



CITY OF ROLLING MEADOWS, IL

Algonquin & Keystone Redevelopment Project Area

Tax Increment Financing District

Eligibility Report and Redevelopment Plan and Project

FINAL REPORT | January 23, 2026



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Redevelopment Project Area

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1. Introduction

The Algonquin & Keystone Redevelopment Project Area (“Algonquin & Keystone RPA” or the “RPA”) is located along one of the main commercial and business corridors in City of Rolling Meadows (the “City”). The area has historically been a hub for business activity, even prior to Algonquin Road’s identification as a key commercial corridor in the City’s first Comprehensive Plan in 1993. While the area is still a core part of the City’s commercial ecosystem, there are significant existing retail and office vacancies. Returning these properties to productive uses and investing in infrastructure that will support further redevelopment are top priorities for the City.

The City seeks to establish a tax increment financing (TIF) district to serve as an economic development tool and promote redevelopment and revitalization along Algonquin Road near its intersection with Keystone Court. The City engaged SB Friedman Development Advisors, LLC (SB Friedman) in 2025 to conduct a redevelopment project area eligibility study and prepare a redevelopment plan and project for the proposed TIF district.

This document serves as the Eligibility Report and Redevelopment Plan and Project (together, the “Report”) for the proposed Algonquin & Keystone Redevelopment Project Area (“Algonquin & Keystone RPA” or the “RPA”). **Section 2** of the Report, the Eligibility Report, details the eligibility factors found within the proposed RPA in support of its designation as a “blighted area” for vacant land and a “conservation area” for improved land, within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4--1 et seq., as amended (the “Act”). **Section 3** of this Report, the Redevelopment Plan and Project, (the “Redevelopment Plan”), outlines the comprehensive program to revitalize the proposed RPA, as required by the Act.

Redevelopment Project Area

The proposed Algonquin & Keystone RPA is located within the City of Rolling Meadows in Cook County (the “County”), as shown on **Map 1**. The proposed Algonquin & Keystone RPA consists of approximately 21 tax parcels (16 improved parcels, 4 vacant parcels, and 1 right-of-way parcel) and 11 buildings. It comprises approximately 27 acres of land, of which approximately 2 acres are vacant, 22 acres are improved, and 3 acres are right-of-way. The parcels included in the proposed RPA are roughly bounded by Algonquin Road, Carriage Way Drive, South Old Wilke Road, and Salt Creek, as illustrated in **Map 2**. SB Friedman’s analysis was completed for both vacant parcels and improved parcels, as shown in **Map 3**. Based on SB Friedman’s research, the proposed RPA currently consists of a mix of commercial and vacant land uses, as shown in **Map 4**.

Determination of Eligibility

This Report concludes that the proposed Algonquin & Keystone RPA is eligible for designation as a “blighted area” for vacant land and as a “conservation area” for improved land, per the Act. Vacant land is any real property without industrial, commercial or residential buildings, and has not been used for commercial agricultural purposes in the past five years. For the purposes of analysis, in a previously developed area, parcels that include side yards or parking lots related to an adjacent building are considered improved.

VACANT PARCELS: BLIGHTED AREA FINDINGS

Per SB Friedman’s analysis, the vacant portion of the proposed RPA is eligible as a “blighted area” under the two-factor test outlined in the Act. For the two-factor finding, these factors are defined under the Act at 65 ILCS 5/11-74.4-3 (a) and (b) and are more fully described in **Appendix 2**.

TWO-FACTOR ELIGIBILITY

Further, SB Friedman’s analysis indicated that the following two factors were found to be present to a meaningful extent and reasonably distributed throughout the proposed RPA:

1. Lack of Growth in Equalized Assessed Value (“EAV”); and
2. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to Vacant Land.

Thus, the vacant parcels in the proposed RPA satisfy the two-factor test and the vacant portion of the proposed RPA is found to be blighted.

IMPROVED PARCELS: CONSERVATION AREA FINDINGS

For the improved land within the proposed RPA, data from the Cook County Assessor indicated that 91% of primary structures in the proposed RPA are aged 35 years or older. This satisfies the requirement that 50% or more of the structures in the area have an age of 35 years or more. Further, the following six (6) eligibility factors have been found to be present to a meaningful extent and reasonably distributed throughout the proposed RPA:

1. Lack of Growth in Equalized Assessed Value (“EAV”);
2. Deterioration;
3. Excessive Vacancies;
4. Presence of Structures below Minimum Code Standards;
5. Inadequate Utilities; and
6. Lack of Community Planning.

These factors are defined under the Act at 65 ILCS 5/11-74.4-3-(a) and (b) and are more fully described in **Appendix 2**.

Based on the age of primary structures in the proposed RPA and the presence of six (6) eligibility factors, the improved parcels in the proposed RPA qualify under a “conservation area” finding (age of structures plus at least three eligibility factors).

SUMMARY OF ELIGIBILITY FINDINGS

SB Friedman found that the vacant portion of the proposed RPA qualifies as a “blighted area” under the two-factor test, and the improved portion of the proposed RPA qualifies as a “conservation area,” with 91% of the primary structures within the proposed RPA at least 35 years of age or older and six (6) of the thirteen (13) eligibility factors were found to be present to a meaningful extent and reasonably distributed within the proposed RPA.

These conditions hinder the potential to redevelop the proposed RPA and capitalize on its unique attributes. The proposed RPA will benefit from a strategy that addresses aged buildings, deterioration, excessive vacancies, and associated infrastructure to facilitate the overall improvement of its physical condition.

Redevelopment Plan Goal, Objectives and Strategy

GOAL. The overall goal of the Redevelopment Plan is to reduce or eliminate conditions that qualify the proposed RPA as a vacant “blighted area” and an improved “conservation area”, and to provide the direction and mechanisms necessary to redevelop the proposed RPA as a vibrant mixed-use district. Redevelopment of the proposed RPA is intended to revitalize the area, strengthen the economic base, and enhance the City’s overall quality of life.

OBJECTIVES. The following six (6) objectives support the overall goal of revitalization of the proposed RPA:

1. Facilitate the physical improvement and/or rehabilitation of existing structures and façades within the proposed RPA, and encourage the construction of new commercial development, where appropriate;
2. Foster the replacement, repair, construction and/or improvement of public infrastructure, where needed, to create an environment conducive to private investment;
3. Facilitate the renovation or construction of stormwater management systems and flood control within the proposed RPA;
4. Provide resources for streetscaping, landscaping and signage to improve the image, attractiveness and accessibility of the proposed RPA, create a cohesive identity for the proposed RPA and surrounding area, and provide for buffering between different land uses and screening of unattractive service facilities such as parking lots and loading areas, where appropriate;
5. Facilitate the assembly and preparation, including demolition and environmental clean-up, where necessary, and marketing of available sites in the proposed RPA for redevelopment and new development by providing resources as allowed by the Act; and
6. Support the goals and objectives of other overlapping plans, including the City of Rolling Meadows Comprehensive Plan published in 2019 (the “2019 Comprehensive Plan”), the 2026 amendment and subsequent plans;
7. Coordinate available federal, state and local resources to further the goals of this Redevelopment Plan;

STRATEGY. Redevelopment of the proposed RPA is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment. The underlying strategy is to use TIF, as well as other funding sources, to reinforce and encourage further private investment.

Financial Plan

ELIGIBLE COSTS. The Act outlines several categories of expenditures that can be funded using incremental property taxes. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred and any such costs incidental to this Redevelopment Plan pursuant to the Act.

ESTIMATED REDEVELOPMENT PROJECT COSTS. The estimated eligible redevelopment project costs of this Redevelopment Plan are \$52 million. The total of eligible redevelopment project costs provides an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest and other financing costs.

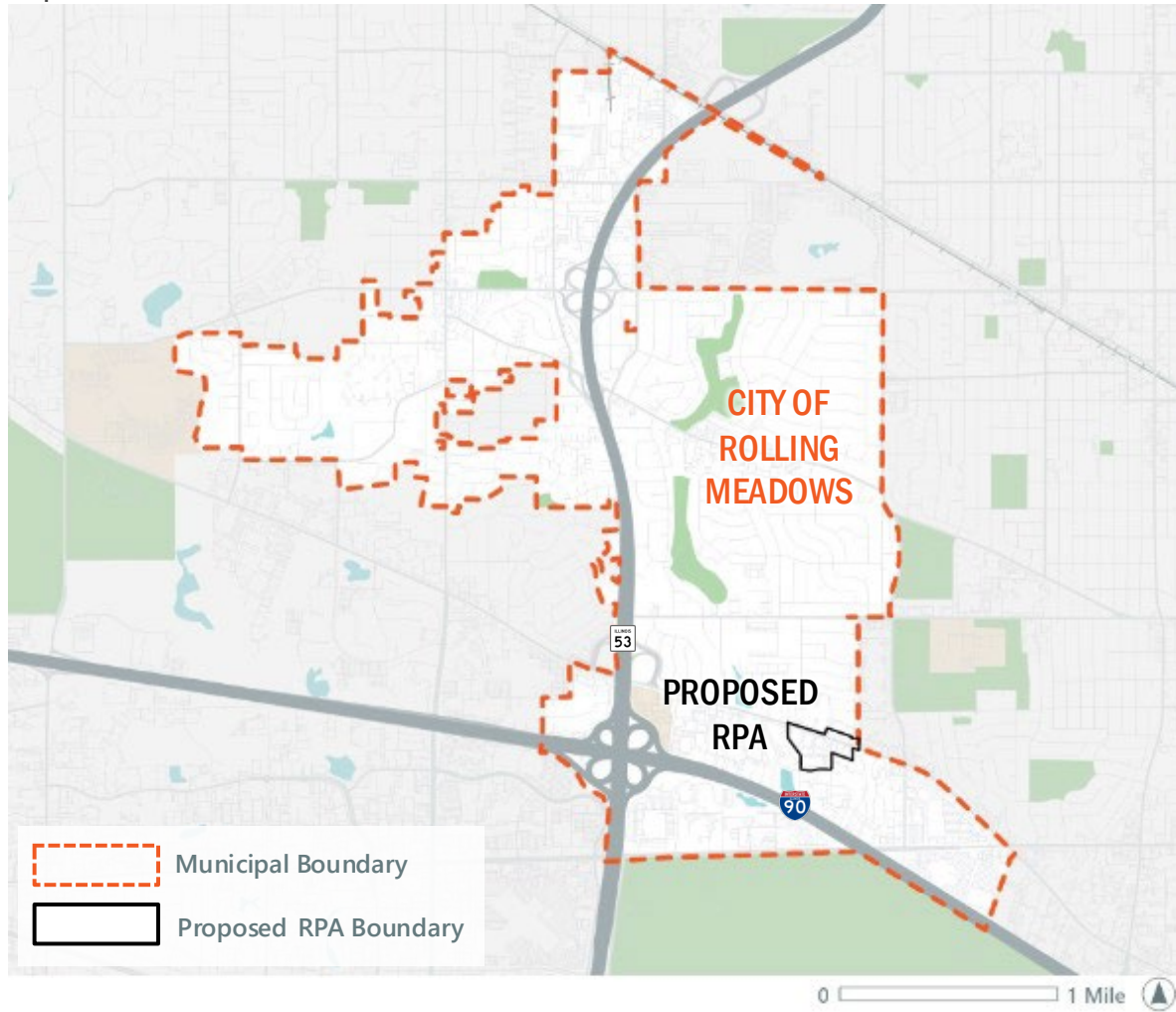
EQUALIZED ASSESSED VALUE OF PROPERTIES IN THE PROPOSED RPA. The 2024 EAV (the most recent year in which assessed values and the equalization factor were available) of all taxable parcels in the proposed RPA is \$14,384,649. By tax year 2049 (collection year 2050), the total taxable EAV for the proposed RPA is anticipated to be approximately \$43 million.

