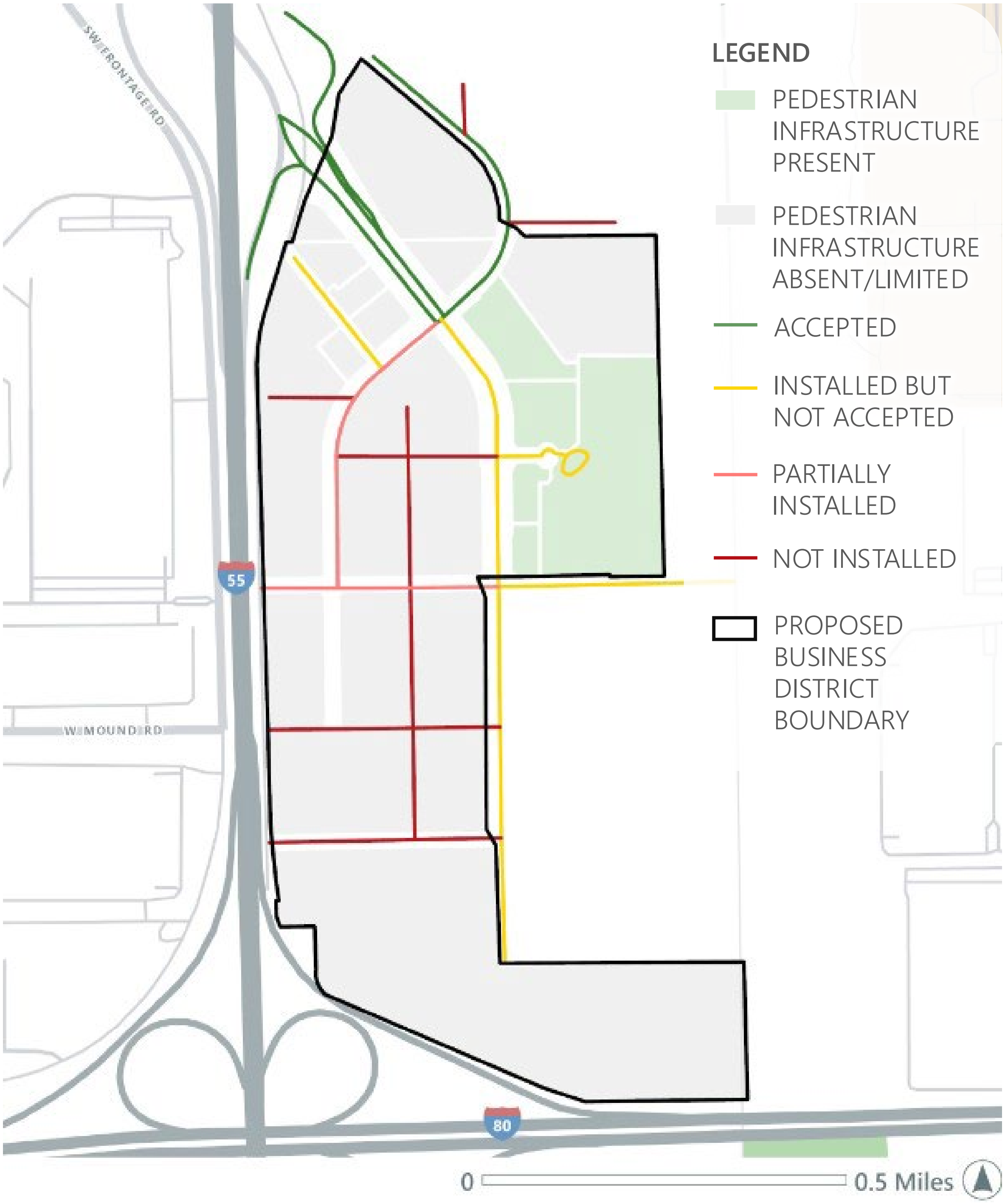
[1] City acceptance indicates that the City has determined the roads align with City design and safety standards.

serving businesses is limited and inefficient, particularly along Shale Road. For example, a motorist traveling northbound on Gateway Boulevard is required to enter Interstate 55 after passing Rock Run Crossings Drive, eliminating the ability to directly access nearby commercial properties. As a result, motorists seeking to reach businesses located north of the Gateway Boulevard and Rock Run Crossings Drive intersection must continue onto Interstate 55, exit at the next interchange, and reverse direction, creating a circuitous and inconvenient travel pattern.

