

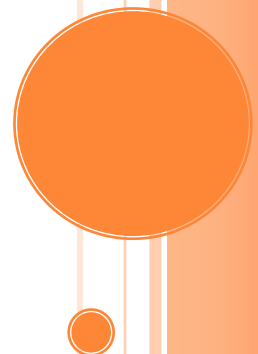


City of Flora, Illinois

TAX INCREMENT FINANCING REDEVELOPMENT PLAN & PROJECT

U.S. 50 Corridor Redevelopment Project Area

7/20/2020



CITY OF FLORA, ILLINOIS

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Section I – Introduction

On October 1st, 2018 the City of Flora City Council approved a Resolution stating 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 being considered for designation as a TIF Redevelopment Area includes most notably the U.S. Highway 50 Corridor, as well as other adjoining areas of the City. The area is referred to herein as the U.S. 50 Corridor Redevelopment Project Area. The boundaries of the aforementioned area are shown on **Exhibit A**.

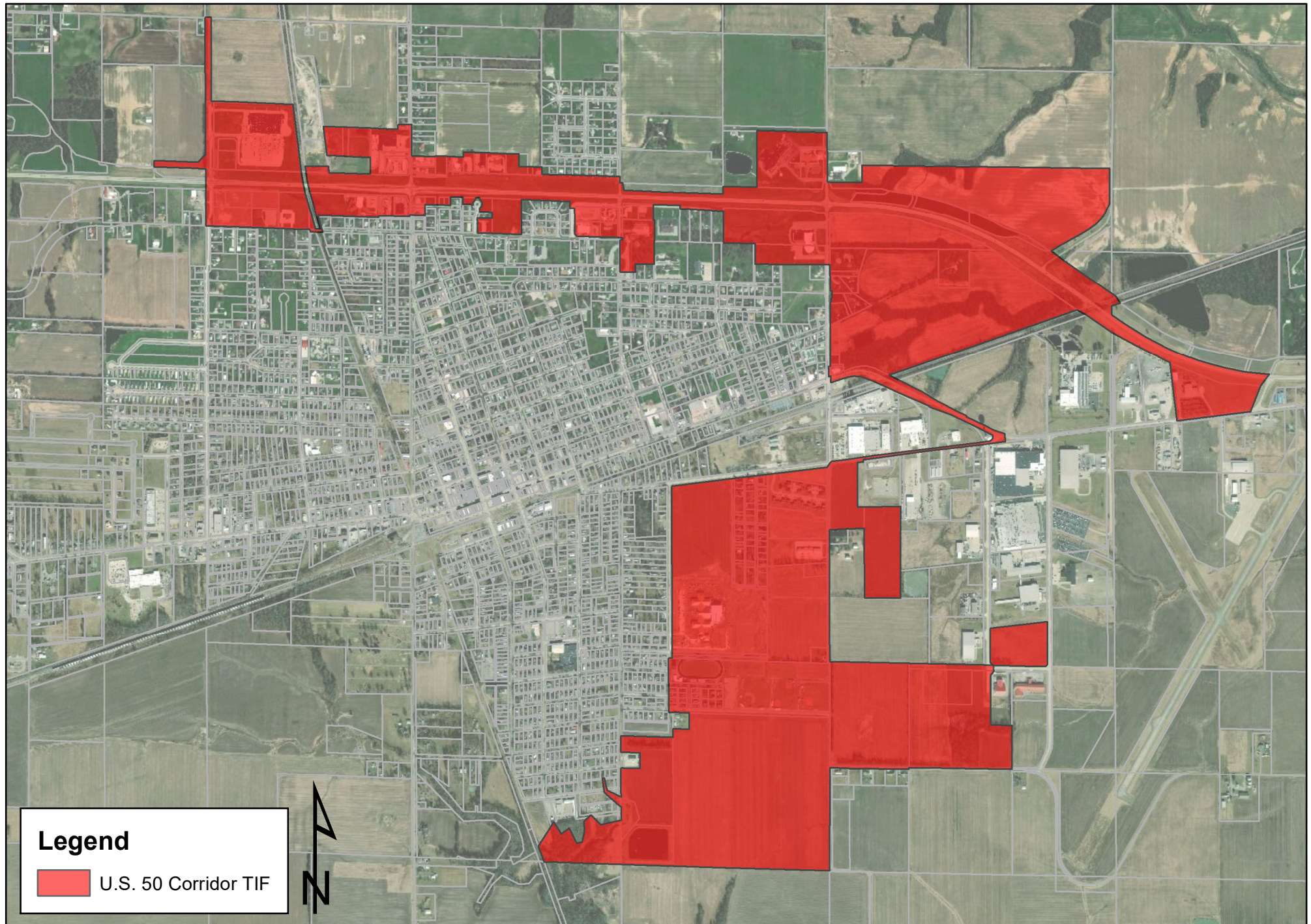
The City intends to utilize TIF, as well as other financing and development tools as they become available and necessary, to improve the blighting conditions of the proposed U.S. 50 Corridor Redevelopment Project Area as was found and documented through the authorized feasibility study conducted by staff of the South U.S. 50 Corridor Illinois Regional Planning & Development Commission (SCIRPDC) on October 17th, November 19th, and December 12th, 2018. The completed feasibility study was then presented to the City Council on March 18th, 2019 at a regularly scheduled board meeting.

