



CITY OF ALTAMONT, ILLINOIS

Tax Increment Financing Redevelopment Plan & Project

TIF 2 South Redevelopment Project Area

June 4, 2021



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Section I – Introduction

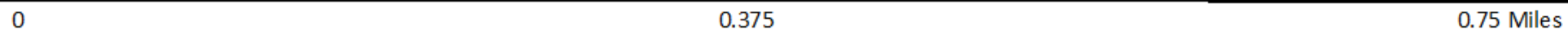
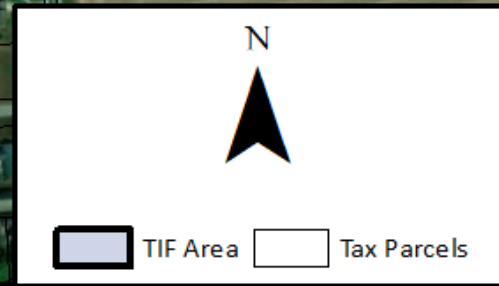
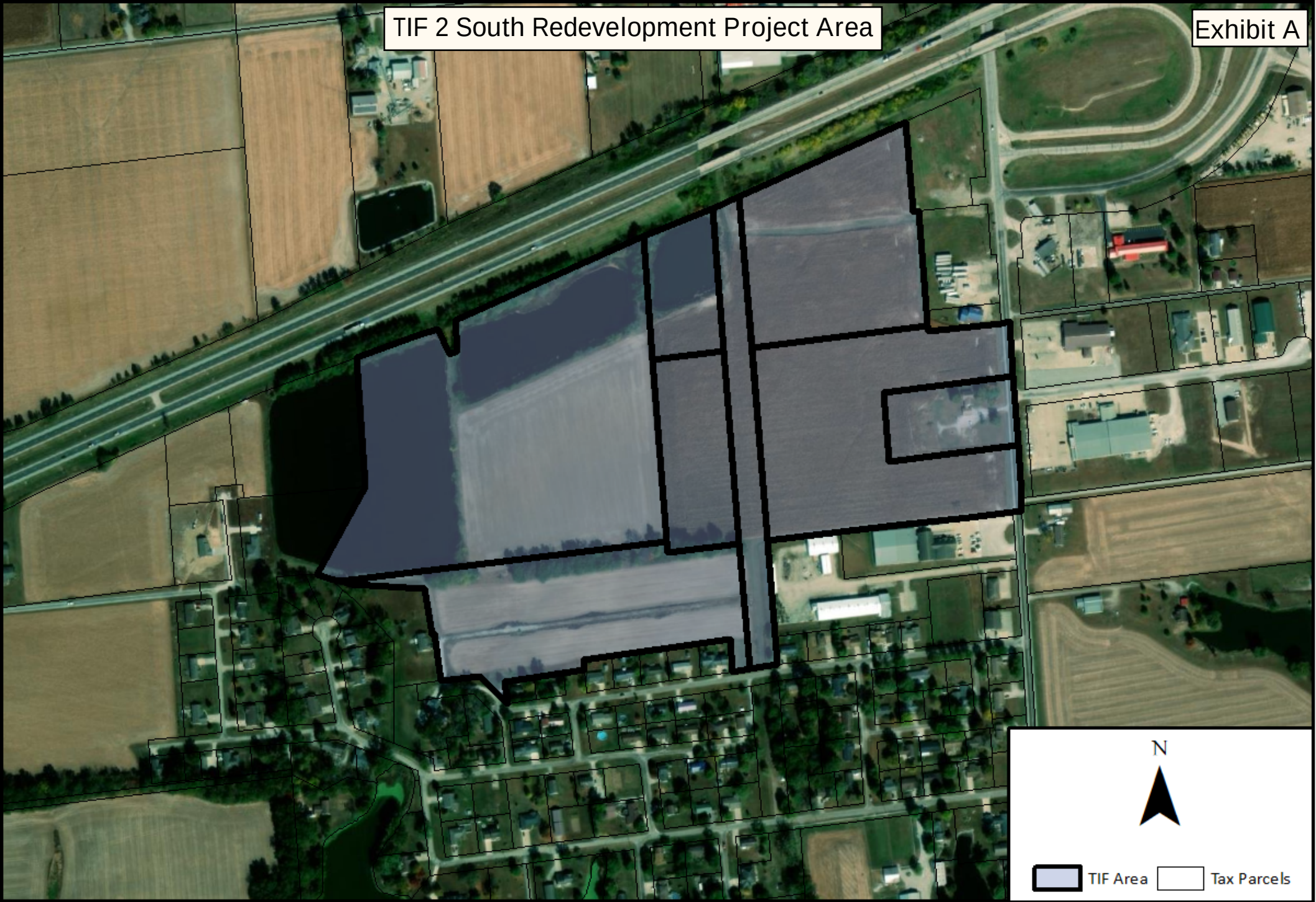
City of Altamont Tax Increment Financing

On April 12, 2021 the City of Altamont passed **Resolution No. 2021-04-03** asserting the intent of the City to undertake a feasibility study to determine whether findings may be made to designate a portion of the City as a tax increment financing (TIF) Redevelopment Project Area and to encourage the redevelopment of such area. The area is referred to herein as the South Redevelopment Project Area. The boundaries of the aforementioned area are shown on **Exhibit A**. The boundary legal description is contained within the **Appendix as Attachment A**.

The City intends to utilize TIF, as well as other financing and development tools as they become available and necessary, to improve the blighting conditions of the proposed South Redevelopment Project Area as was found and documented through the authorized feasibility study conducted by staff of the South Central Illinois Regional Planning & Development Commission (SCIRPDC).

The TIF 2 South Redevelopment Project Area contains approximately 68.84 acres, including streets and rights-of-way. There are 6 total parcels of real property, of which one parcel has been found to be improved (i.e., buildings, parking lots, etc.). The improved parcel within the proposed area, including improvements in public right-of-way, suffers from advanced age as well as physical deterioration. The remaining vacant parcels of property in the proposed South Redevelopment area suffer from obsolete platting and are adjacent to improved parcels suffering from deterioration. As defined in the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), henceforth referred to as the “Act”, the area “on the whole” meets the eligibility standards as set forth in the Act.

The Act sets forth the requirements and procedures for establishing and designating a TIF Redevelopment Project Area as well as a Redevelopment Plan. Throughout this Redevelopment Plan the findings of eligibility for establishing a TIF Redevelopment Project Area is identified and discussed. Also included in this Redevelopment Plan are the goals and objectives of the South Redevelopment Project Area and the expected project costs associated with implementing those goals and objectives.



Section II – Statutory Basis for Tax Increment Financing

TIF Redevelopment Project Area Eligibility

TIF is a local funding mechanism created by the Act to allow a municipality to carry out redevelopment activities at the local level. The redevelopment that occurs in the designated TIF Redevelopment Project Area creates an increase in the total equalized assessed valuation (EAV) of the property within the area and furthermore generates an increase in total real property tax revenues. This increase or “increment” can then be used to finance redevelopment project costs such as land acquisition, site clearance, building rehabilitation, interest subsidy, public infrastructure construction as well as other redevelopment project costs as permitted and discussed within the Act.