Required Tests and Findings

The required conditions for the adoption of this Redevelopment Plan are found to be present within the proposed Algonquin & Keystone RPA:

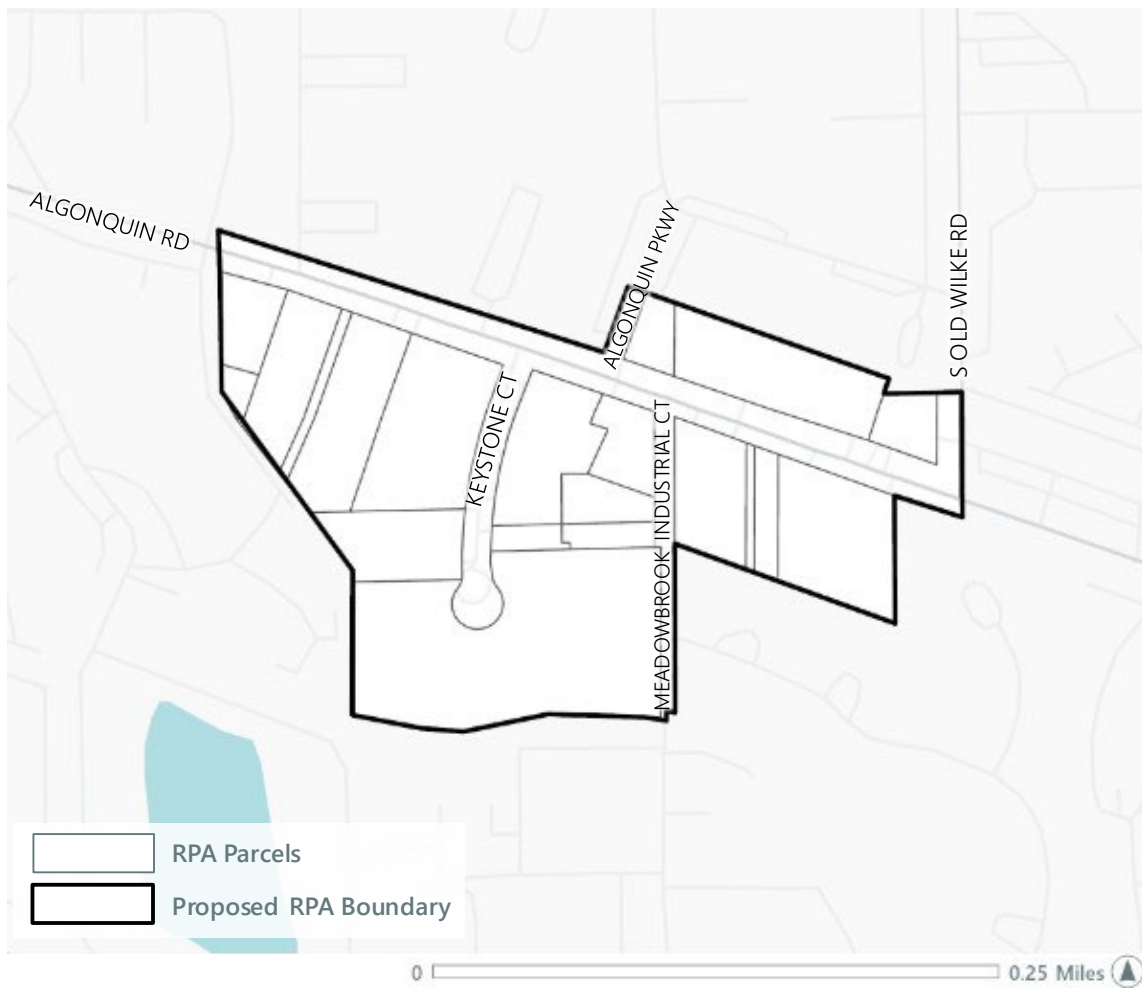
1. The proposed RPA is 27 acres in size and thus satisfies the requirement that it be at least 1.5 acres;
2. Limited private investment has occurred in the proposed Algonquin & Keystone RPA over the last five years;
3. Without the support of public resources, the redevelopment objectives for the proposed RPA would most likely not be realized. Accordingly, “but for” the designation of a TIF district, these projects would be unlikely to occur on their own;
4. The proposed Algonquin & Keystone RPA includes only those contiguous parcels of real property that are expected to benefit substantially from the proposed Redevelopment Plan;
5. The Redevelopment Plan conforms to and proposes land uses that are consistent with the 2019 Comprehensive Plan and 2026 amendment;
6. The City certifies that no displacement will occur as a result of activities pursuant to this Redevelopment Plan. Therefore, a Housing Impact Study is not required under the Act; and
7. The Redevelopment Plan is estimated be completed, and all obligations issued to finance redevelopment costs shall be retired no later than December 31, 2049, if the ordinances establishing the proposed RPA are adopted during 2050.

Map 1: Context



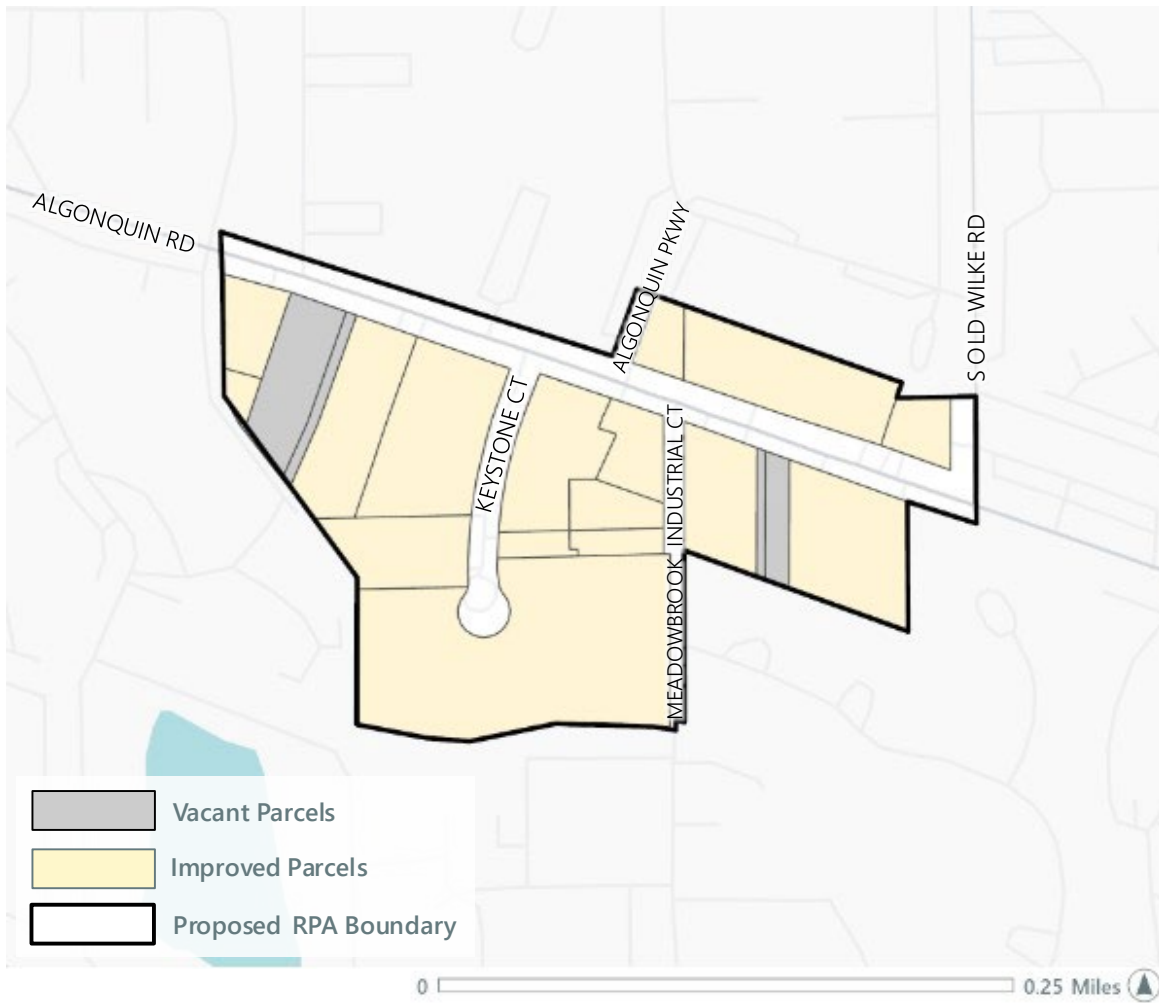
Source: City of Rolling Meadows, Cook County, Esri, SB Friedman