- **Lack of Pedestrian Network.** The Area also lacks adequate pedestrian infrastructure. As of June 2026, no sidewalk improvements have been formally accepted by the City to date. While pedestrian infrastructure is planned for 11 of the 17 parcels, improvements have only been installed on five parcels and no pedestrian infrastructure is currently planned for the remaining 6 parcels. Therefore, pedestrian infrastructure within the Area is incomplete and, in certain locations, deficient. These deficiencies include gaps in the sidewalk network, limited safe and clearly defined pedestrian crossings, and incomplete ADA-compliant access routes. The lack of a complete pedestrian network limits walkability and reduces connectivity between commercial uses, hotels, entertainment destinations, parking areas, and adjacent development sites. A successful commercial, entertainment, and hospitality district requires safe, accessible, and convenient pedestrian circulation across multiple parcels. Without additional investment, the Area is unlikely to function as a cohesive commercial district, which may limit tenant interest, reduce development momentum, and constrain the scale and timing of future private investment.

Collectively, these conditions result in a transportation and access network that is not merely suboptimal but functionally inadequate to support modern commercial development patterns areawide within the proposed Business District. These limitations restrict customer access and impair the Area's ability to function as a cohesive commercial district. As a result, the Area is less competitive for retail, entertainment and service uses that rely on convenient vehicular access, strong traffic patterns, safe pedestrian circulation, and walkability. According to the Public Works Memo, "as development advances these outstanding infrastructure items will need to be addressed to support full public access, ensure safe pedestrian connectivity, and enable the City to assume long term maintenance responsibilities". While SB Friedman is not a transportation engineering firm, the conditions identified in the Public Works Memo indicate that the existing transportation network and street layout contain deficiencies that limit access, circulation, and pedestrian connectivity within the proposed Business District. Based on the location, extent, and functional significance of the deficiencies identified above, the defective, non-existent, or inadequate street layout factor is present to a meaningful extent within the proposed Business District. These deficiencies are not limited to isolated parcels, but instead affect the Area's overall circulation framework and are reasonably expected to constrain the timing, scale, and distribution of future private development.

Map 2: Defective, Non-Existent or Inadequate Street Layout



Sources: City of Joliet Esri; SB Friedman; Will County

Effect of Blighting Factors on the Proposed Business District

It appears the present blighting factor has the following effect on the proposed Business District:

- Constitutes an Economic Underutilization of the Area

ECONOMIC UNDERUTILIZATION OF THE AREA

The Area exhibits economic underutilization, as evidenced by its relatively low Equalized Assessed Value ("EAV") and limited intensity of commercial activity compared to similarly situated retail nodes in the broader market. As of 2025, the Area reflects an average EAV of approximately $75,000 per acre, which is significantly below that of comparable properties with a fully developed, adequate roadway network. For example, commercial districts in Will County that have benefited from coordinated development, such as Promenade Bolingbrook, Shorewood Crossing, and Joliet Commons, demonstrate significantly higher levels of property tax productivity on a per-acre basis with a range of roughly $248,000 to $426,000 per acre. These comparable properties have similar land uses and are located within the same regional market area but benefit from functional road networks, direct access to arterial corridors, and established pedestrian connectivity. The Area's current EAV per acre is materially below the EAV productivity observed in comparable developed commercial nodes in Will County. Given the Area's planned use as a regional commercial, entertainment, and hospitality destination, this differential indicates that the Area is not currently generating assessed value consistent with its underlying development potential. The comparison supports a finding that the Area remains economically underutilized relative to similarly situated commercial properties with more complete access, circulation, and infrastructure systems.