In order to establish a TIF Redevelopment Project Area or TIF District, those properties chosen to be included must adhere to Illinois statutory guidelines and be found to be eligible under those same guidelines. According to the Act in order for a municipality to qualify properties for TIF financing, a finding must be made that illustrates that conditions within the redevelopment project area, or TIF area, allow the area to be classified as a blighted area, a conservation area, a combination of both a blighted and a conservation area, or an industrial park conservation area. SCIRPDC conducted an assessment and evaluation of the proposed area and the findings of this assessment or evaluation are illustrated within this study. Prior to an examination of those findings, the definitions that are being utilized for qualifying this particular TIF Redevelopment Project Area are discussed below.

Conservation Area

A “Conservation Area” means any improved area within the boundaries of the redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area:

1. 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.
2. Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

3. 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.
4. 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.
5. Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
6. Excessive vacancies. 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.
7. 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.
8. 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.
9. 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.

10. 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.
11. 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 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.
12. Environmental remediation. 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.
13. 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 (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 (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

Blighted Area

A "Blighted Area" means any improved or vacant area within the boundaries of the redevelopment project area located within the territorial limits of the municipality where:

- A. If improved, industrial and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of five (5) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:

1. 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.
2. Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.
3. 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.
4. 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.
5. Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
6. Excessive vacancies. 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.
7. 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.
8. 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.

9. 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.
10. 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.
11. Environmental remediation. 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.
12. 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.
13. 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 (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 (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

- B. If vacant, the sound growth of the Redevelopment Project Area is impaired by a combination of two (2) or more of the following factors each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:
1. Obsolete platting of vacant land that results in 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.
 2. Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
 3. Tax and special assessment delinquencies exist or the property has been subject of tax sales under the Property Tax Code within the last five (5) years.
 4. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
 5. The area has incurred Illinois Environment 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.
 6. The total equalized assessed value of the proposed redevelopment project has declined for (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 (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 (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.
- C. If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:
1. The area consists of one or more unused quarries, mines, or strip mine ponds.

2. The area consists of unused rail yards, railtracks, or railroad rights-of-way.
3. The area, prior to designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.
4. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.
5. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or City center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.
6. The area qualified as a blighted area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

Section III–South Redevelopment Project Area Eligibility

Eligibility Methodology

SCIRPDC staff utilized a variety of methods and techniques when determining the eligibility of the parcels of real property located within the South Redevelopment Project Area. These methods and techniques included the following:

1. An on-site examination of each parcel of real property located within the South Redevelopment Project Area in question on April 20, 2021 and May 5, 2021 by experienced staff of SCIRPDC. This examination was conducted to determine the condition of properties, buildings, streets, etc. within the area for subsequent analysis to determine TIF eligibility as required in the Act.
2. Further examination of illustrative maps, GIS mapping technology, aerial photographs and other historic data related to the South Redevelopment Project Area.
3. Communication with City appointed and elected officials as well as other local community stakeholders with first-hand knowledge of history and conditions of the South Redevelopment Project Area.
4. Compliance with the basic findings of need as established in the aforementioned Act, effective January 10, 1977, and subsequently amended, as well as the utilization and compliance with eligibility definitions as set forth in the Act.

Project Area Eligibility Analysis

The findings of this analysis, detailed below, demonstrate that the South Redevelopment Project Area is found to be a combination “conservation area” and “blighted area” as defined within the Act. Following the analysis detail, a summarizing table of each finding relative to the project area’s eligibility is provided.

1. Age of Buildings and Structures

As is the case in numerous predominantly rural communities, the City of Altamont has a substantial number of older buildings and structures that fail to meet modern development standards as a result of being constructed prior to contemporary development guidelines. The continued exposure to environmental elements over time adversely affects these buildings and structures both aesthetically and structurally. Even normal upkeep and maintenance can only temporarily keep buildings and other structures architecturally sound.

As stated in the Act, 50% or more of the structures within the redevelopment area must be 35 years of age or more to be qualified as a “conservation area”. City and County records, photographs taken during SCIRPDC’s on-site evaluation, and other aerial photography and mapping software were all utilized to document the presence of this particular eligibility factor.

The on-site evaluation of the South Redevelopment Project Area documented that 5 buildings or structures were present within the aforementioned area, of which 100% were documented to be 35 years of age or older as of the writing of this redevelopment plan. Therefore, the developed portion of the South Redevelopment Project Area was found to be compliant with this base “conservation area” criteria and may be reviewed for compliance.

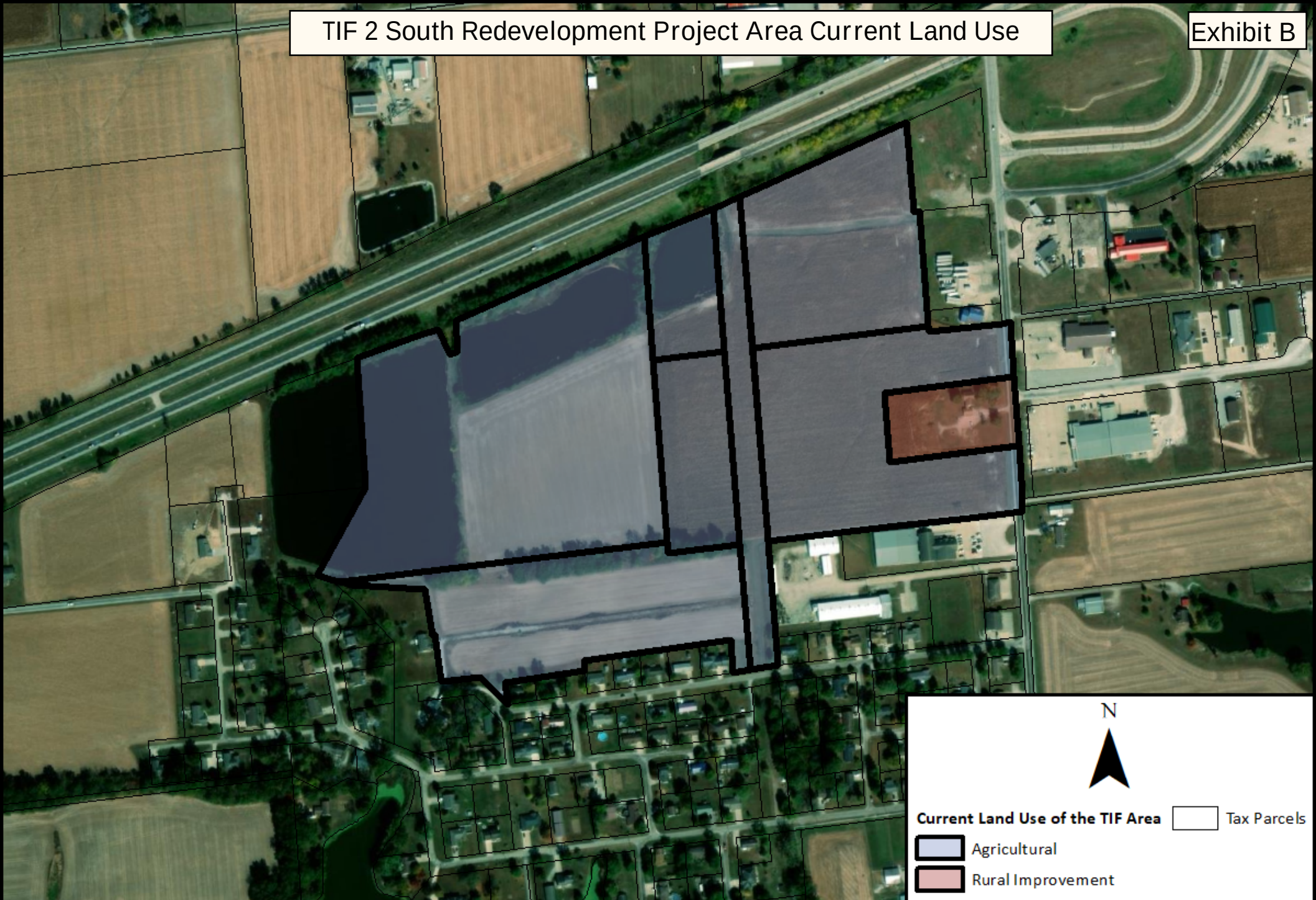
Furthermore, the on-site evaluation of the eligibility factors for the developed land within the South Redevelopment Project Area resulted in **Exhibit B** demonstrating the existing land use throughout the project area. The following is a review of the existing developed land factors in the project area that would qualify it as a “conservation area”.