Map 2: Proposed RPA Boundary



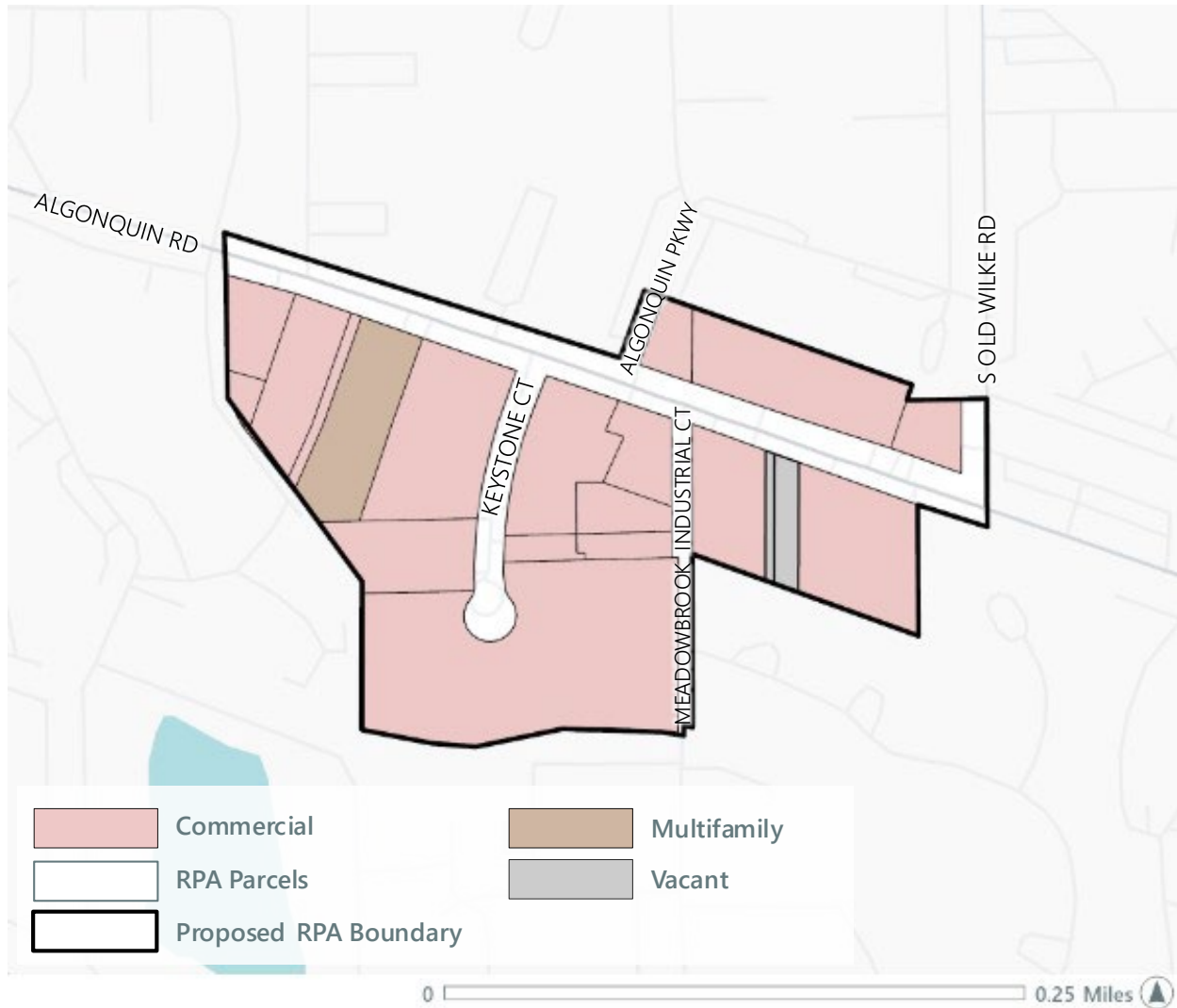
Source: City of Rolling Meadows, Cook County, Esri, SB Friedman

Map 3: Vacant and Improved Parcels in Proposed RPA



Source: City of Rolling Meadows, Cook County, Esri, SB Friedman

Map 4: Existing Land Use



Source: City of Rolling Meadows, Cook County, Esri, SB Friedman

2. Eligibility Report

This report concludes that the proposed Algonquin & Keystone RPA is eligible for designation as a “blighted area” for vacant land and as a “conservation area” for improved land, per the Act.

Provisions of the Illinois Tax Increment Allocation Redevelopment Act

Under the Act, two (2) primary avenues exist to establish eligibility for an area to permit the use of TIF for redevelopment: declaring an area as a “blighted area” and/or a “conservation area.” “Blighted areas” are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals, or welfare of the community, and are substantially impairing the growth of the tax base in the area. “Conservation areas” are those improved areas that are deteriorating and declining and soon may become blighted. A description of the statutory provisions of the Act is provided below.

Factors for Vacant Land

According to the Act, there are two ways by which vacant land can be designated as “blighted.” One way is to find that at least two (2) of six (6) factors from the “Two-Factor Test” are present to a meaningful extent and reasonably distributed throughout the proposed RPA. The second way is to find at least one (1) of the six (6) factors under the “One-Factor Test” is present to a meaningful extent and reasonably distributed throughout the proposed RPA.

TWO-FACTOR TEST

Under the provisions of the “blighted area” section of the Act, if the land is vacant, an area qualifies as “blighted” if a combination of two (2) or more of the following factors may be identified, which combine to impact the sound growth of the proposed RPA.

- Obsolete Platting of Vacant Land
- Diversity of Ownership
- Tax and Special Assessment Delinquencies
- Deterioration of Structures or Site Improvements in Neighboring Areas adjacent to the Vacant Land
- Environmental Contamination
- Lack of Growth in EAV

ONE-FACTOR TEST

Under the provisions of the “blighted area” section of the Act, if the land is vacant, an area qualifies as “blighted” if one (1) or more of the following factors is found.

- The area contains unused quarries, strip mines or strip mine ponds;
- The area contains unused rail yards, rail track or railroad rights-of-way;
- The area, prior to its designation, is subject to or contributes to chronic flooding;
- The area contains unused or illegal dumping sites;

- The area was designated as a town center prior to January 1, 1982, is between 50 and 100 acres, and is 75% vacant land; or
- The area qualified as blighted prior to becoming vacant.

Factors for Improved Areas

According to the Act, “blighted areas” for improved land must demonstrate at least five (5) of the following eligibility factors, which threaten the health, safety, morals or welfare of the proposed district. “Conservation areas” must have a minimum of 50% of the total structures within the area aged 35 years or older, plus a combination of three (3) or more additional eligibility factors that are detrimental to the public safety, health, morals or welfare, and that could result in such an area becoming a “blighted area.” The following are eligibility factors for improved areas:

- Dilapidation
- Obsolescence
- Deterioration
- Presence of Structures below Minimum Code Standards
- Illegal Use of Individual Structures
- Excessive Vacancies
- Lack of Ventilation, Light or Sanitary Facilities
- Inadequate Utilities
- Excessive Land Coverage and Overcrowding of Structures and Community Facilities
- Deleterious Land Use or Layout
- Environmental Clean-Up
- Lack of Community Planning
- Lack of Growth in EAV

A definition of each factor is provided in **Appendix 2**.

Methodology Overview

SB Friedman conducted the following analyses to determine whether the proposed Algonquin & Keystone RPA is eligible for designation as a “blighted area” for vacant land and as a “conservation area” for improved land, per the Act:

- Parcel-by-parcel field observations and photography documenting external property conditions;
- Analysis of historical EAV trends for the last six years (five year-to-year periods) for which data are available and final (2019-2024) from the Cook County Assessor’s Office;
- Review of building age data from the Cook County Assessor’s Office;
- Review of parcel-level GIS shapefile data provided by the County;
- Review of commercial real estate data from CoStar;
- Review of building permit records (2020-2025);
- Review of a memorandum provided by the City regarding locations, ages and conditions of water, stormwater and sanitary sewer infrastructure; and
- Review of current (2019) and first (1993) comprehensive plans and the 2026 amendment provided by the City.

SB Friedman examined all parcels for qualification factors consistent with requirements of the Act. SB Friedman analyzed the presence or absence of each eligibility factor on a building-by-building, parcel-by-parcel basis and/or aggregate basis as applicable. The building and parcel information was then plotted on a

map of the proposed RPA to determine which factors were present to a meaningful extent and reasonably distributed throughout the proposed RPA.

Blighted Area Findings: Vacant Parcels

Per SB Friedman’s analysis, the vacant portion of the proposed RPA is eligible to be designated as a “blighted area” per the two-factor findings. These two findings are detailed below and shown in **Map 5** at the end of this eligibility section.

TWO-FACTOR BLIGHTED FINDING

The following two factors were found to be present:

1. LACK OF GROWTH IN EAV

The Act defines lack of growth in EAV one or more of the following conditions being true. The total EAV of the vacant portion of the redevelopment project area under evaluation either declined for at least three (3) of the last five (5) year-to-year periods; increased at an annual rate that was less than the balance of the City for at least three (3) of the past five (5) year-to-year periods; or increased at an annual rate that was less than the Consumer Price Index for at least three (3) of the past (5) year-to-year periods. A full definition is provided in **Appendix 2**.

SB Friedman tabulated the EAV history of all vacant parcels in the proposed RPA for the previous six years (five year-to-year periods) using data provided by the Cook County Assessor and Cook County Clerk. The most recent year for which final information was available was 2024. SB Friedman’s analysis identified a lack of EAV growth within the vacant portion of the proposed RPA in accordance with the following criteria, as defined in the Act:

1. The EAV growth rate of the proposed vacant RPA parcels has been less than the growth rate of the Consumer Price Index for six (6) of the last five (5) year-to-year periods.

This eligibility factor is present to a meaningful extent and assessed area-wide throughout the vacant portion of the proposed Algonquin & Keystone RPA. A summary of SB Friedman’s findings is presented in **Table 1**.

Table 1: Annual Percentage Change in EAV, 2019-2024

	2019	2020	2021	2022	2023	2024
Vacant Proposed RPA Parcels EAV	\$0.26 M	\$0.29 M	\$0.27 M	\$0.26 M	\$0.27 M	\$0.27 M
Percent Change	---	10.5%	-6.8%	-2.2%	2.7%	0.6%
Change in CPI [1]	---	1.1%	4.2%	7.6%	3.3%	3.5%
Vacant Proposed RPA Parcels - Growth Less Than CPI	---	NO	YES	YES	YES	YES

[1] Consumer Price Index for all urban consumers and all items, in the Chicago-Naperville-Elgin area, not seasonally adjusted.

Source: Cook County Assessor; SB Friedman; U.S. Bureau of Labor Statistics CPI data for Chicago-Naperville-Elgin area

2. DETERIORATION OF STRUCTURES OR SITE IMPROVEMENTS IN NEIGHBORING AREAS ADJACENT TO THE VACANT LAND

According to the Act, evidence of structural or site improvement deterioration and disinvestment in the area adjacent to the vacant land may substantiate why new development has not previously occurred on the vacant parcels.