Based on a reasonable highest-and-best-use scenario that reflects the proposed Rock Run Collection site plan, the Area could support a stabilized EAV of approximately $515,300 per acre, representing an increase of nearly 586% over current levels and aligning more closely with comparable serviced properties. The estimated stabilized EAV scenario illustrates the magnitude of unrealized economic value associated with full development of the Area. The variance between current EAV and estimated stabilized EAV is attributable, in part, to infrastructure and site-readiness limitations that inhibit the Area's ability to support the intensity of development contemplated by the Site Plan. Accordingly, the Area's present condition constitutes an economic underutilization of land that is otherwise planned and positioned for substantially higher-value commercial use. Absent targeted public investment in roadway and pedestrian infrastructure improvements, such development is unlikely to occur. Accordingly, these infrastructure deficiencies constitute a material barrier to private investment, and the Area is expected to remain economically underutilized "but for" the implementation of public improvements designed to enhance access, connectivity, and overall site viability.

Other Required Findings and Tests

In addition to finding of blight, the Law requires that four required findings and tests be satisfied for designation. SB Friedman's research, as described below, indicates that the proposed Business District satisfies these requirements.

1. LACK OF GROWTH AND DEVELOPMENT THROUGH PRIVATE INVESTMENT

The RDA approved the issuance of the City's general obligation bonds to support infrastructure development, including the construction of the interchange providing access to the Area, with the intent of attracting private investment. Yet, the Area has experienced a prolonged lack of growth and development through private investment, as evidenced by limited recent vertical development, limited site improvements, and continued underutilization of otherwise strategically located land, as described above.

The Site Plan contemplated a comprehensive, phased, mixed-use project including approximately 1.2 million square feet of commercial space, including retail and entertainment users, over 470 hotel keys, and supporting infrastructure within the proposed Business District. However, City permit data from June 2023 to June 2026 indicates that vertical development activity has been limited relative to the scale of the planned development program. During this period, building permit activity has been concentrated in a small number of projects, including the Hollywood Casino, a single restaurant user, one hotel currently under construction, and one additional retail project that does not appear to have commenced construction as of June 2026. Since June 2023, only 192,750 square feet of vertical development has been constructed or is currently under construction, representing a limited portion of the total development contemplated for the Area. The limited amount of constructed and under-construction development represents a relatively small share of the total commercial, entertainment, and hospitality development contemplated for the Area. In addition, recent private investment has been concentrated in a limited number of projects rather than distributed across the proposed Business District. This pattern indicates that development activity to date has not established a sustained, areawide investment trend sufficient to implement the planned commercial district.

This disparity between the approved development program and actual construction to date demonstrates that private investment has not occurred at the scale or pace necessary to realize the Area's intended outcomes. Even the significant amount of public investment authorized through the RDA and construction of the casino have not been sufficient to catalyze the full extent of anticipated additional private investment. Significant portions of the Area remain undeveloped, including most of the planned commercial space, additional hotel development, and key infrastructure elements anticipated to support full buildout. This continued lack of investment, despite the Area's strategic location, prior public infrastructure commitment, and presence of a major regional entertainment anchor, indicates that private market forces alone have not been sufficient to catalyze comprehensive development of the Area.

Finding: *The proposed Business District on the whole has not been subject to growth and development through investment by private enterprises at a level sufficient to realize the Area's planned commercial, entertainment, and hospitality development program.*

2. "BUT FOR" THE CREATION OF A BUSINESS DISTRICT, AREA WOULD NOT BE REDEVELOPED

The lack of construction progress relative to the Site Plan reflects ongoing economic and infrastructure-related constraints which support the finding that, without public resources, the development objectives for the proposed Business District would most likely not be realized. The Area requires substantial upfront investment in infrastructure and site preparation, including internal roadways and stormwater management, which are necessary to support development but do not generate revenue. The private market, on its own, has shown little ability to absorb all such costs, as evidenced by the need for public assistance under the RDA.