2. Dilapidation

As stated in the Act, dilapidation is defined as an advanced state of disrepair or neglect of necessary repairs to the primary structural components of the buildings or improvements. Buildings or structures determined to be dilapidated normally require demolition because the rehabilitation of a dilapidated building or structure is not considered to be cost effective. Upon evaluation of the developed or improved land for the presence of dilapidated buildings or structures, the conditions present demonstrate that none of the documented six buildings or structures show the occurrence of dilapidation. This eligibility factor is not found to be reasonably distributed throughout the project area on the whole, and therefore is not one of the eligible factors associated with the area.

3. Obsolescence

As described in the Act, obsolescence is the condition or process of falling into disuse. Obsolete buildings or structures have become ill-suited for their original use and are no longer able to provide adequate functionality. In terms of structure obsolescence, none of the documented six buildings and structures within the project area are demonstrated to qualify as structurally obsolete. While a majority of the buildings and structures within the project area are aging and deteriorating rapidly, they have, on the whole, been determined to be adequately adaptable to fit the needs of their current or marketed use. This eligibility factor is not found to be reasonably distributed throughout the project area on the whole, and therefore is not one of the eligible factors associated with the area.



4. Deterioration

As described in the Act, deterioration with respect to buildings, can be considered to be present when buildings located within the project area have major defects in secondary building components such as doors, windows, porches, gutters, downspouts and fascia. In terms of surface improvements, deterioration can be considered to be present when roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas display surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Upon evaluation, the project area had deteriorating conditions present in all of the six buildings in project area. Notable defects among the deteriorating buildings that were documented following the on-site parcel evaluation included aging roofs, defective windows, cracking foundation, and deteriorating fascia.

Due to the findings noted above, this eligibility factor is found to be reasonably distributed throughout the project area on the whole, and therefore is included as one of the eligible factors associated with the area.

5. Structures Below Minimum Code

As described in the Act, this eligibility factor must be documented through the presence of structures that do not met the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, not including housing and property maintenance codes. This particular eligibility factor, while undoubtedly present within the project area to at least some degree, was not evaluated fully and therefore it cannot be accurately stated that the presence of structures below minimum code adversely affects the project area “on the whole”.

6. Illegal Use of Individual Structures

As described in the Act, the illegal use of individual structures is defined as structures that are in violation of applicable Federal, State, or local laws, exclusive of those applicable to the presence of the “structures below minimum code”. This eligibility factor was not evaluated within this particular project area and therefore it cannot be stated with any precision whether or not the presence of the illegal use of individual structures adversely affects the project area “on the whole”.

7. Excessive Vacancies

As described in the Act, for this eligibility factor to be considered present, buildings that are unoccupied or under-utilized must be present and must also represent an adverse influence on the project area because of the frequency, extent, or duration of the vacancies. During an initial evaluation of vacant or under-utilized buildings within the project area it was determined that further evaluation of this eligibility factor was not necessary because of the overwhelming likelihood that this eligibility factor would not be found to be present in the project area and adversely affect the project area “on the whole”.

8. Lack of Ventilation, Light, or Sanitary Facilities

As described in the Act, this particular eligibility factor is defined in three parts, (1) the absence of adequate ventilation for light or air circulation in spaces or rooms without windows, (2) meaning the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room are to window area ratios, and (3) the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and other structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

The evaluation of the project area in question did not examine the interior of each or any of the buildings or structures located within the area to accurately determine whether this eligibility factor is found to be present within the project area and adversely affect the area “on the whole”.

9. Inadequate Utilities

As described in the Act, inadequate utilities are those that 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. The project area in question did not undergo and utilities examination and therefore cannot be found to present within the project area to reasonably state that this eligibility factor adversely affects the area “on the whole”. Despite this finding, inadequate utilities are undoubtedly present within the project area. The current utility structure of the City is aging and deteriorating at a pace that would likely qualify for this eligibility factor in the near future without proper measures taken.

Therefore, the replacement and construction of water, sewer and electrical utility lines are expected to occur as a part of the redevelopment of the project area in order to both increase the capacity of those services service to areas of the City that currently do not have adequate access. These utility upgrades will be completed as is necessary and as continued redevelopment of the project area occurs.

10. Excessive Land Coverage and Overcrowding

As described in the Act, excessive land coverage and overcrowding is defined as the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. In order to find that this eligibility factor is present within the project area parcels of real property must exhibit one or more of the following conditions, (1) 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 a reasonably required off-street parking, or inadequate provision for loading and service.

The evaluation of this eligibility factor in the project area found that among the six buildings and structures present zero have been determined to have the presence of excessive land coverage and overcrowding per the definition of this factor in the Act. Therefore, it cannot be surmised that this factor is present to the extent that is adversely affects the project area “on the whole”.

11. Deleterious Land Use or Layout

As described in the Act, this eligibility factor can be defined as 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. These types of incompatible land-use relationships generally occur when the function of one particular land use negatively impacts adjacent land uses. These negative impacts can be overt such as excess noise, an overabundance of suitable vehicular traffic, truck delivery traffic, as well as the utilization of portions of public right-of-way as part of a loading or unloading area.