All four vacant parcels in the RPA are adjacent to parcels or public rights-of-way exhibiting deterioration, as shown in **Map 5**. Surface improvement deterioration was the most common, including deterioration of streets and parking lots. Catalogued surface improvement included cracks in infrastructure, alligating of pavement, and cracking and crumbling of curbs and sidewalks. Building deterioration included missing fascia and roof damage. Deterioration of surface improvements and buildings can make it appear as though the proposed RPA lacks investment and can make it more difficult to attract new businesses or consumers. The factor was found to be meaningfully present and reasonably distributed throughout the proposed RPA.

Conservation Area Findings: Improved Parcels

Based on the conditions found within the proposed RPA at the completion of SB Friedman’s research, it has been determined that the improved land within the proposed RPA meets the eligibility requirements of the Act to be classified as a “conservation area.” Of the 11 primary structures in the proposed RPA, 10 structures (91%) are 35 years of age or older, as they were constructed before 1990. **Map 6** shows the location of primary structures that are 35 years or older. SB Friedman’s research indicates that the following six (6) factors are present to a meaningful extent and reasonably distributed throughout the proposed RPA:

1. Lack of Growth in EAV
2. Deterioration
3. Presence of Structures below Minimum Code Standards
4. Inadequate Utilities
5. Lack of Community Planning
6. Excessive Vacancies

Each eligibility factor that is present to a meaningful extent and reasonably distributed throughout the proposed RPA is summarized below.

1. LACK OF GROWTH IN EAV

The Act defines lack of growth in EAV as having the total EAV of the improved portion of the proposed RPA under evaluation either decline for at least three (3) of the last five (5) year-to-year periods; or increase at an annual rate that was less than the balance of the City for at least three (3) of the past five (5) year-to-year periods; or increase at an annual rate that was less than the Consumer Price Index for at least three (3) of the past (5) year-to-year periods. A full definition is provided in **Appendix 2**.

SB Friedman tabulated the EAV history of all proposed improved RPA tax parcels for the previous five year-to-year periods using EAV data provided by the Cook County Assessor. The most recent year for which final information was available was 2024. SB Friedman’s analysis identified a lack of EAV growth within the proposed RPA in accordance with the following criteria, as defined in the Act:

1. The EAV growth rate of the proposed improved RPA parcels has been less than the growth rate of the balance of the City for three (3) of the last five (5) year-to-year periods; and
2. The EAV growth rate for the proposed improved RPA parcels has been less than the growth rate of the Consumer Price Index for three (3) of the last five (5) year-to-year periods.

This eligibility factor is present to a meaningful extent and assessed area-wide throughout the improved portion of the proposed Algonquin & Keystone RPA. A summary of SB Friedman’s findings is presented in **Table 2**.

Table 2: Percentage Change in Annual EAV, 2019-2024

	2019	2020	2021	2022	2023	2024
Improved Study Area Parcels EAV	\$13.6 M	\$14.8 M	\$12.9 M	\$13.9 M	\$14.0 M	\$14.1 M
Percent Change	---	8.8%	-13.4%	8.1%	0.9%	0.6%
City EAV Less Proposed Improved RPA Parcels	\$922.8 M	\$929.1 M	\$858.4 M	\$987.9 M	\$998.8 M	\$999.7 M
Change in City EAV Less Proposed Improved RPA Parcels	---	0.7%	-7.6%	15.1%	1.1%	0.1%
Proposed Improved RPA Parcels - Growth Less Than City	---	NO	YES	YES	YES	NO
Change in CPI [1]	---	1.1%	4.2%	7.6%	3.3%	3.5%
Proposed Improved RPA Parcels - Growth Less Than CPI	---	NO	YES	NO	YES	YES

[1] Consumer Price Index for all urban consumers and all items, in the Chicago-Naperville-Elgin area, not seasonally adjusted.

Source: Cook County Assessor; SB Friedman; U.S. Bureau of Labor Statistics CPI data for Chicago-Naperville-Elgin area

2. DETERIORATION

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

Physical deterioration was observed on 12 parcels of 16 improved parcels (75% of improved parcels) as shown in **Map 7**. The most common form of deterioration was on surface improvements, including streets, parking lots and alleys. Catalogued surface improvement deterioration included cracks in infrastructure, alligating of pavement, and cracking and/or crumbling of curbs and/or sidewalks. Building deterioration included stairstepping in brick, cracked foundations, missing fascia, and water damage. Deterioration of buildings and surface improvements can make it appear as though the proposed RPA lacks investment and can make it more difficult to attract new businesses or consumers. This factor was found to be meaningfully present and reasonably distributed throughout the proposed RPA.

3. INADEQUATE UTILITIES

The Act defines inadequate utilities as underground and overhead utilities, such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electrical services, which are:

1. Of insufficient capacity to serve the uses in the redevelopment project area;
2. Deteriorated, antiquated, obsolete or in disrepair; or
3. Lacking within the redevelopment project area.

Based on the memorandum provided by the City's Public Works Department, 100% of the improved parcels within the proposed RPA have insufficient storm sewer capacity, with storm sewer systems built on average 45 years ago. All parcels do not meet current design standards for volume control or stormwater detention pursuant to the Metropolitan Water Reclamation Districts Watershed Management Ordinance requirements. Based on these conditions, the inadequate utilities factor was found to be present to a meaningful extent and reasonably distributed throughout the improved parcels in the proposed RPA.

4. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Per the Act, structures below minimum code standards are those that do not meet applicable standards of zoning, subdivision, building, fire and other governmental codes. The principal purpose of such codes is to protect the health and safety of the public, including building occupants, pedestrians and occupants of neighboring structures.

Based on the memorandum provided by the City's Public Works Department, stormwater infrastructure serving 100% of the parcels within the proposed RPA does not meet current design standards for volume control or stormwater detention pursuant to the Metropolitan Water Reclamation Districts Watershed Management Ordinance requirements. Based on these conditions, the presence of structures below minimum code factor was found to be present to a meaningful extent and reasonably distributed throughout the proposed RPA.

5. LACK OF COMMUNITY PLANNING

Lack of community planning within the proposed RPA is an area-wide factor not necessarily attributable to any one parcel. The Act provides that "Lack of Community Planning" can be found in areas that have been developed without the benefit of a comprehensive plan, and as a result, have seen negative consequences. Examples of negative consequences include: incompatible land use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other related conditions.

The City was incorporated in 1955 but did not produce a comprehensive plan until 1993, by which time 91% (10 of 11) of the buildings in the proposed RPA had been constructed. Per the City's 1993 Comprehensive Plan, the proposed RPA is in the Algonquin Road corridor, which the City should "undertake a redevelopment and design process" for, and "explore the means to improve the corridor both aesthetically and functionally." The lack of planning involved in the development of the proposed RPA has resulted in the following adverse outcomes identified in the City's most recent 2019 Comprehensive Plan:

- Many curb cuts and a lack of cross (property) access, which inhibit both vehicular and pedestrian traffic;
- Few pedestrian crosswalks and no bike facilities; and
- A lack of consistent character due to the mix of uses, many of which are “older and potentially obsolete” or “reaching the end of their economic viability”.

The 2019 Plan reiterates a need for redevelopment of the area, citing an opportunity for “corridor enhancement and increased economic development in the City.” This factor is evaluated area-wide and is found to be present to a meaningful extent throughout the proposed RPA.

6. EXCESSIVE VACANCIES

The Act defines excessive vacancies as the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

As of October 2025 data from CoStar, the proposed RPA has an overall commercial vacancy rate of 32.9%. The relatively high vacancy rate within the proposed RPA is driven by both office vacancy (a 57.0% vacancy rate) and retail vacancy (a 7.2% vacancy rate). The proposed RPA is located within the Algonquin Road Corridor, which was identified in the City’s 2019 Comprehensive Plan as a key commercial sub area alongside three other areas: the Kirchoff Road Corridor District, the Northwest Industrial District, and the Golf Road Corridor. SB Friedman assessed the commercial vacancy rate across portions of these key sub areas that include a similar land use mix to the proposed RPA. The portions of these sub areas assessed by SB Friedman and shown in **Table 3** are:

1. The commercial area including and adjoining the triangle formed by Algonquin Road, Golf Road, and New Wilke Road;
2. The commercial area along Kirchoff Road around its intersection with Meadow Drive; and
3. The commercial area including and adjoining the triangle formed by Golf, Arlington Heights, and Algonquin Roads

The proposed RPA’s overall commercial vacancy rate, office vacancy rate, and retail vacancy rate are higher than the vacancy rates of all three comparable areas, as shown in **Table 3** below. Additionally, the overall commercial vacancy rate, office vacancy rate, and retail vacancy rate in the proposed RPA are higher than the vacancy rates of the City overall (less the RPA parcels). Thus, we find that vacancy within the proposed RPA represents an adverse influence on the area due to the extent of vacancies and we conclude that this eligibility factor is present to a meaningful extent for the proposed RPA.

Table 3: Vacancy in the Algonquin & Keystone RPA and Comparable Commercial Corridors