Four years later, this public assistance has still proven insufficient to fully offset the extraordinary development costs and attract private capital at the scale necessary to complete development of the Area, resulting in efforts to amend and restate the RDA throughout 2025 and early 2026. The Amended RDA provides for additional public funding by the City with the intent of strengthening the likelihood of future private investment in the Area. The Amended RDA provides that the developer must satisfy certain conditions with respect to the Area prior to the issuance by the City of its notes and bonds. The Amended RDA states that this funding is to be backed by the revenues generated by a Business District. Therefore, absent the additional public assistance enabled by the proposed Business District, it appears unlikely that significant private investment would occur in the Area at the scale, pace, or quality contemplated by the Site Plan.

Finding: *The Area would not reasonably be anticipated to be developed without the adoption of the Business District Plan.*

3. CONTIGUITY OF PARCELS

Finding: *All parcels in the Area are contiguous and are expected to directly and substantially benefit from the Business District Plan.*

4. CONFORMANCE TO THE PLANS OF THE CITY

The Business District Plan conforms to the City's comprehensive planning efforts as a whole. The Area is zoned Commercial Business District (B-2) which is intended for a variety of retail activity and is designed for major shopping districts. Additionally, the City is currently preparing an update to the 1959 Comprehensive Plan. Documentation related to the forthcoming City of Joliet Comprehensive Plan update identifies the Area for future development as a cohesive, mixed-use activity center. This Business District Plan helps translate the City's goals for coordinated infrastructure-led growth and economic development in the Area into a defined implementation framework.

Finding: *Based on a review of the 1959 Comprehensive Plan, in addition to documentation related to the forthcoming City of Joliet Comprehensive Plan update (anticipated to be adopted in 2026), the Business District Plan conforms to the City's comprehensive plan for development of the municipality as a whole.*

Summary of Findings

SB Friedman found that the proposed Business District qualifies to be designated as a "blighted area." The proposed Business District is blighted due to the predominance of defective, non-existent or inadequate street layout, which constitutes an economic underutilization of the area. The proposed Business District also satisfies the four separate findings and tests required for designation.

3. Business District Plan

Redevelopment Needs of the Proposed Business District

The economic potential of the proposed Business District is currently hampered by a defective, non-existent, or inadequate street layout. Investment in infrastructure and improvements in roadways, parking and sidewalks in the Area are necessary to increase the economic viability within and adjacent to the proposed Business District. The existing conditions of the Area suggest three major needs for the proposed Business District:

1. Construction of new commercial development;
2. Construction of infrastructure and capital improvements; and
3. Site preparation.

This Business District Plan identifies tools for the City to support the improvement of the proposed Business District through the provision of necessary infrastructure improvements and other public and private improvements to best serve the interests of the City, local business owners and residents.

The public and private improvements outlined in this Business District Plan will create an environment conducive to economic growth and development within the proposed Business District and the City overall.

Goal and Objectives

The overall goal of the Business District Plan is to reduce or eliminate conditions that qualify the proposed Business District as a blighted area under the Law and to provide the direction and mechanisms necessary to create vibrant commercial corridors that will strengthen the economic base and enhance the quality of life of the Area and City as a whole.

The following three objectives support the overall goal of area-wide revitalization of the proposed Business District:

1. Enhance the City's tax base by encouraging private development and investment within the proposed Business District;
2. Foster the construction, improvement, replacement and/or repair of public infrastructure; and
3. Provide improved pedestrian and bicycle access throughout the proposed Business District.

Public and private improvements throughout the Area will increase the economic viability of businesses within and adjacent to the proposed Business District. The overall development is expected to affect each of the properties in the proposed Business District.

Powers of the Municipality

The Law grants municipalities various powers to designate, implement and maintain a business district. In addition to the powers a municipality may now have, a municipality shall have the following powers:

- To make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan, as more fully set forth in 65 ILCS 5/11-74.3-3(1);
- To acquire by purchase, donation, or lease, and to own, convey, lease, mortgage, or dispose of land and other real or personal property or rights or interests within the business district, as more fully set forth in 65 ILCS 5/11-74.3-3(2) and 65 ILCS 5/11-74.3-3(2.5);
- To clear any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land;
- To install, repair, construct, reconstruct, or relocate public streets, public utilities, and other public site improvements within or without a business district which are essential to the preparation of a business district for use in accordance with a business district plan;
- To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within any business district;
- To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district;
- To fix, charge, and collect fees, rents, and charges for the use of any building, facility, or property or any portion thereof owned or leased by the municipality within a business district;
- To pay or cause to be paid business district project costs, as more fully set forth in 65 ILCS 5/11-74.3-3(8). Such eligible project costs are defined in the following section. As per 65 ILCS 5/11-74.3-3(8.5), the Law also empowers the City to utilize up to 1% of the revenue from a business district retailers' occupation tax and service occupation tax and/or a hotel operators' occupation tax ("porting") for business district eligible costs from another business district that is:
    - contiguous to the business district from which the revenues are received;
    - separated only by a public right of way from the business district from which the revenues are received; or
    - separated only by forest preserve property from the business district from which the revenues are received if the closest boundaries of the business districts that are separated by the forest preserve property are less than one mile apart.
- To apply for and accept grants, guarantees donations of property or labor or any other thing of value for use in connection with a business district project;
- To impose a retailers' occupation tax and a service occupation tax in the business district at a rate not to exceed 1.0% of the gross receipts from the sales made (to be imposed only in 0.25% increments) for the planning, execution, and implementation of business district plans and to pay for business district project costs as set forth in the business district plan approved by the municipality; and
- To impose a hotel operators' occupation tax in the business district at a rate not to exceed 1.0% of the gross receipts from the sales made (to be imposed only in 0.25% increments) for the planning, execution, and implementation of business district plans and to pay for the business district project costs as set forth in the business district plan approved by the municipality.

Financial Plan

ELIGIBLE COSTS

Under the Law, eligible business district project costs include all costs incurred by the municipality, other governmental entity or nongovernmental entity in the furtherance of the business district plan, and may include:

- Costs of studies, surveys, development of plans and specifications, implementation and administration of a plan, and personnel and professional service costs including architectural, engineering, legal, market, financial, planning, or other professional services, provided no charges for professional services may be based on a percentage of tax revenues received by the municipality;
- Property assembly costs, including but not limited to, acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by that developer or other nongovernmental person;
- Site preparation costs including but not limited to, clearance, demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements, and clearing and grading of land;
- Costs of installation, repair, construction, reconstruction, extension, or relocation of public streets, public utilities, and other public site improvements within or without the business district which are essential to the preparation of the business district for use in accordance with the business district plan, and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by the developer or nongovernmental person;
- Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of any existing buildings, improvements and fixtures within the business district, and specifically including payments to developers or other nongovernmental persons as reimbursement for costs incurred by such developer or nongovernmental person;
- Costs of installation or construction within the business district of buildings, structures, works, streets, improvements, equipment, utilities, or fixtures, and specifically including payments to developers or other nongovernmental persons as reimbursements for such costs incurred by such developer or nongovernmental person;
- Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued under the Law that accrues during the estimated period of construction of any redevelopment project for which obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of those obligations; and
- Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law.

ANTICIPATED PROJECT COSTS

The estimated eligible costs of this Business District Plan are shown in **Table 1** below. The total Business District Project Costs (Project Costs) shown in **Table 1** provides an upper limit on expenditures that are to be funded using Business District revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Additional funding in the form of county, state and federal grants, private developer contributions, porting of funds from contiguous business districts, and other outside sources may be pursued by the City as a means of financing improvements and facilities that are of benefit to the general community.

Table 1. Project Costs

Eligible Cost Categories [1]	Budget
Professional Services (including studies, surveys, legal, architectural, engineering, marketing, etc.)	$1,000,000
Property Assembly (including acquisition, reimbursement for developer assembly costs)	$1,500,000
Site Preparation (including clearance, demolition, clearing and grading)	$2,000,000
Public Works Installation, Repair or Construction (within or without a Business District, which are essential to the Plan, including streets, utilities and other public site improvements)	$32,000,000
Renovation or Rehabilitation of Existing Buildings, Improvements and Fixtures (including reconstruction, relocation, repair and remodeling)	$1,000,000
Construction or Installation of Buildings, Improvements, Fixtures, Equipment or Utilities (within the Business District)	$30,000,000
Financing Costs (including expenses related to issuance, interest and reserves related to obligations)	$1,500,000
Relocation Costs (to the extent municipality deems necessary or is required by federal or State law)	$1,000,000
TOTAL PROJECT COSTS [2] [3]	**$70,000,000**