Additionally, some negative impacts of poor land use relationships may be less overt and more covert or not easily seen or measurable. Covert negative effects include situations in which residential land uses are located in areas where the best use of the property may actually be commercial or industrial in nature, or vice versa. In these cases, the neighboring misuses are intruding on one another, creating not only difficulty in redevelopment, but also difficulty with declining or stagnant equalized assessed valuations.

The evaluation of the project area relative to this eligibility factor illustrates that the improved parcel of real property is found to be illustrating deleterious land use relative to their neighboring parcels of real property. The misuse found in the project area includes a rural improved parcel, including a homestead, adjacent to commercial and industrial land uses. This singular rural improved parcel with a homestead has created development difficulties for proposed future commercial development in the project area. Furthermore, this finding of deleterious land use also contributes to the lack of community planning eligibility factor discussed below.

12. Environmental Remediation

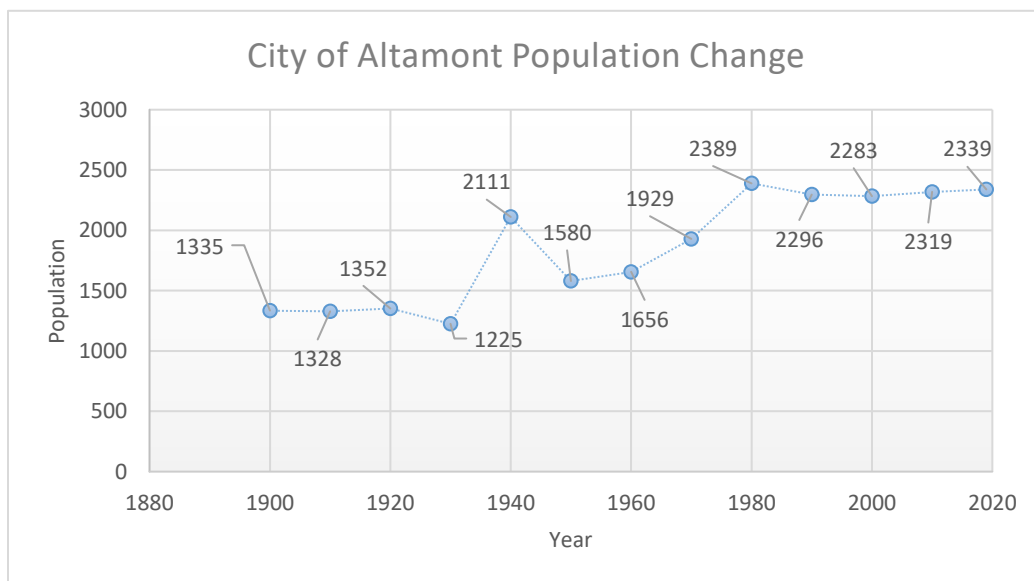
As described in the Act, to make a finding under this eligibility factor the project area, IEPA for USEPA remediation costs must have occurred within the project area and constitute a material impediment to development or redevelopment. There has been no evidence of such remediation costs occurring the project area and therefore the area does not qualify under this eligibility factor.

13. Lack of Community Planning

As described in the Act, this eligibility factor is illustrated by documenting that the proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. Specifically, the improved parcel of real property displayed development that was done without the benefit or guidance of a community plan. The first factor documenting this finding is the deleterious land use discussed with the previous eligibility factor.

An additional indicator to this finding of a lack of community planning is that development of the improved parcel began in 1910 prior to any comprehensive plan being adopted by the City of Altamont. The City of Altamont did not have a form of government until 1901 and modern comprehensive planning techniques for community development was not yet utilized.

Furthermore, as is illustrated in the table on the following page, the City's population increased by about 75% since the initial improvement of the property in question. Due to these findings, the project area does qualify under the lack of community planning eligibility factor.



Source: United States Census Bureau

14. **Declining or Sub-Par EAV**

As described in the Act, the eligibility factor can be determined to be present if the project area's total equalized assessed valuation has declined three (3) of the last five (5) calendar years prior to the year in which the redevelopment 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) years for which information is available. After evaluation of the project area, while declining equalized assessed valuation has occurred in recent years, it does not meet the criteria for this eligibility factor.

These 13 eligibility factors and baseline building age factor illustrate that in terms of the parcel of real property considered to be improved and not vacant the project area qualifies as a conservation area as set forth in the requirements of the Act.

The Act also states that if the certain eligibility factors are present amongst parcels of real property considered to be vacant, the project area may also qualify as a blighted area. To begin, the Act's specific definition of what makes a parcel of real property vacant is as follows:

"...any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within [five] 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided; provided that if the parcel was part of a larger tract that has been divided in to [three] 3 or more smaller tracts that were accepted for recording during the period of 1950-990, then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in the connection with respect to any previously approved or designated redevelopment project area or amended redevelopment project area are hereby validated and hereby declared to be legally sufficient for all purposes of this Act. For purposes of this Section and only for land subject to the subdivision requirements of the Plat Act, land is subdivided when the original plat of the proposed Redevelopment Project Area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Plat Act and a preliminary plat, if any, for any subsequent phases of the proposed Redevelopment Project Area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality."

Upon determining if the property is found to be vacant, such property may then be found to be considered blighted based upon further eligibility factors. Through the utilization of the Effingham County online GIS and parcel tax and assessment data, it has been determined that the project area has a total of five vacant parcels of real property without any buildings or structures, equating to 83% of the total six parcels of real property within the project area. The following is a review of the eligibility factors regarding the vacant portion of the project area.

1. Obsolete Platting

As described in the Act, obsolete platting is defined as vacant land that results in parcels of limited or narrow size making it difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Of the undeveloped or vacant parcels in the project area five or 100% are found to have obsolete platting and therefore make it difficult to develop along the guidelines and requirements of contemporary standards. The existence of obsolete platting needs to be addressed as part of the redevelopment of the project area, and it has been determined to exist to an extent that qualifies the project area under this eligibility factor.

2. Diversity of Ownership

As described in the Act, this eligibility factor can be found to be present if the diversity in ownership of parcels of vacant land are sufficient in number to retard or impede the ability to assemble the land for development. Among the five parcels found to be vacant, it was determined that three different property owners exist. Therefore, there is a 60% diversity of ownership among the vacant land parcels in the project area. While any significant level of diversity of ownership can make the development of these parcels of vacant land difficult to accomplish, it was determined that while this eligibility factor is found to present in the project area, it is not a detriment to the redevelopment of the project area and therefore does not qualify under this eligibility criterion.

3. Tax Delinquencies

As described in the Act, this eligibility factor can be found to be present if tax and special assessment delinquencies exist or the property has been subject of tax sales under the Property Tax Code within the last [five] 5 years. This eligibility criterion for vacant land was not fully evaluated and therefore cannot be considered as being present within the project area.