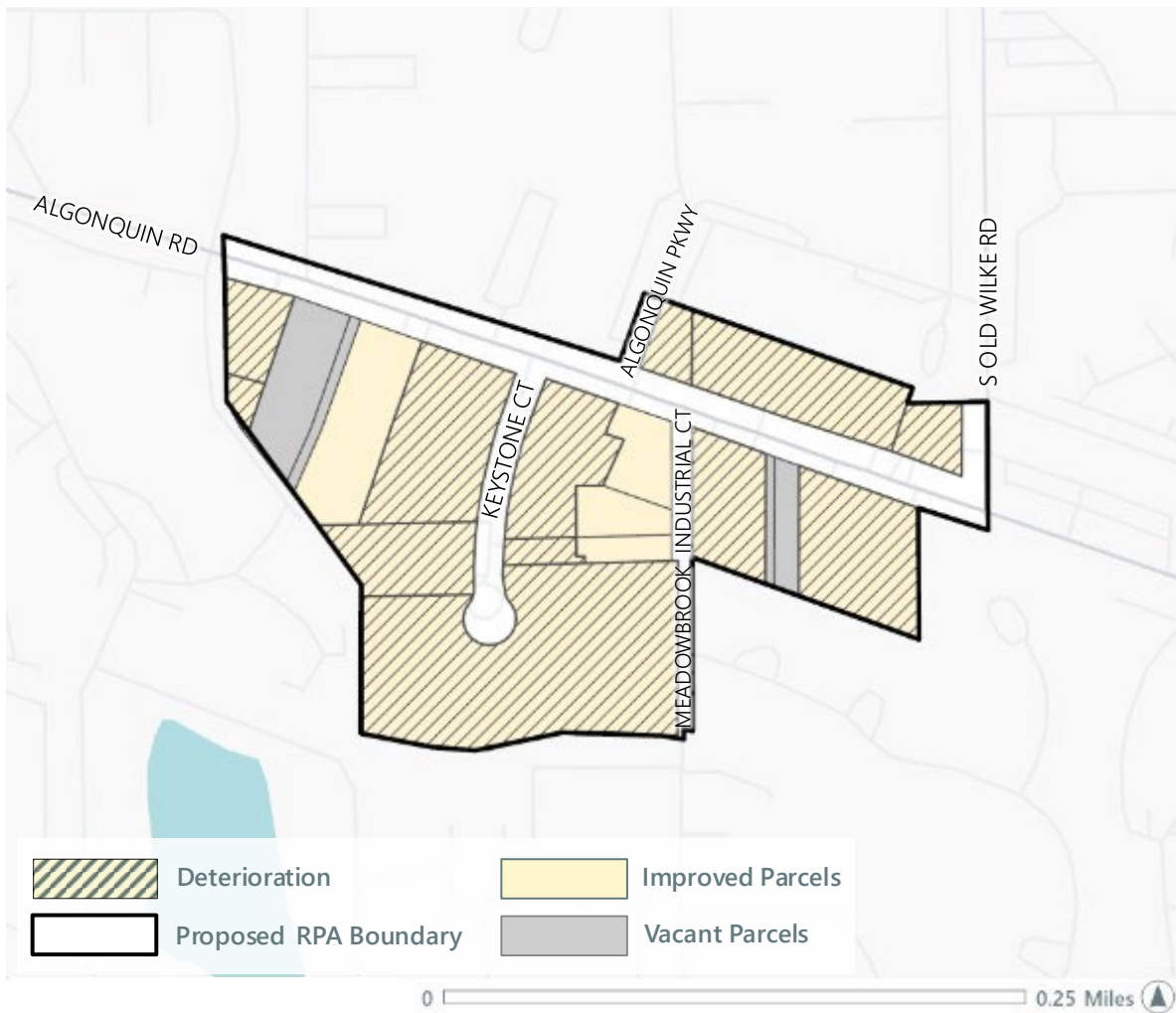
	Proposed Algonquin & Keystone RPA	1. New Wilke Rd, Algonquin Rd, and Golf Rd	2. Kirchoff Rd	3. Golf Rd, Arlington Heights Rd, Algonquin Rd
Overall Commercial Vacancy Rate	32.9%	16.2%	1.6%	3.6%
Office Vacancy Rate	57.0%	35.2%	NA	3.0%
Retail Vacancy Rate	7.2%	4.0%	1.6%	3.1%

Source: CoStar, SB Friedman

Summary of Findings

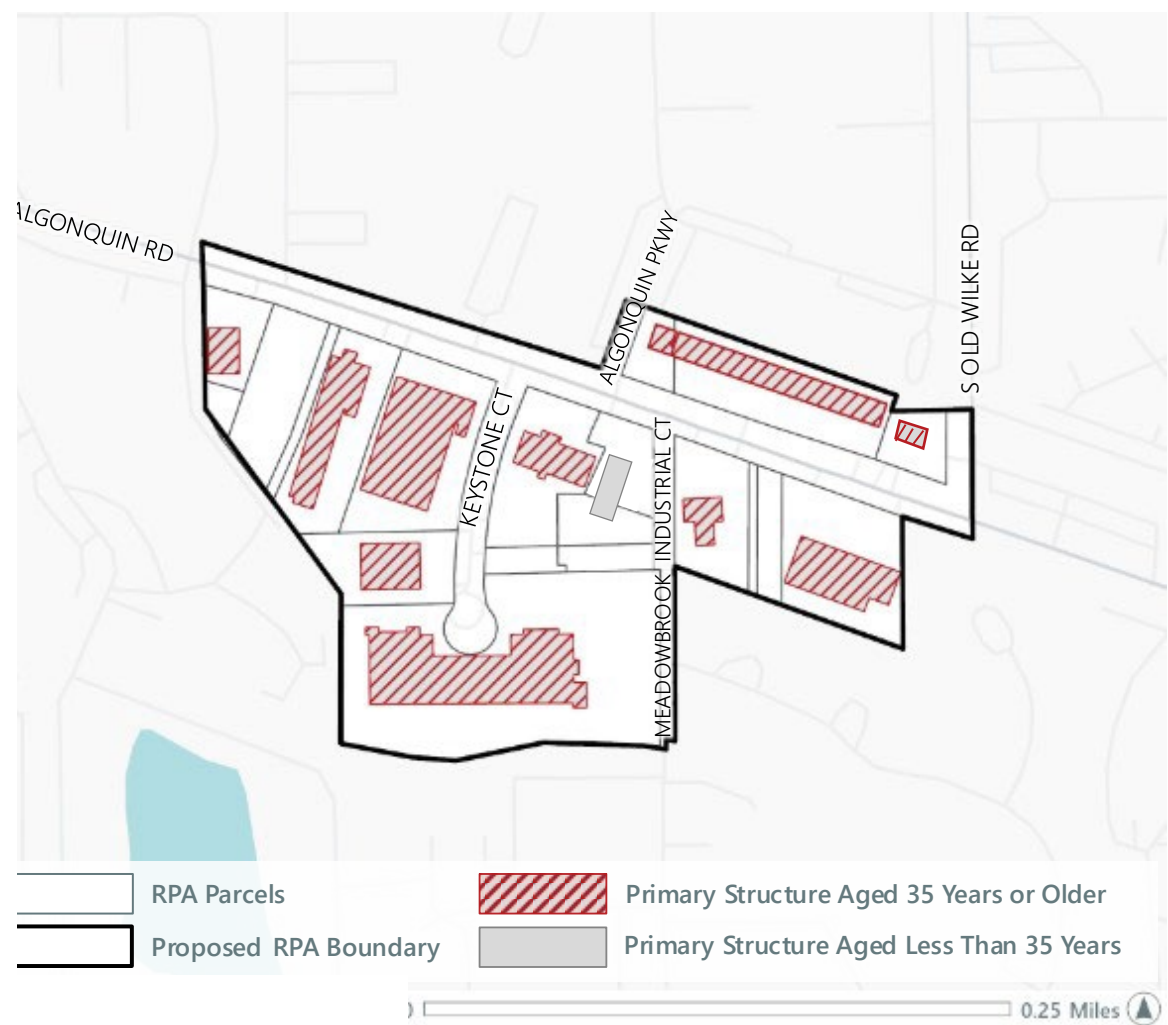
SB Friedman has found that the proposed RPA qualifies to be designated as a “blighted area” for vacant land and as a “conservation area” for improved land. The vacant land is eligible under a two-factor test due to a lack of growth in EAV and deterioration of structures or site improvements in neighboring areas adjacent to the vacant land. The improved land is eligible as a “conservation area”, with 91% of the structures within the proposed RPA at least 35 years of age or older, and six (6) of the thirteen (13) eligibility factors present to a meaningful extent and reasonably distributed within the proposed RPA.

Map 5: Vacant Land Two-Factor: Deterioration of Structures or Site Improvements Adjacent to the Vacant Land



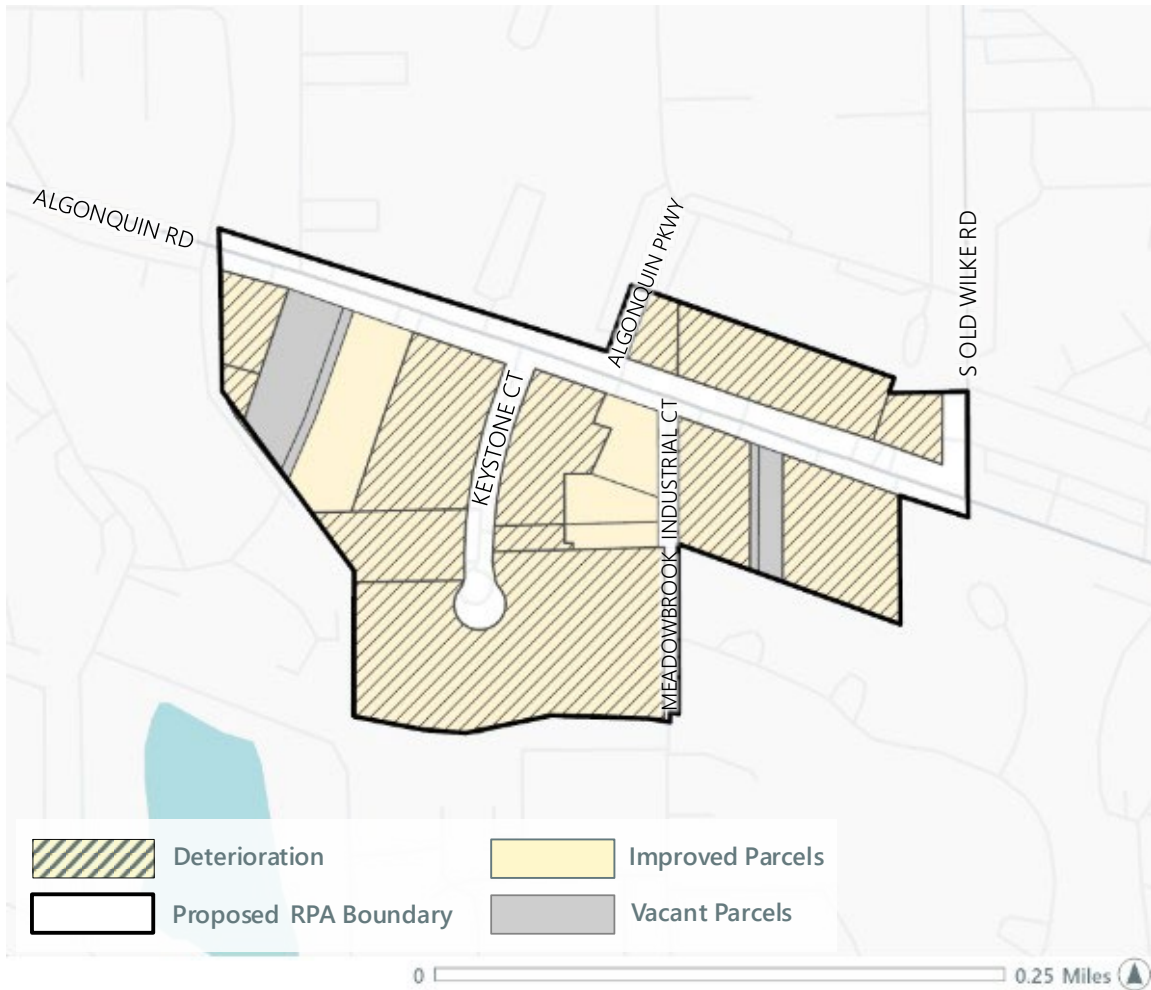
Source: City of Rolling Meadows, Cook County, Esri, SB Friedman

Map 6: Improved Land Factor: Age of Structures



Source: City of Rolling Meadows, Cook County, Esri, SB Friedman

Map 7: Improved Land Factor: Deterioration



Source: City of Rolling Meadows, Cook County, Esri, SB Friedman

3. Redevelopment Plan and Project

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. The redevelopment program will be implemented over the life of the proposed RPA. If a redevelopment project is successful, various new projects will be undertaken that will assist in alleviating blighting conditions and promoting rehabilitation and development in the proposed RPA.