[1] Costs are shown in 2026 dollars and shall be adjusted from time to time to reflect changes in the cost of living, as measured by the U. S. Department of Labor's Consumer Price Index.
[2] Increases in estimated Total Project Costs of more than 5%, after adjustment for inflation from the date this Business District Plan is approved, are subject to the amendment procedures as provided under the Law.
[3] Adjustments may be made among line items in the budget without amendment, as provided under the Law.

Each individual project expenditure will be evaluated in light of Plan goals as it is considered for public financing under the provisions of the Law. The totals of line items set forth in **Table 1** are not intended to place a limit on the described expenditures. Adjustments may be made to line items within the total, either increasing or decreasing line item costs because of changed redevelopment costs and needs. Within the total Project Costs limit, adjustments to the estimated line item costs in **Table 1** are expected and may be made by the City without amendment to this Plan.

The Project Costs described above are intended to further the goals outlined in this Plan and will benefit the owners and tenants of commercial businesses in the proposed Business District, as well as City residents and patrons of local businesses.

Anticipated Sources of Funds to Pay Project Costs

As required by the Law, the City shall establish and maintain a Business District Tax Allocation Fund ("the Fund") to which Business District revenues generated through the Business District Retailers' Occupation Tax, the Business District Service Occupation Tax and Business District Tax and/or the Hotel Operators' Occupation Tax (collectively "Business District Taxes") shall be deposited or credited. If and when the Village adopts any or all of the Business District Taxes, the Business District Taxes shall be administered as provided in the Law. Eligible Project Costs are to be reimbursed using the Fund Law, as described below.

BUSINESS DISTRICT RETAILERS' OCCUPATION TAX

A Business District Retailers' Occupation Tax will be imposed upon persons engaged in the business of selling tangible personal property at retail (excluding property titled or registered with an agency of the State of Illinois government) in the Business District at a rate of 1.0% of the gross receipts from the sales made in the course of such business. The tax may not be imposed on food for human consumption that is to be consumed off the premises from which it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purposes of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.

BUSINESS DISTRICT SERVICE OCCUPATION TAX

A Business District Service Occupation Tax will be imposed upon all persons in the Business District engaged in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the Business District, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. This tax will be imposed at a rate of 1.0% and may not be imposed on food for human consumption that is to be consumed off the premises from which it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purposes of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.

BUSINESS DISTRICT HOTEL OPERATORS' OCCUPATION TAX

A Business District Hotel Operators' Occupation Tax will be imposed upon all persons in the Business District engaged in the business of renting, leasing or letting rooms in a hotel, at a rate of 1.0% of the gross rental receipts, excluding from gross rental receipts, the proceeds of such renting, leasing or letting to permanent residents of that hotel.

OTHER SOURCES OF FUNDS

Other sources of funds that may be used to pay for development costs and associated obligations issued or incurred include land disposition proceeds, state and federal grants, investment income, private investor and financial institution funds, and other lawful sources of funds and revenues as the municipality and developer from time to time may deem appropriate.

The proposed Business District may be or become contiguous to, or be separated only by a public right-of-way from, one or more other business districts created by the City in accordance with the Law (65 ILCS 5/11 74.4 4 et. seq.). The City may utilize Business District tax revenues received from the Business District to pay eligible costs, or obligations issued to pay such costs, in such other business districts, and vice versa. The amount of revenue from the proposed Business District made available to support such business districts, when added to all amounts used to pay eligible business district project costs within the proposed Business District, shall not at any time exceed the total Project Costs described in **Table 1** of the Plan.

If necessary, the plans for other business districts that may be or already have been created under the Law may be drafted or amended, as applicable, to add appropriate and parallel language to allow for the transfer and utilization of relevant business district tax revenues between such districts.