4. Deterioration of Adjacent Structures

As described in the Act, the vacant land portion of the project area can be found to be eligible under this eligibility criteria if the deterioration of structures or site improvements in neighboring areas adjacent to the vacant land exist and are reasonably distributed throughout the area. Through on-site evaluation, deterioration amongst both buildings and structures as well as surface improvements was found to be adjacent to parcels of real property identified as vacant. Specifically, 4 (83%) of the 5 vacant parcels were found to have neighboring parcels exhibiting some form of deterioration, thus qualifying the vacant portion of the project area under this eligibility criterion.

5. Environment Remediation

As described in the Act, to make a finding under this eligibility factor the vacant portion of the project area, IEPA for USEPA remediation costs must have occurred within the project area and constitute a material impediment to development or redevelopment. There has been no evidence of such remediation costs occurring the project area and therefore the area does not qualify under this eligibility factor.

6. Equalized Assessed Valuation

As described in the Act, the eligibility factor can be determined to be present if the vacant portion of the project area's total equalized assessed valuation (EAV) has declined three (3) of the last five (5) calendar years prior to the year in which the redevelopment 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) years for which information is available. Following EAV analysis from SCIRPDC staff, it was determined that while undeveloped portion of the project area has had lower annual EAV growth rates than the balance of the City in recent years, it has not occurred three (3) of the last five (5) calendar years for which information is currently available. Therefore, the project area does not qualify under this eligibility criterion.

Redevelopment Conservation Area and Blighting Area Factors
TIF 2: South Redevelopment Project Area
City of Altamont, Illinois

	Total	Percent (%)
Number of Improved Parcels	1	17%
Number of Vacant Parcels	5	83%
Total Parcels	6	100%
Number of Buildings 35 Years or Older	6	100%
Number of Buildings	6	100%
"CONSERVATION AREA" IMPROVED LAND FACTORS (3 or more)		
Number of Dilapidated Buildings	0	0%
Number of Obsolete Buildings	0	0%
Number of Deteriorated Buildings	6	100%
Number of Parcels with Site Improvements that are Deteriorated	1	100%
Total Deterioration		100%
Number of Structures Below Minimum Code	*	
Number of Buildings with Illegal Uses	*	
Number of Buildings with Vacancies	*	
Number of Buildings Lacking Ventilation, Light or Sanitation Facilities	*	
Inadequate Utilities by Sub-Area	*	
Number of Parcels with Excessive Land Coverage or Overcrowding of Structures	0	0%
Deleterious Land Use by Improved Parcel	1	100%
Lack of Community Planning by Improved Parcel	1	100%
Environmental Remediation by Sub-Area	0	0%
Declining or Sub-Par EAV Growth	NO	
"BLIGHTED AREA" VACANT LAND FACTORS (2 or more)		
Obsolete Platting	5	100%
Diversity of Ownership (Number of Different Owners)	3	50%
Tax Delinquencies	*	
Deterioration of Adjacent Structures or Sites	4	80%
Environmental Remediation	0	0%
Declining or Sub-Par EAV Growth	NO	

* Not Determined

Project Area Summary of Findings

The South Redevelopment Project Area being proposed for TIF encompasses six parcels of real property, streets and rights-of-way within the City of Altamont. Of the six parcels of real property, one included buildings, structures or other site improvements and five were found to be vacant in nature. Generally, this area includes south central portions of the City. The boundary of the South Redevelopment Project Area was shown on **Exhibit A**.

In determining the eligibility of the South Redevelopment Project Area, the Act does not require that each and every property parcel, building, or site improvement be individually qualified, but as a whole the project area must be determined to be eligible. An analysis of the physical conditions of the project area as well as the presence of qualifying factors was performed by SCIRPDC staff. The following findings are being made with respect to the South Redevelopment Project Area following the on-site evaluation and subsequent analysis:

1. Combination Conservation and Blighted Area Eligibility

The Area on a whole meets the statutory requirements as a combination conservation area and blighted area. Furthermore, the factors that are necessary to make these findings exist to a meaningful extent are generally distributed throughout the South Redevelopment Project Area. It can be expected that the presence of these factors will continue to exhibit conditions that will worsen without a program of intervention to induce private and public investment in the Area. The conditions, as they currently exist, do not serve the long-term interests of the City and other local taxing districts, making TIF implementation a worthwhile activity to reduce or the eliminate the factors qualifying this Area under the Act.

Therefore, after a thorough review of the eligibility factors present in the project area, the conclusion of the eligibility analysis is that the proposed project area qualifies for TIF, per the Act. If satisfied with the findings made within this Redevelopment Plan, the adoption of the Redevelopment Plan, Redevelopment Project Area, and TIF should be considered by the City Board of Trustees.

2. Redevelopment Area Statutory Size

The South Redevelopment Project Area exceeds the statutory minimum size of 1-1/2 acres.

3. Contiguous Redevelopment Area

The South Redevelopment Project Area contains contiguous parcels of real property located within the corporate limits of the municipality.

4. The Redevelopment Area's Lack of Growth On the Whole

The South Redevelopment Project Area, on the whole, has not been subject to growth and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan.

- There has been little to no redevelopment of the project area to date. Tax Increment financing will allow the City to pursue both residential and commercial development opportunities within the South Redevelopment Project Area.

5. The Redevelopment Area Would Not Be Developed But For Tax Increment Financing

The City finds that the South Redevelopment Project Area, “on the whole” has not currently, nor will reasonably be, developed without the use of TIF.

- There has been no private investment into the project area for development purposes in approximately 70 years. Adopting Tax Increment Financing for the project area will provide the City with a much-needed tool to encourage and incentivize private investment into the project area.

6. Conformance with City Comprehensive Planning

The redevelopment plan for the South Redevelopment Project Area has been determined to be consistent with the goals and objectives of the municipality’s comprehensive plan.

7. All Redevelopment Area Properties Will Substantially Benefit

If a redevelopment plan is adopted and implemented for this South Redevelopment Project Area, it is reasonable to say that all properties included in the project area would benefit substantially from being included in the project area.

8. Assessment of Local Taxing District Financial Impact

The financial impact on local taxing districts located within the boundaries of the South Redevelopment Project Area and any potential increase demand on facilities or services resulting from the implementation of the redevelopment plan shall be made minimal.

- Potential negative impacts upon local taxing districts are expected to be minimal. New development within the project area would, potentially, create new jobs, allow for further recruitment and retention of businesses, and increase the sales tax base therefore contributing to the local economy beyond simple property tax incremental increases.

- Negative impacts will also be minimized through the inclusion of projects specifically benefiting the local taxing bodies. Utility, roadway and other transportation access improvements will be beneficial to the general public, municipal services and emergency services. Additionally, planned projects may increase the general population of the City further increasing the current sales tax base and property tax base for all local taxing bodies.

9. The Redevelopment Plan Conforms To the Statutory Timeframe

The estimated date for completion of the Central Project Area Redevelopment Plan shall be no later than twenty-three (23) years after the year in which the adoption of the Redevelopment Project Area by the City, occurs. If deemed available and appropriate, obligations may be incurred to finance improvements in the project area to be repaid by incremental revenues, which may further be supplemented with other local, state or federal sources.