Redevelopment Needs of the Proposed RPA

Currently, the proposed RPA is comprised of vacant land and aged buildings that are characterized by a failure to meet current code standards, a lack of growth in property values, deterioration, excessive vacancies, inadequate utilities, and a lack of community planning. These conditions reduce the value of the properties in the area and make the proposed RPA less competitive, overall, with property in other communities, thus limiting local area employment and development opportunities, and contributing to the lack of new investment in the proposed RPA.

The existing conditions for the proposed RPA suggest six (6) major redevelopment needs:

1. Capital improvements that further the objectives set forth in this Redevelopment Plan;
2. Site preparation, environmental remediation and stormwater management;
3. Redevelopment of underutilized parcels;
4. Streetscape and infrastructure improvements, including utilities;
5. Rehabilitation of existing buildings; and
6. Resources for commercial, residential, public/private institutional, community facility, park/open space, and utility development.

The goals, objectives and strategies discussed below have been developed to address these needs and facilitate the sustainable redevelopment of the proposed RPA.

GOAL, OBJECTIVES AND STRATEGY

GOAL. The overall goal of the Redevelopment Plan is to reduce or eliminate conditions that qualify the proposed RPA as a vacant blighted area and an improved “conservation area”, and to provide the direction and mechanisms necessary to redevelop the proposed RPA as a vibrant commercial district. Redevelopment of the proposed RPA is intended to revitalize the area, strengthen the economic base, and enhance the City’s overall quality of life.

OBJECTIVES. The following six (6) objectives support the overall goal of revitalization of the proposed RPA:

1. Facilitate the physical improvement and/or rehabilitation of existing structures and façades within the proposed RPA, and encourage the construction of new commercial development, where appropriate;

2. Foster the replacement, repair, construction and/or improvement of public infrastructure where needed, to create an environment conducive to private investment;
3. Facilitate the renovation or construction of stormwater management systems and flood control within the proposed RPA;
4. Provide resources for streetscaping, landscaping and signage to improve the image, attractiveness and accessibility of the proposed RPA, create a cohesive identity for the proposed RPA and surrounding area, and provide for buffering between different land uses and screening of unattractive service facilities such as parking lots and loading areas, where appropriate;
5. Facilitate the assembly and preparation, including demolition and environmental clean-up, where necessary, and marketing of available sites in the proposed RPA for redevelopment and new development by providing resources as allowed by the Act;
6. Support the goals and objectives of other overlapping plans, including the City's 2019 Comprehensive Plan, the 2026 amendment and subsequent plans;
7. Coordinate available federal, state and local resources to further the goals of this Redevelopment Plan;

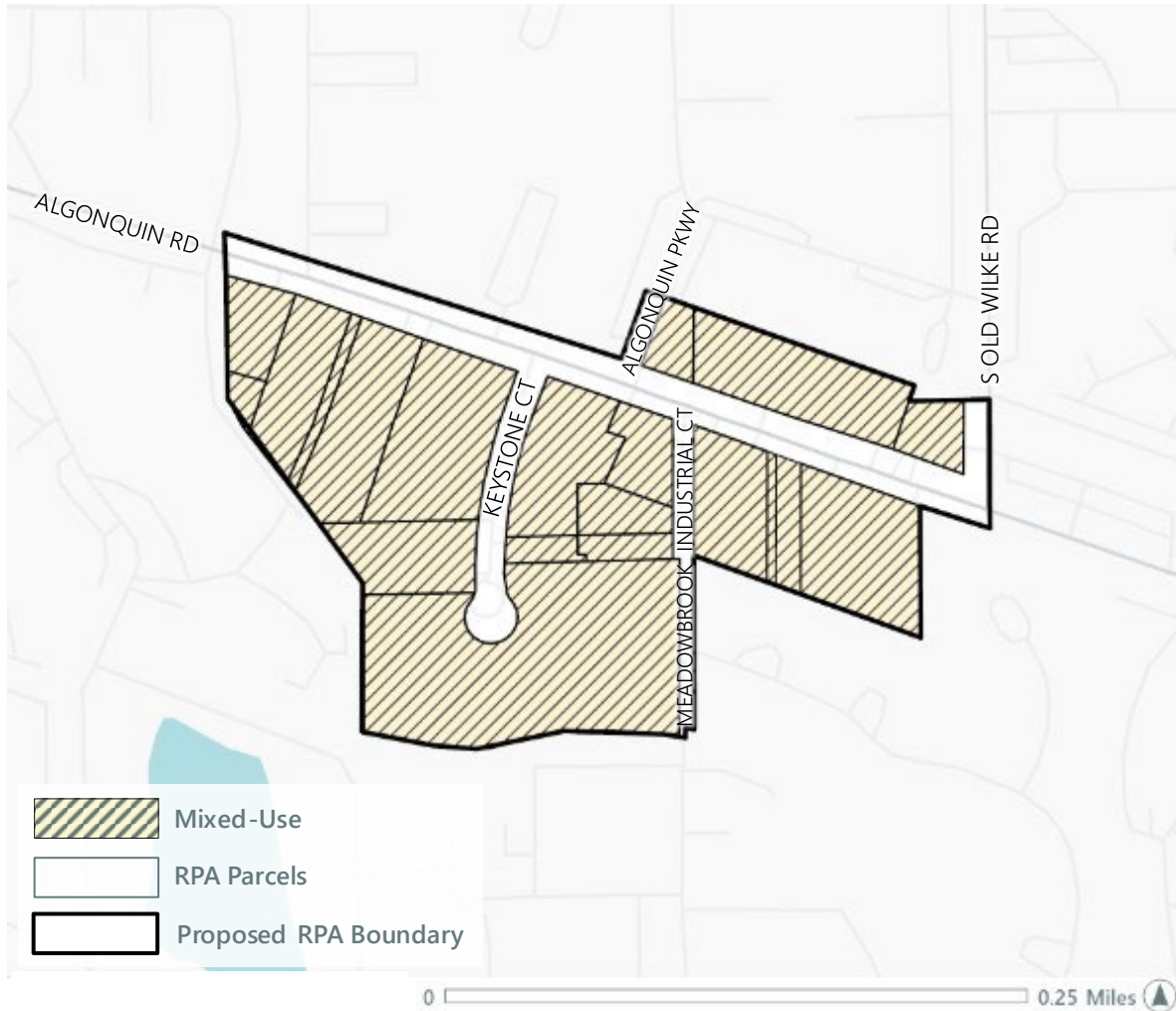
STRATEGY. Redevelopment of the proposed RPA is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment. The underlying strategy is to use TIF, as well as other funding sources, to reinforce and encourage further private investment.

Proposed Future Land Use

The proposed future land use of the proposed RPA, as shown in **Map 8**, reflects the objectives of this Redevelopment Plan. For the purposes of this plan, the mixed-use designation is meant to allow for a variety of uses throughout the proposed RPA in a manner that is in conformance with the Comprehensive Plan and 2026 amendment. The mixed-use designation allows for the following land uses within the proposed RPA:

- Commercial
- Office
- Business Park
- Residential

Map 8: Proposed Future Land Use



Source: City of Rolling Meadows, Cook County, Esri, SB Friedman

Financial Plan

ELIGIBLE COSTS

The Act outlines several categories of expenditures that can be funded using tax increment revenues. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan pursuant to the Act. The City may also reimburse private entities for certain costs incurred in the development and/or redevelopment process. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, and implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying

expenses), provided that no charges for professional services are based on a percentage of the tax increment collected, as more fully set forth in 65 ILCS 5/11-74.4-3(q)(1).

2. The costs of marketing sites within the redevelopment project area to prospective businesses, developers and investors.
3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground-level or below-ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land as more fully set forth in 65 ILCS 5/11-74.4-3(q)(2).
4. Costs of rehabilitation, reconstruction, or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements, as more fully set forth in 65 ILCS 5/11-74.4-3(q)(3); and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.
5. Costs of the construction of public works or improvements, subject to the limitations in Section 11-74.4-3(q)(4) of the Act.
6. Costs of job training and retraining projects, including the costs of “welfare to work” programs implemented by businesses located within the redevelopment project area, as more fully set forth in 65 ILCS 5/11-74.4-3(q)(5).
7. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto.
8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of this Redevelopment Plan.
9. An elementary, secondary or unit school district’s increased per pupil tuition costs attributable to net new pupils added to the district living in assisted housing units will be reimbursed, as further defined in the Act.
10. A library district’s increased per patron costs attributable to net new persons eligible to obtain a library card living in assisted housing units, as further defined in the Act.
11. Relocation costs to the extent that the municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law, or by Section 11-74.4-3(n)(7) of the Act.
12. Payment in lieu of taxes, as defined in the Act.

13. Costs of job training, retraining, advanced vocational education or career education, including, but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, as more fully set forth in 65 ILCS 5/11-74.4-3(q)(10).
14. Interest costs incurred by a developer, as more fully set forth in 65 ILCS 5/11-74.4-3(q)(11), related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. Such costs are to be paid directly from the special tax allocation fund established, pursuant to the Act;
 - b. Such payments in any one year may not exceed thirty percent (30%) of the annual interest costs incurred by the developer with regard to the development project during that year;
 - c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - d. The total of such interest payments paid, pursuant to the Act, may not exceed thirty percent (30%) of the total of: (i) cost paid or incurred by the developer for the redevelopment project; and (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the municipality, pursuant to the Act;
 - e. For the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, the percentage of seventy-five percent (75%) shall be substituted for thirty percent (30%) in subparagraphs 14b and 14d above; and
 - f. Instead of the interest costs described above in paragraphs 14b and 14d, a municipality may pay from tax incremental revenues up to fifty percent (50%) of the cost of construction, renovation and rehabilitation of new housing units (for ownership or rental) to be occupied by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, as more fully described in the Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act.

Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

If a Special Service Area is established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

ESTIMATED REDEVELOPMENT PROJECT COSTS

The total eligible redevelopment project costs define an upper expenditure limit that may be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. The totals of line items are not intended to place a limit on the described expenditures. Adjustments to the estimated line-item costs are expected and may be made administratively by the City without amendment to this Redevelopment Plan, either increasing or decreasing line item costs because of changed redevelopment costs and needs. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The estimated eligible costs of this Redevelopment Plan are shown in **Table 4**.

Additional funding in the form of state and federal grants, private developer contributions, and other outside sources may be pursued by the City as a means of financing improvements and facilities within the proposed RPA.

Table 4: Estimated TIF-Eligible Redevelopment Project Costs

Eligible Expense [1]	Estimated Project Costs
Administration and Professional Service Costs	\$1,000,000
Site Marketing Costs	\$1,000,000
Property Assembly and Site Preparation Costs	\$11,000,000
Costs of Building Rehabilitation	\$15,300,000
Costs of Construction of Public Works or Improvements	\$20,000,000
Costs of Job Training or Retraining (Businesses)	\$50,000
Financing Costs	\$1,000,000
Taxing District Capital Costs	\$1,000,000
Relocation Costs	1,000,000
Costs of Job Training (Community College)	\$50,000
Interest Costs (Developer or Property Owner)	\$600,000
TOTAL REDEVELOPMENT PROJECT COSTS [2] [3] [4]	\$52,000,000

[1] Described in more detail in Eligible Costs Section.

[2] Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest, costs of issuance, and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

[3] The amount of the Total Redevelopment Project Costs that can be incurred in the proposed RPA may be reduced by the amount of redevelopment project costs incurred in contiguous RPAs, or those separated from the proposed RPA only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the proposed RPA, but may not be reduced by the amount of redevelopment project costs incurred in the proposed RPA that are paid from incremental property taxes generated in contiguous RPAs or those separated from the proposed RPA only by a public right-of-way.

[4] All costs are in 2026 dollars and may be increased by 5% after adjusting for annual inflation reflected in the Consumer Price Index (CPI), published by the U.S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

PHASING, SCHEDULING OF THE REDEVELOPMENT, AND ESTIMATED DATES OF COMPLETION

Each private project within the proposed RPA receiving TIF benefits shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the City of Rolling Meadows. This Redevelopment Plan is estimated to be completed, and all obligations issued to finance redevelopment costs are estimated to be retired, no later than December 31 of the year in which the payment to the City provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this proposed RPA is adopted. This Redevelopment Plan is estimated to be completed, and all obligations issued to finance redevelopment costs shall be retired no later than December 31, 2050 if the ordinances establishing the proposed RPA are adopted during 2026.

SOURCES OF FUNDS TO PAY COSTS

Funds necessary to pay for redevelopment project costs and/or municipal obligations, which may be issued or incurred to pay for such costs, are to be derived principally from tax increment revenues and/or proceeds from municipal obligations, which have as a repayment source tax increment revenue. To secure the issuance of these obligations and the developer's performance of redevelopment agreement obligations, the City may require the utilization of guarantees, deposits, reserves, and/or other forms of security made available by private sector developers. The City may incur redevelopment project costs that are paid from the funds of the City other than incremental taxes, and the City then may be reimbursed for such costs from incremental taxes.

The tax increment revenue, which will be used to fund tax increment obligations and eligible redevelopment project costs, shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase of the current EAV of each taxable lot, block, tract or parcel of real property in the proposed RPA over and above the certified initial EAV of each such property.

Other sources of funds, which 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 sources of funds and revenues as the municipality and developer may deem appropriate.

The proposed RPA may be or become contiguous to or be separated only by a public right-of-way from, other redevelopment areas created under the Act (65 ILCS 5/11 74.4 4 et. seq.). The City may utilize net incremental property tax revenues received from the proposed RPA to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the proposed RPA made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the proposed RPA, shall not at any time exceed the Total Redevelopment Project Costs described in **Table 4** of this Redevelopment Plan.

ISSUANCE OF OBLIGATIONS

To finance project costs, the City may issue bonds or obligations secured by the anticipated tax increment revenue generated within the proposed RPA, or such other bonds or obligations as the City may deem as appropriate. The City may require the utilization of guarantees, deposits or other forms of security made available by private sector developers to secure such obligations. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within the timeframe described under “Phasing, Scheduling of the Redevelopment, and Estimated Dates of Completion” above. Also, the final maturity date of any such obligations that are issued may not be later than 20 years from their respective dates of issue. One or more of a series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City shall not exceed the amounts available from tax increment revenues, or other sources of funds, if any, as may be provided by ordinance. Obligations may be of parity or senior/junior lien nature. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund or optional redemptions.

In addition to paying redevelopment project costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, and for reserves and bond sinking funds.

MOST RECENT EQUALIZED ASSESSED VALUE OF PROPERTIES IN THE PROPOSED RPA

The purpose of identifying the most recent EAV of the proposed RPA is to provide an estimate of the initial EAV for the purpose of annually calculating the incremental EAV and incremental property taxes of the proposed RPA. The 2024 EAV (the most recent year in which final assessed values and equalization factor were available) of all taxable parcels in the proposed RPA is \$14,384,649. This total EAV amount by property index number (“PIN”) is summarized in **Appendix 4**. The EAV is subject to verification by the Cook County Assessor’s Office. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the “Certified Initial EAV” from which all incremental property taxes in the proposed RPA will be calculated by the County.

ANTICIPATED EQUALIZED ASSESSED VALUE

By tax year 2049 (collection year 2050), the total taxable EAV for the proposed RPA is anticipated to be approximately \$43 million.

Impact of the Redevelopment Project

This Redevelopment Plan is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when TIF is utilized, real estate tax increment revenues from the increases in EAV over and above the Certified Initial EAV (established at the time of adoption of this document) may be used to pay eligible redevelopment project costs for the proposed RPA. To the extent that real property tax increment is not required for such purposes, revenues shall be declared surplus and become available for distribution annually to area taxing districts in the manner provided by the Act. At the time when the proposed RPA is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the proposed RPA will be distributed to all taxing districts levying taxes against property located in the proposed RPA. These revenues will then be available for use by the affected taxing districts.

DEMAND ON TAXING DISTRICT SERVICES AND PROGRAMS TO ADDRESS FINANCIAL AND SERVICE IMPACT

In 1994, the Act was amended to require an assessment of any financial impact of a redevelopment project area on, or any increased demand for service from, any taxing district affected by the redevelopment plan, and a description of any program to address such financial impacts or increased demand.

Replacement of vacant and underutilized buildings and sites with active and more intensive uses may result in additional demands on services and facilities provided by the districts. Given the preliminary nature of this Redevelopment Plan, specific fiscal impacts on the taxing districts and increases in demand for services provided by those districts cannot accurately be assessed within the scope of this Plan. At this time, no special programs are proposed for these taxing districts. The City intends to monitor development in the area and should demand increase, the City intends to work with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

The following taxing districts presently levy taxes on properties within the proposed RPA:

- Arlington Heights Township High School District 214
- City of Rolling Meadows
- Cook County
- Cook County Consolidated Elections
- Elk Grove General Assistance
- Elk Grove Township
- Elk Grove Township Road Fund
- Forest Preserve District of Cook County
- Harper Community College District 512
- Metropolitan Water Reclamation District of Greater Chicago
- Northwest Mosquito Abatement District
- Palatine Community Consolidated School District 15
- Rolling Meadows Library Fund
- Rolling Meadows Park District

Required Tests and Findings

As a part of establishing the proposed RPA, the following additional findings must be made:

FINDING 1: LACK OF GROWTH AND DEVELOPMENT THROUGH PRIVATE INVESTMENT

The City is required to evaluate whether the redevelopment project area has been subject to growth and development through private investment and must substantiate a finding of lack of such investment. Limited private investment has occurred in the proposed Algonquin & Keystone RPA during the past five years (2020-2025), as demonstrated by the following:

- **LACK OF GROWTH IN EAV.** In order to assess whether the proposed RPA has been subject to growth and private investment, SB Friedman analyzed growth in property taxable value in the rest of the City and compared that growth to the trends within the proposed RPA. Between 2019 and 2024, EAV increased an aggregate 3.4% across all properties within the proposed RPA. Within the City, excluding the proposed RPA, values increased by 8.3% between 2019 and 2024. Thus, based on this data, the proposed RPA has significantly lagged behind the rest of the City and has not been subject to growth and development through investment by private enterprise.

***Finding:** The proposed RPA, on the whole, has not been subject to growth and development through investment by private enterprise.*

FINDING 2: “BUT FOR...” REQUIREMENT

The City is required to find that the redevelopment project area would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan.

Without the support of public resources, the redevelopment objectives for the proposed RPA would most likely not be realized. The investments required to update and maintain buildings exhibiting deterioration, inadequate utilities, a lack of planning, and that are below minimum code throughout the proposed Algonquin & Keystone RPA are extensive and costly, and the private market, on its own, has shown little ability to absorb all of these costs. Public resources to assist with public improvements and project-specific development costs are essential to leverage private investment and facilitate area-wide redevelopment.

***Finding:** But for the adoption of this Redevelopment Plan, critical resources will be lacking to support the redevelopment of the proposed RPA, and the proposed RPA would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan.*

FINDING 3: CONTIGUITY AND SUBSTANTIAL BENEFIT

No redevelopment project area can be designated unless a plan and project are approved prior to the designation of the area; and the area can only include those contiguous parcels that are to be substantially benefited by the proposed redevelopment project improvements.

***Finding:** The proposed RPA includes only those contiguous parcels of real property that are expected to benefit substantially from this Redevelopment Plan.*

FINDING 4: CONFORMANCE TO THE PLANS OF THE CITY

The redevelopment plan must conform to the comprehensive plan for the development of the municipality as a whole.

This Redevelopment Plan's proposed future land uses within the RPA align with the 2019 Comprehensive Plan's proposed commercial, multifamily and office future land uses for the area. An Amendment to the 2019 Comprehensive Plan also identifies mixed-use as a future land use for the area. Additionally, the goals of this Redevelopment Plan align with the goals stated in the 2019 Comprehensive Plan, including to encourage cross-access linkages between sites to ease traffic and enhance connectivity," "identify opportunities for bike and pedestrian amenities," and make "unifying public right-of-way improvements" throughout the corridor. All aspects of this Redevelopment Plan are in agreement with, but subservient to, plans made in the City's 2019 Plan and subsequent amendments.