ISSUANCE OF OBLIGATIONS

To finance Project Costs, the City may issue bonds or obligations secured by the anticipated Business District Taxes generated within the proposed Business District, or such other bonds or obligations as the Village may deem as appropriate.

All obligations issued by the City pursuant to this Plan and the Law shall be retired in the manner provided in the ordinance authorizing issuance of such obligations, by the receipts of taxes from the proposed Business District and by any other revenue designated or pledged by the City. The final maturity date of any such obligations that are issued may not be later than 20 years from their respective dates of issue or the dissolution of the Business District, whichever is earlier.

In addition to paying Project Costs, monies in the Fund may be used for the scheduled and/or early retirement of obligations, as provided in the ordinance issuing such obligations. As provided in the Law, following payment or reimbursement for all Project Costs, any surplus funds in the Fund will be deposited into the City's general corporate fund.

Establishment and Term of District

Pursuant to the Law, the term of the proposed Business District shall not exceed 23 years from the date the ordinance approving this Plan and designating the District is approved. The Business District Retailers' Occupation Tax, Business District Service Occupation Tax and Business District Hotel Operators' Occupation Tax will be imposed for no longer than the term of the Business District.

Provisions for Amending Plan

This Plan may be amended pursuant to the provisions of the Law.

Appendix 1: Proposed Rock Run Collection Business District Boundary Legal Description

LOCATED IN THE WEST HALF QUARTER OF SECTION 22 AND THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 35 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, WILL COUNTY ILLINOIS.

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF INTERSTATE ROUTE 80 AND THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 27; THENCE WESTERLY AND NORTHWESTERLY ALONG THE NORTHERLY AND NORTHEASTERLY LINES OF INTERSTATE ROUTE 80 TO THE EAST LINE OF INTERSTATE ROUTE 55 (ALSO KNOWN AS US ROUTE 66); THENCE NORTHERLY, WESTERLY AND NORTHEASTERLY ALONG THE EASTERLY, SOUTHERLY AND SOUTHEASTERLY LINES OF INTERSTATE ROUTE 55 (ALSO KNOWN AS US ROUTE 66 TO THE SOUTHWESTERLY LINE OF GATEWAY BOULEVARD; THENCE NORTHEASTERLY TO THE MOST WESTERLY CORNER OF LOT 1 IN RESUBDIVISION OF ROCK RUN CROSSINGS RECORDED APRIL 19, 2022 AS DOCUMENT R2022-031684; THENCE NORTHEASTERLY ALONG NORTHWESTERLY LINES OF SAID LOT 1 IN SAID RESUBDIVISION OF ROCK RUN CROSSINGS TO THE SOUTHWESTERLY LINE OF ROCK RUN CROSSINGS DRIVE; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG THE SOUTHWESTERLY AND WESTERLY LINES OF ROCK RUN CROSSINGS DRIVE TO THE NORTHWESTERLY EXTENSION OF A NORTHEASTERLY LINE OF LOT 2 IN ROCK RUN CROSSINGS MULTIFAMILY RECORDED APRIL 17, 2023 AS DOCUMENT R2023-017839; THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF LOT 2 IN SAID ROCK RUN CROSSINGS MULTIFAMILY AND ITS NORTHWESTERLY EXTENSION TO THE NORTH LINE OF LOT 2 IN SAID ROCK RUN CROSSINGS MULTIFAMILY; THENCE EAST ALONG SAID NORTH LINE OF SAID LOT 2 TO THE EAST LINE OF SAID ROCK RUN CROSSINGS MULTIFAMILY; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 2 TO THE SOUTHEAST CORNER THEREOF, SAID CORNER ALSO BEING THE NORTHEAST CORNER OF LOT 3 IN CASINO PARCEL AT ROCK RUN CROSSINGS RECORDED MAY 25, 2023 AS DOCUMENT R2023-025538; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 3 TO THE NORTH LINE OF OLYMPIC BOULEVARD; THENCE WEST ALONG THE NORTH LINE OF OLYMPIC BOULEVARD AND ITS WESTERLY EXTENSION TO THE WEST LINE OF GATEWAY BOULEVARD; THENCE SOUTHERLY ALONG THE WEST LINE OF GATEWAY BOULEVARD TO THE SOUTH LINE OF QUARTZ BOULEVARD; THENCE EAST ALONG THE SOUTH LINE OF QUARTZ BOULEVARD TO THE WEST LINE OF GATEWAY BOULEVARD; THENCE SOUTH ALONG THE WEST LINE OF GATEWAY BOULEVARD TO THE SOUTHWEST CORNER THEREOF; THENCE EAST ALONG THE SOUTH LINE OF GATEWAY BOULEVARD TO THE SOUTHWEST CORNER OF LOT 2 IN ROCK RUN CROSSINGS I.D.I. RESUBDIVISION NO. 1 RECORDED MARCH 8, 2023 AS DOCUMENT R2023-010784; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 2 TO THE SOUTHWEST CORNER OF LOT 5 IN SAID RESUBDIVISION OF ROCK RUN CROSSINGS TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 27; THENCE SOUTH ALONG SAID EAST LINE TO THE POINT OF BEGINNING.