10. Housing Impact Certification

The redevelopment plan does not reasonably expect to result in the displacement of residents from ten (10) or more inhabited residential units and therefore does not require a separate housing impact study to be completed. The City hereby certifies that the Redevelopment Plan and Project will not result in the removal of inhabited residential units which contain households of low-income or very low-income persons as defined in the Illinois Affordable Housing Act. In the unforeseen circumstance that removal of inhabited residential units does occur, the City certifies that it will provide affordable housing and relocation assistance not less than as is required by subsection 11-74.4-3(n)(7).

Section IV– Redevelopment Plan

Introduction

This section outlines the Redevelopment Plan of the South Redevelopment Project Area for the City of Altamont. Pursuant to the Act, when a finding has been made that an area qualifies as a Redevelopment Project Area under the eligibility factors outlined within the Act, a Redevelopment Plan must be prepared and enacted. A Redevelopment Plan is defined within the Act as:

...the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a “blighted area” or “conservation area” or combination thereof or “industrial park conservation area,” and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area...

Future Land Use

The future land use plan for the Redevelopment Project Area is shown in **Exhibit C**. All of the future redevelopment projects are subject to any and all provisions of the City’s ordinances and other applicable codes as may be in existence and may be amended from time to time at the discretion of the City.

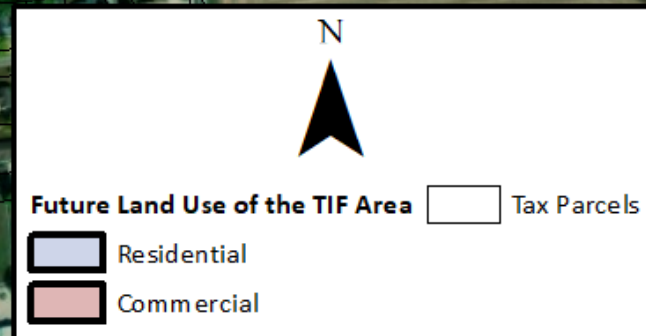
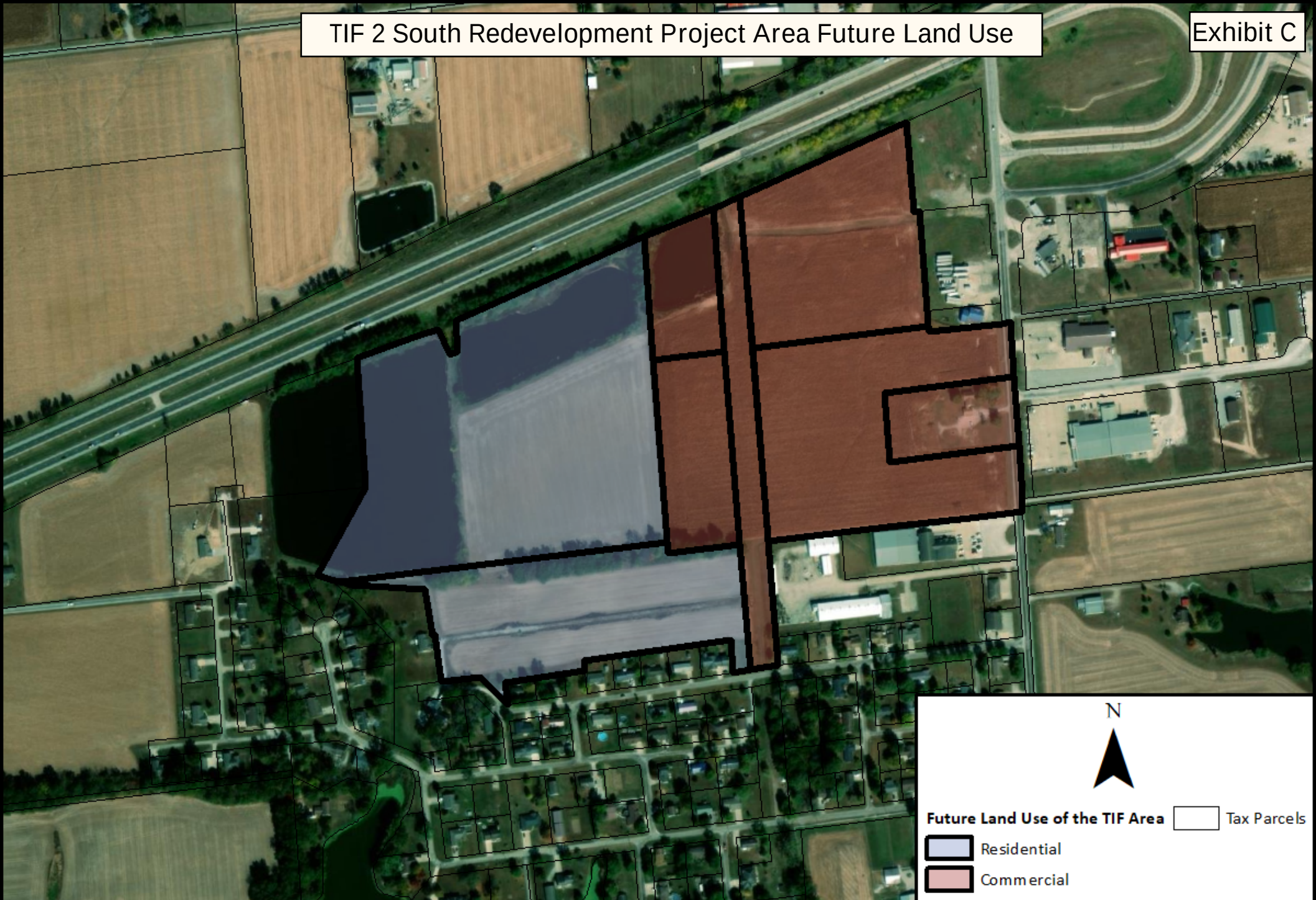
Objectives and Goals

The objectives and/or goals of the Central Redevelopment Area Plan include:

1. The reduction or elimination of those conditions qualifying the Redevelopment Project Area as eligible under the Act for TIF;
2. Prevent the reoccurrence of those conditions qualifying the Redevelopment Project Area as eligible under the Act for TIF;
3. Increase the real estate tax base for the City and all other taxing districts which extend into the Redevelopment Project Area;
4. Encourage and assist private development within the Redevelopment Project Area through the provision of financial assistance for new development utilizing incremental tax revenue generated from the establishment of TIF for the Redevelopment Project Area as is permitted by the Act, and any other federal, state, and/or local funding sources as they become available and necessary. Increases in private development within the Redevelopment Project will lead to expanded

employment opportunities for the City and also strengthen the entire economic base of the City and surrounding areas;

5. Increase the quality of life for all City residents including, but not limited to, enhanced pedestrian and vehicular transportation, increased housing opportunities for continual City population growth and assist both incoming and current local businesses with employee retention and expansion through the use of both financial capital, provided through the establishment of TIF and human capital, which will potentially be increased through a rise in population and job opportunities for the City and surrounding areas; and
6. Complete and finalize all public and private actions required within this Redevelopment Plan in the most expeditious manner possible so as to maximize TIF opportunities and benefits.