The U.S. 50 Corridor Redevelopment Project Area contains approximately 700 acres, including streets and public rights-of-way. There are 146 total parcels of real property, of which 120 (82%) parcels have been found to be improved, as is defined in the Act. Much of the improved environment within the proposed area, including improvements in public right-of-way, suffers from advanced age as well as physical deterioration. While not all parcels of real property indicate conditions that would cause them to qualify individually under the definitions of 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 a TIF Redevelopment Project Area is identified and discussed. Also included in this Redevelopment Plan are the goals and objectives of the U.S. 50 Corridor Redevelopment Project Area and the expected project costs associated with implementing those goals and objectives.

U.S. 50 Corridor Redevelopment Area

EXHIBIT A



Section II – Statutory Basis for Tax Increment Financing

TIF Redevelopment Project Area Guidelines

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.

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 parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development of.
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 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.
6. The total equalized assessed value of the proposed redevelopment project 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 this 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 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.

- 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, rail tracks, 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 agriculture 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 – U.S. 50 Corridor 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 U.S. 50 Corridor Redevelopment Project Area in question. These methods and techniques included the following:

1. An on-site examination of each parcel of real property located within the U.S. 50 Corridor Redevelopment Project Area in question on October 17th, November 19th, and December 12th, 2018 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 U.S. 50 Corridor 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 U.S. 50 Corridor 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 U.S. 50 Corridor Redevelopment Project Area is found to be a “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 many rural communities, the City of Flora does have 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 those 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.

Ultimately, the on-site evaluation of the U.S. 50 Corridor Redevelopment Project Area documentation found that the buildings and structures located in the aforementioned Project Area fail to meet the “conservation area” criteria as stated in the Act.

Furthermore, the on-site evaluation of the eligibility factors for the developed land within the Central 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 “blighted 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 parcels of land for the presence of dilapidated buildings or structures, the conditions present demonstrate that 4 (3%) buildings and structures of the documented 148 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, only 7 (5%) of the documented 148 buildings and structures within the project area are demonstrate to qualify as structurally obsolete. While a majority of the buildings and structures within the project are aging and deteriorating, they have, on the whole, been determined to be adequately adaptable to fit the needs of their current or marketed use. The on-site evaluation consultant may be underestimating the presence of structural obsolescence in the project area to some extent, however, it is in the opinion of the evaluators and the City that while the buildings and structures in the project area exhibit

numerous difficulties to redevelopment as is, their structural building relative to their intended and future use does not adversely affect the project area “on the whole”.