PROPERTY INDEX NUMBERS (PINS):
05-06-22-101-002-0020
05-06-22-101-002-0010
05-06-22-302-002-0000
05-06-22-305-001-0000
05-06-22-304-004-0020
05-06-22-301-013-0000
05-06-22-304-003-0000
05-06-22-304-005-0000
05-06-22-304-002-0000
05-06-22-301-011-0000
05-06-22-304-001-0020
05-06-22-304-001-0010
05-06-22-301-010-0000
05-06-27-100-011-0000
05-06-22-301-012-0000
05-06-22-301-005-0000
05-06-22-301-008-0000

Appendix 2: List of PINs in Proposed Rock Run Collection Business District

PIN
05-06-22-101-002-0020
05-06-22-101-002-0010
05-06-22-302-002-0000
05-06-22-305-001-0000
05-06-22-304-004-0020
05-06-22-301-013-0000
05-06-22-304-003-0000
05-06-22-304-005-0000
05-06-22-304-002-0000
05-06-22-301-011-0000
05-06-22-304-001-0020
05-06-22-304-001-0010
05-06-22-301-010-0000
05-06-27-100-011-0000
05-06-22-301-012-0000
05-06-22-301-005-0000
05-06-22-301-008-0000

Sources: SB Friedman; Will County

Appendix 3. Limitations of Engagement

The Eligibility Study covers events and conditions that were determined to support the designation of the proposed Business District as a “blighted area” under the Law at the completion of our field research in March 2026 and not thereafter. SB Friedman’s findings do not consider events or conditions that may have occurred after completion of field research, including, without limitation, governmental actions and additional development.

This Report summarizes the analysis and findings of the consultant’s work, which, unless otherwise noted, is solely the responsibility of SB Friedman. The City is entitled to rely on the findings and conclusions of the Report in designating the Area as a business district under the Law. SB Friedman has prepared the Report with the understanding that the City would rely on the findings and conclusions of this Report in proceeding with the designation of the proposed Business District and the adoption and implementation of the Plan in compliance with the Law.

The Report is based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the Report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved will necessarily vary from those described in our Report, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the Report to reflect events or conditions which occur subsequent to the date of the Report. These events or conditions include, without limitation, economic growth trends, governmental actions, additional competitive developments, interest rates, and other market factors. However, we will be available to discuss the necessity for revision in view of changes in economic or market factors.

Preliminary Business District revenue projections were prepared for the purpose of estimating the approximate level of revenues that could be generated by proposed projects and other properties within the proposed Business District and from inflationary increases in sales. These projections were intended only to assist in preparing a budget for the Business District Plan.

As such, our Report and the preliminary projections prepared under this engagement are intended solely for your information, for the purpose of establishing a business district. These projections should not be relied upon for purposes of evaluating potential debt obligations or by any other person, firm or corporation, or for any other purposes. Neither the Report nor its contents, nor any reference to SB Friedman, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors, without prior written consent.