0 0.375 0.75 Miles



Redevelopment Plan & Project Policies

Necessary and appropriate policies pertaining to the Redevelopment Project and Plan have been and will continue to be established and amended to ensure the success of the Redevelopment Project and Plan. These policies include, but are not necessarily limited to, the following:

1. Utilization of TIF derived revenues to accomplish the specific activities and actions outlined in the Implementation Strategy of the Redevelopment Plan;
2. Utilization of City staff and consultants to undertake those actions necessary to accomplish the specific activities outlined in the Implementation Strategy of the Redevelopment Plan;
3. Actively market the Redevelopment Project Area, and specific sites within the Project Area, to private developers with the intent of increasing private investment in the Project Area;
4. Provide financial assistance, when deemed necessary and as permitted within the Act, to encourage private development within the Redevelopment Project Area to take certain actions to complete portions of the activities outlined within the Implementation Strategy of the Redevelopment Plan;
5. Seek and find additional complementary financial resources and revenue streams to aid in jump-starting the activities outlined in the Implementation Strategy of the Redevelopment Plan;
6. Effectively monitor and evaluate both public and private actions and activities taking place within the Redevelopment Project Area to ensure those actions are being completed as permitted by the Act and within the scope of the Redevelopment Plan; and
7. Complete and finalize the Implementation Strategy of the Redevelopment Plan as expeditiously as possible, without negatively affecting future development, in order to minimize the length of the existence of the Redevelopment Project Area.

Such policies outlined above may be amended from time to time by the City as the evaluation and assessment of the Redevelopment Plan and Project continues to occur.

Redevelopment Plan & Project Implementation Strategy

The development and follow-through of an effective TIF implementation strategy are important elements to the success of a designated TIF Project Area and Redevelopment Plan. The most effective way to maximize the Redevelopment Plan and Project and take advantage of current and future interests in the Project Area is to employ a phased implementation strategy. The City will employ such a strategy. Also, in order to maintain an appropriate balance between private investment and public improvements, the City may work to negotiate redevelopment agreements with private developers who proposed the use of TIF funding to aid in the facilitation of a specific Redevelopment Project.

The City may also utilize and establish an “Application for Tax Increment Financing Assistance” to aid the City in ensuring TIF revenues are utilized and distributed effectively with the goal of maximizing private investment into the Redevelopment Project Area, while simultaneously providing the necessary amount of TIF financial resources into any one individual proposed Redevelopment Project.

Furthermore, in order to achieve the listed objectives of the TIF, a number of activities, both public and private, will need to be undertaken. The most essential element of the Redevelopment Plan is a combination of private developments alongside public investments and infrastructure improvements. The improvements, investments and activities necessary to successfully implement the Redevelopment Plan may include, but are not limited to, the following:

1. Private Redevelopment Activities

The private activities for the proposed South Redevelopment Project Area may include:

- On-site infrastructure upgrades for replacement and/or increased capacity of the City water system, sewer system, storm sewer system, and other utility upgrades;
- On-site infrastructure upgrades related to street network improvements in order to enhance transportation access throughout the Redevelopment Project Area;
- The marketing for and recruitment of new commercial and industrial development to the City;
- Retention and expansion efforts for existing commercial and industrial businesses within the Redevelopment Project Area; and
- The repairing or remodeling, including site improvements, of existing buildings within the Redevelopment Project Area.

2. Public Redevelopment Activities

The public activities for the proposed South Redevelopment Project Area will be used to induce and complement private investment. These activities may include:

- Costs of engineering, architectural, or professional studies related to the economic development of the Redevelopment Project Area;
- Land assembly, site preparation, and building demolition where it is deemed necessary and prudent;
- General utility enhancements and improvements, including the replacement and/or repair of aging portions of water and sanitary sewer systems;
- General street and transportation enhancements or improvements, including sidewalk and pedestrian walkway construction, repair or replacement, as well as upgrades to the current street network within the Redevelopment Project Area;
- Cost of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings;
- Costs of demolition of public or private buildings;
- Marketing properties within the Redevelopment Project Area for purposes related to the recruitment of businesses;
- Any and all financing costs as permitted in the Act, including those related to the issuance of obligations; interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project; and
- Any other eligible Redevelopment costs not yet expected, but deemed by the City to be necessary for the Redevelopment of the proposed Redevelopment Project Area.

Redevelopment Project Costs

Costs that may be incurred by the City as a result of implementing a Redevelopment Plan and Project include, without limitation, project costs and expenses and any other eligible costs subject to the limitations set forth in *Sec. 11-74.4-3* of the Act. Such itemized costs may include the following:

1. The costs of studies, surveys, development of plans, and specifications, 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.
2. The cost 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 interest therein, demolition of buildings, site preparations, site improvements that serve as the 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.
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a Redevelopment Project the existing building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.
5. Cost of construction of public works or improvements, not to include the cost of constructing new municipal building principally used to provide offices, storage, space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building unless the municipality makes a reasonable determination in the Redevelopment Plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the Redevelopment Plan.
6. Cost of job training and retraining projects, including the cost of “welfare to work” programs implemented by businesses located within the Redevelopment Project Area.
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 there under accruing during the estimated period of construction of any Redevelopment Project

for which such obligations are issued and for not exceeding thirty-six (36) months thereafter, and including reasonable reserves related thereto.

8. To the extent the municipality by written agreement 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 the Redevelopment Plan and Project.
9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements with the boundaries of the assisted housing sites necessary for the completion of that housing.
10. Relocation costs to the extent that a municipality determines the relocation costs shall be paid or is required to make payment of relocations costs by federal or state law.
11. Payments in lieu of taxes.
12. 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, provided such costs (i) are related the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and then term of the agreement.
13. Interest cost incurred by a redeveloper 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 this Act;
 - (B) Such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment 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 paragraph then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - (D) The total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.
14. Unless explicitly stated within the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
15. None of the redevelopment costs described above are eligible if they provide direct financial support to a retail entity initiating operation in the proposed Redevelopment Project Area, while terminating operations at another Illinois facility location within 10 miles of the Redevelopment Project Area but outside the boundaries of the Redevelopment Project Area of the municipality. Further description and limitations to this cost eligibility condition are identified in *Sec. 11-74.4-3 (q)(13)* of the Act.

None of the redevelopment costs described above are eligible if used to demolish, remove, or substantially modify a historic resource per *Sec. 11-74.4-3 (q)(14)* of the Act. For the purposes of this cost eligibility condition “historic resource” is defined within the Act as a “place or structure that is included or eligible for inclusion on the National Register of Historic Places or contributing structure in a district on the National Register of Historic Places.