4. **Deterioration**

As described in the Act, deterioration with respect to buildings and structures 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 98 (66%) of the 148 buildings, 82 (68%) of the 120 improved parcels of real property, and 5 (100%) of the 5 improved, non-vacant sub-areas, grouped by locale. Notable defects among the 98 deteriorating buildings that were documented following the on-site parcel evaluation included aging roofs, defective windows, cracking foundation, and deteriorating fascia. Examples of this particular eligibility factor can be found throughout the entire area, both geographically and among the various types of land uses.

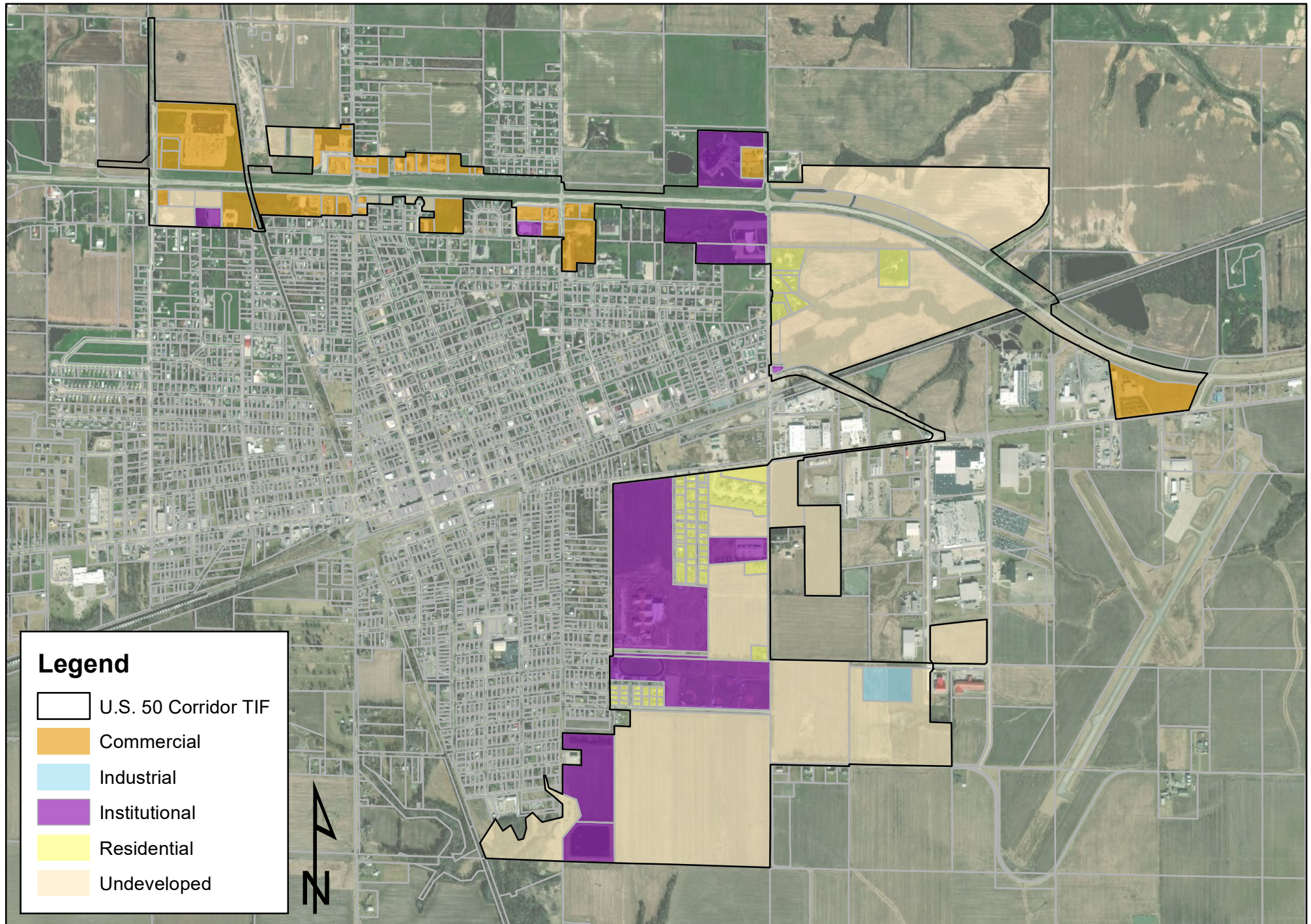
Among the 120 improved parcels of real property with site improvements, 82 showed signs of this particular eligibility factor. When these 120 parcels of real property were examined by sub-area (shown on **Exhibit C**), accounting for general neighboring location and land use, 5 of the 5 designated sub-areas had deteriorating conditions present. Specifically, common forms of deterioration present included, cracking and crumbling sidewalks, cracking roadways and alleyways, grass and weed growth through paved surfaces, cracking parking lots and entry ways, as well as disarrayed and unkempt gravel areas.