***Finding:** The Algonquin & Keystone Redevelopment Plan conforms to and proposes predominant land uses that are consistent with the Comprehensive Plan and 2026 amendment.*

FINDING 5: HOUSING IMPACT AND RELATED MATTERS

As set forth in the Act, if a redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a Housing Impact Study and incorporate the study into the Redevelopment Plan and Project document.

***Finding:** The City hereby certifies that no displacement will occur as a result of activities pursuant to this Redevelopment Plan. Therefore, a Housing Impact Study is not required under the Act.*

FINDING 6: ESTIMATED DATES OF COMPLETION

As set forth in the Act, the redevelopment plan must establish the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs.

***Finding:** The estimated dates of completion of the project and retirement of obligations are described in "Phasing and Scheduling of the Redevelopment" above. This Redevelopment Plan is estimated to be completed, and all obligations issued to finance redevelopment costs shall be retired no later than December 31, 2050, if the ordinances establishing the proposed RPA are adopted during 2026.*

Provisions for Amending Action Plan

This Redevelopment Plan and Project document may be amended pursuant to the provisions of the Act.

Commitment to Fair Employment Practices and an Affirmative Action Plan

The City of Rolling Meadows hereby affirms its commitment to fair employment practices and an affirmative action plan.

Appendix 1: Limitations of the Eligibility Report and Consultant Responsibilities

The Eligibility Report covers events and conditions that were determined to support the designation of the proposed Redevelopment Project Area ("RPA" or "TIF District") as a "conservation or blighted area" under the Act at the completion of our field research in September 2025 and not thereafter. These events or conditions include, without limitation, governmental actions and additional developments.

This Eligibility Report, Redevelopment Plan and Project (the "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 proposed RPA as a redevelopment project area under the Act. SB Friedman has prepared the Report with the understanding that the City would rely: (1) on the findings and conclusions of this Redevelopment Plan in proceeding with the designation of RPA and the adoption and implementation of this Redevelopment Plan; and (2) on the fact that SB Friedman has obtained the necessary information including, without limitation, information relating to the equalized assessed value of parcels comprising the proposed RPA, so that the Report will comply with the Act and that the proposed RPA can be designated as a redevelopment project area in compliance with the Act.

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 Tax Increment Financing (TIF) projections were prepared for the purpose of estimating the approximate level of increment that could be generated by proposed projects and other properties within the proposed TIF District boundary and from inflationary increases in value. These projections were intended to provide an estimate of the final equalized assessed value (EAV) of the proposed TIF District.

As such, our report and the preliminary projections prepared under this engagement are intended solely for the City's information, for the purpose of establishing a TIF 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 our Firm, 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.

Appendix 2: Glossary

Factors for Vacant Land – One Factor Test

Under the provisions of the “blighted area” section of the Act, if the land is vacant, an area qualifies as “blighted” if one (1) or more of the following factors is found to be present to a meaningful extent.

- The area contains unused quarries, strip mines or strip mine ponds;
- The area contains unused rail yards, rail track, or railroad rights-of-way;
- The area, prior to its designation, is subject to or contributes to chronic flooding;
- The area contains unused or illegal dumping sites;
- The area was designated as a town center prior to January 1, 1982, is between 50 and 100 acres, and is 75% vacant land; or
- The area qualified as blighted prior to becoming vacant.

Factors for Vacant Land – Two Factor Test

Obsolete Platting of Vacant Land. This includes parcels of limited or narrow size, or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys or other public rights-of-way, or that omitted easements for public utilities.

Diversity of Ownership. Diversity of ownership is when adjacent properties are owned by multiple parties. This factor applies when diversity of ownership of parcels of vacant land is sufficient in number to retard or impede the ability to assemble the land for development.

Tax and Special Assessment Delinquencies. Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five years.

Deterioration of Structures or Site Improvements in Neighboring Areas adjacent to the Vacant Land. Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

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

Lack of Growth in Equalized Assessed Value. The total equalized assessed value (“EAV”) of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated; or is increasing at an annual rate that is less than the

balance of the municipality for three (3) of the last five (5) calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

Factors for Improved Land

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

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

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

Presence of Structures below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

Illegal Use of Individual Structures. The use of structures in violation of the applicable federal, state or local laws, exclusive of those applicable to the *Presence of Structures below Minimum Code Standards*.

Excessive Vacancies. The presence of buildings that are unoccupied or underutilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

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

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

Excessive Land Coverage and Overcrowding of Structures and Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence

of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

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

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

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

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated; or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

Appendix 3: Proposed Algonquin & Keystone RPA Boundary Legal Description

OF PROPERTY DESCRIBED AS:

THAT PART OF SECTION 8, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, BEING DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF LOT 1 IN ELIZABETH PLACE RESUBDIVISION AS RECORDED OCTOBER 8, 1996 AS DOCUMENT NUMBER 96765523, SAID NORTHWEST CORNER ALSO BEING A POINT ON THE EAST RIGHT-OF-WAY LINE OF MEADOWBROOK DRIVE; THENCE SOUTH ALONG SAID EAST RIGHT-OF-WAY LINE OF MEADOWBROOK DRIVE TO THE SOUTHWEST CORNER OF LOT 2 IN SAID ELIZABETH PLACE RESUBDIVISION, SAID SOUTHWEST CORNER ALSO BEING A POINT ON THE NORTHERLY LINE OF MEADOWBROOK SUBDIVISION AS RECORDED MARCH 24, 1981 AS DOCUMENT NUMBER 25815283; THENCE NORTHWESTERLY ALONG SAID NORTHERLY LINE OF MEADOWBROOK SUBDIVISION TO THE NORTHWEST CORNER THEREOF, SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8; THENCE SOUTH ALONG SAID WEST LINE OF THE SOUTHEAST QUARTER TO A POINT OPPOSITE AND ADJACENT TO THE SOUTHEAST CORNER OF LOT 1 IN TEKTRONIX CONSOLIDATION AS RECORDED APRIL 6, 1982 AS DOCUMENT NUMBER 26193710; THENCE WESTERLY TO SAID SOUTHEAST CORNER OF LOT 1 IN TEKTRONIX CONSOLIDATION; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT 1 IN TEKTRONIX CONSOLIDATION TO THE SOUTHWEST CORNER THEREOF, SAID SOUTHWEST CORNER ALSO BEING THE SOUTHEAST CORNER OF THREE FOUNTAINS AT PLUM GROVE SUBDIVISION AS RECORDED JULY 8, 1968 AS DOCUMENT NUMBER 20543261; THENCE NORTHERLY, NORTHWESTERLY AND NORTHERLY ALONG THE EASTERLY LINE OF SAID THREE FOUNTAINS AT PLUM GROVE SUBDIVISION AND THE NORTHERLY EXTENSION THEREOF TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD TO THE SOUTHEAST CORNER OF LOT A IN ALGONQUIN PARK UNIT NUMBER 2 AS RECORDED JULY 23, 1963 AS DOCUMENT NUMBER 18861678, SAID SOUTHEAST CORNER OF LOT A ALSO BEING A POINT ON THE NORTHWESTERLY LINE OF A DEDICATION BY DEED NUMBER 18852020; THENCE NORTHEASTERLY ALONG THE EASTERLY LINE OF SAID LOT A IN ALGONQUIN PARK UNIT NUMBER 2 TO A POINT ON THE NORTHWESTERLY EXTENSION OF A LINE THAT 160.0 FEET NORTHEASTERLY OF AND PARALLEL WITH SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD AS DEDICATED BY PLAT OF DEDICATION RECORDED FEBRUARY 2, 1933 AS DOCUMENT NUMBER 11195778; THENCE SOUTHEASTERLY ALONG SAID NORTHWESTERLY EXTENSION AND PARALLEL LINE TO A POINT ON A LINE BEING PERPENDICULAR TO SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD AT A POINT BEING 175 FEET NORTHWESTERLY OF A POINT ON THE WEST RIGHT-OF-WAY LINE OF WEBER DRIVE (A.K.A. OLD WILKE ROAD) AS MEASURED ON SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD; THENCE SOUTHERLY ALONG SAID PERPENDICULAR LINE TO A POINT ON A LINE BEING PERPENDICULAR TO SAID WEST RIGHT-OF-WAY LINE OF WEBER DRIVE AT A POINT BEING 175 FEET NORTHERLY OF SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD AS MEASURED ON SAID WEST RIGHT-OF-WAY LINE OF WEBER DRIVE; THENCE EASTERLY ALONG SAID PERPENDICULAR LINE TO A POINT ON THE EAST LINE OF THE WEST HALF OF THE WEST HALF OF THE EAST HALF OF SAID SECTION 8; THENCE SOUTHERLY ALONG SAID EAST LINE OF THE WEST HALF OF THE WEST HALF OF THE EAST HALF OF SAID SECTION 8 TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID ALGONQUIN ROAD; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD TO THE MOST NORTHERLY CORNER OF SAID LOT 1 IN ELIZABETH PLACE RESUBDIVISION; THENCE SOUTHERLY ALONG THE MOST EASTERLY WEST LINE OF SAID LOT 1 LINE OF SAID LOT 1 TO A POINT ON A NORTHERLY LINE OF SAID LOT 1; THENCE NORTHWESTERLY ALONG SAID NORTHERLY LINE OF LOT 1 TO THE POINT OF BEGINNING.

Appendix 4: List of PINs in Proposed Algonquin & Keystone RPA

Record #	PIN	2024 EAV
1	08081230180000	\$47,390
2	08083010340000	\$1,268,866
3	08084020420000	\$0
4	08081230130000	\$591,716
5	08081230160000	\$91,381
6	08081230170000	\$1,268,202
7	08083010700000	\$66,350
8	08083010260000	\$0
9	08081230150000	\$221,333
10	08081060100000	\$250,010
11	08084020430000	\$531,216
12	08081230100000	\$2,081,039
13	08084040010000	\$742,860
14	08084020160000	\$0
15	08083010720000	\$710,307
16	08083010690000	\$154,337
17	08083010450000	\$460,069
18	08083010440000	\$370,498
19	08084020200000	\$1,394,081
20	08082080030000	\$2,316,417
21	08083010680000	\$1,818,577
TOTAL		\$14,384,649

Source: Cook County, SB Friedman