**Estimated Redevelopment Project Costs
TIF 2: South Redevelopment Project Area**

Description of Costs	Estimated Project Costs
Planning & Professional Services	\$ 350,000
Property Assembly	\$ 800,000
Public Works Improvements	\$ 2,600,000
Total Estimated Project Costs	\$ 3,750,000

(1) Costs shown are in 2021 dollars.

(2) Adjustments to individual category line items may be made to reflect changes in program implementation.

(3) Private redevelopment costs, investment as well as any other funds that may be used in redevelopment of the proposed area are not included or considered above.

(4) The total Estimated Redevelopment Project Costs shall not be increased by more than 5% after adjustment for inflation from the date of the Plan adoption, per *Sec. 11-74.4-5 (c)* of the Act.

1. Most Recent Estimated Equalized Assessed Valuation

The most recent total equalized assessed valuation for the Redevelopment Project Area is estimated to be approximately \$51,754.00 based upon data derived from Effingham County online GIS and parcel tax and assessment system as well as historical data and future projection analysis.

2. Estimated Redevelopment Valuation

Contingent upon the adoption of the proposed TIF 2 South Redevelopment Area Project and Plan, the commitment by the City to the Redevelopment Plan, and barring unforeseen Federal, State or local circumstances which may cause undue harm to the Redevelopment Plan and Project Area, it is anticipated that private investment, development and improvements will occur in the Project Area. This anticipation allows the City to project an increase in the total equalized assessed valuation for the Redevelopment Project Area, after redevelopment, of approximately \$3-4 million (2021 dollars).

3. Source of Funds

The primary source of funds to pay for Redevelopment Project costs associated with implementing the Redevelopment Plan and Project shall be funds collected pursuant to tax increment allocation financing to be adopted by the City. Under this financing, tax increment revenue, in the form of increases in the equalized assessed value of real property in the Redevelopment Project Area, shall be allocated to a special fund each year (the "Special Tax Allocation Fund"). The assets of such fund shall be used to pay Redevelopment Project costs

within the entire Redevelopment Project Area and retire any and all obligations incurred to finance Redevelopment Project Costs.

In order to expedite the implementation of the Redevelopment Plan and construction of the public improvements, the City, pursuant to its authority granted under the Act, may issue bonds and/or other obligations to pay for eligible Redevelopment Project Costs. These obligations may be secured by future revenues to be collected and allocated to the Special Tax Allocation Fund.

Additionally, and pending availability, revenues from other public and private economic development funding sources will be utilized within the Redevelopment Project Area pursuant to the Redevelopment Plan. These revenue sources may include, but not necessarily limited to, state and federal programs, local retail sales tax, land disposition proceeds from the sale of land, and applicable revenues from any abutting TIF areas within the City. In turn, this TIF Project Area may also receive or provide funding to abutting TIF areas within the City.

4. Nature and Term of Obligations

Without the exclusion of other methods of the City or private financing, the principal source of funding for the TIF 2 South Redevelopment Area Plan and Project will be those deposits made into a Special Tax Allocation Fund to be established by action of the Mayor and City Council of Commissioners for the purpose of depositing funds received from the taxes on increased equalized assessed valuation from the initial baseline equalized assessed valuation of real property within the Redevelopment Area.

This funding may be used for the reimbursement of private or public entities for eligible redevelopment costs incurred within the Redevelopment Area or to amortize any and all obligations issued pursuant to the Act for a term not to exceed twenty (20) years bearing an annual interest rate as permitted by law.

Any revenues received in excess of 100% of funds necessary for the payment of principal and interest on bonds or payment of other obligations and not needed for any other applicable redevelopment projects or early bond retirement shall be declared as surplus and become available for distribution to the taxing bodies to the extent that this distribution of surplus funds does not impair the financial viability of any redevelopment projects. One or more bond issues or other obligations may be sold at any time in order to implement this Redevelopment Plan.

5. Fair Employment Affirmation

The City will ensure that all public and private activities within the scope of the Redevelopment Plan and Project are constructed in accordance with any and all fair employment practices and affirmative action. All recipients of TIF assistance will also adhere to these policies under the assurance of the City.

Amending the Redevelopment Plan

The TIF 2 South Redevelopment Area Plan and Project may be additionally amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, *65 ILCS 5/11-74.4-1, et. seq.*

Reporting and Meeting Requirements

The City shall adhere to all reporting and meeting requirements as provided for in the Tax Increment Allocation Redevelopment Act, *65 ILCS 5/11-74.4-1, et. seq.*

Appendix

Attachment 1: Legal Description

Parts of Section 21, Township 7 North, Range 4 East, all of the 3rd P.M., Effingham County, IL, more particularly described as follows:

Beginning at the Northwest Corner of The Northeast Quarter of Section 23 also being the Northwest Corner of Parcel 0902021062; thence Easterly to the Northeast Corner of said Parcel 0902021062; thence Easterly along the North line of Parcel 0902021010 to a point being the Northwest Corner of 100ft RR Right of Way South of I-70 also being the Northwest Corner of 0902021032 South of I-70; thence Easterly to the Northeast Corner of 100ft RR ROW South of I-70; thence Easterly to the Northwest Corner of Parcel 0902021010 also being the Northwest Corner of Parcel 0902021008; thence Southerly along the East line of Parcel 0902021010 to the Southeast Corner of Parcel 0902021010; thence Southerly 19.35 ft to point along the North Line of parcel 0902021049 also being the Southwest Corner of Parcel 0902021028; thence Easterly along the North Line of Parcel 0902021049 to the Northeast Corner of Parcel 0902021049; thence Southerly along the East Line of Parcel 0902021049 to the Northeast Corner of Parcel 0902021050; thence Southerly along the East line of Parcel 0902021050 to the Southeast Corner of Parcel 0902021050; thence Southerly along East line of Parcel 0902021049 to the Southeast Corner of Parcel 0902021049; thence Westerly along the South line of Parcel 0902021049 to a point being the Northwest Corner of Parcel 0902211058; thence Westerly to the Southeast Corner of Parcel 0902021049 also being the Northeast Corner of Parcel 0902021063; thence Southerly along the East line of Parcel 0902021063 to the Southeast Corner of Parcel 0902021063; thence Westerly to the Southeast Corner of Parcel 0902213043; thence Northerly along the East line of Parcel 0902213043 to the Northeast Corner of Parcel 0902213043; thence Westerly along the South line of Parcel 0902021063 to the Southwest Corner of Parcel 0902021063; thence Northerly along the West Line of Parcel 0902021063 to the Northeast Corner of Parcel 0902021043; thence Westerly along the North Line of Parcel 0902021043 to the Northwest Corner of Parcel 0902021063; thence Westerly to the Southwest Corner of Parcel 0902021062; thence Northerly along the West line of Parcel 0902021062 to the Northeast Corner of Parcel 0902214038; then Northerly along the West line of Parcel 0902021062 to the Northwest Corner of Parcel 0902021062, being the Point of Beginning, containing 65.89 Acres more or less.

Attachment 2: Parcel Identification

09-02-021-010

09-02-021-032

09-02-021-049

09-02-021-050

09-02-021-062

09-02-021-063