Therefore, overall, deterioration conditions were present in a large majority of the project area. Combining the three separate calculations into one average deterioration metric, it is found that this eligibility factor was present in 78% of the project area, thus qualifying for this particular eligibility criterion.



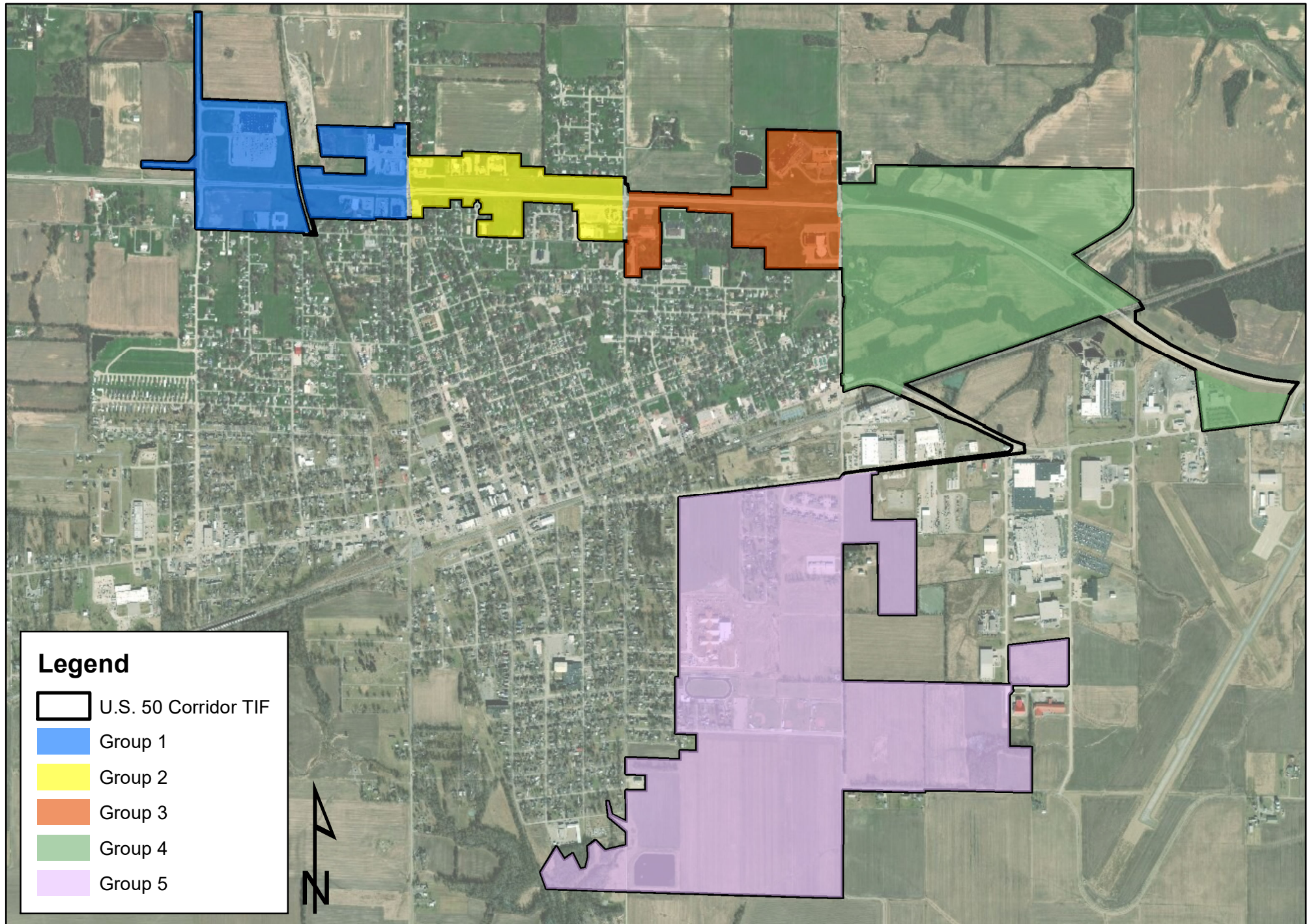
U.S. 50 Corridor Redevelopment Area Current Land Use

EXHIBIT B



U.S. 50 Corridor Redevelopment Area By Sub-Area

EXHIBIT C



5. **Structures Below Minimum Code**

As described in the Act, this eligibility factor must be documented through the presence of structures that do not meet 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 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 questions did not examine the interior of each or any of the 148 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 underwent a utilities examination and was found to be present within the project area to reasonably state that this eligibility factor adversely affects the area “on the whole”.

Specifically, each of the five (5) sub-areas contains substantial areas of proposed redevelopment that do not currently have sufficient utility capacity to provide for future development. This includes both areas of proposed commercial and industrial land use. In some cases, the current utilities (i.e. electrical, water, sewer) are deteriorating and require future repair, and in others the proposed parcels for re-development lack all necessary utility infrastructure.

10. **Excessive Land Coverage and Overcrowding**

As described in the Act, excessive land coverage 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) 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, or (2) the presence of multiple buildings on a single parcel. For there to be 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.

The evaluation of this eligibility factor in the project area found that among the 148 buildings or structures present on the 120 parcels of improved real property, 68 (57%) of the parcels of real property have been determined to have the presence of excessive land coverage and overcrowding as described in the Act. The parcels found to be eligible under this criterion illustrated conditions such as buildings and accessory structures located on parcels of inadequate size and/or shape in relation to present-day development standards, the lack of adequate off-street parking, as well as insufficient space for loading. Many parcels were developed without the guidance of a comprehensive plan, which was found previously in section 13 “Lack of Community Planning”. This has created a situation where a significant portion of the development of the project area was done without full consideration of present-day development standards.

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 of the 120 total improved parcels of real property 64 (53%) are found to be illustrating deleterious land use relative to their neighboring parcels of real property. Furthermore, when analyzed by sub-area, 4 (80%) of the 5 improved sub-area parcel groups are found to illustrate deleterious land use. The most common of these misuses includes parcels of property being utilized for commercial purposes neighboring residential land uses. 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 for the project area, IEPA or 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 in the project area and therefore the project area in question 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. A large majority of the project area exhibits conditions relative to the lack of guidance from community planning. Of the 120 improved parcels within the project area, 62 (52%) were developed without the guidance or benefit of an effective working comprehensive planning document. The first factor used in determining

the lack of community planning finding for the project area is the deleterious land use finding discussed in a previous eligibility factor.

Secondly, the last Comprehensive Plan approved by the City of Flora was in 1990, thirty years prior to the writing of this document. That Comprehensive Plan became a non-effective working document in the year 2005, with a need for an update. As noted above 52% of improved parcels were developed without an adequate planning update, or prior to the 1990 Comprehensive Plan. This finding is most notable along U.S. Highway 50 in which numerous developed areas were either not within the City of Flora Corporate limits in 1990 and lacked future land use plans, or planned for multi-residential use, ultimately to become commercially developed in recent years.

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 120 parcels 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 Clay County online GIS and parcel tax and assessment data, it has been determined that the project area has a total of 26 vacant parcels of property without any buildings, structures or other improvements, equating to 18% of the total 146 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 of requirements. Of the undeveloped or vacant parcels in the project area 10 (38%) are found to have obsolete platting and therefore make it difficult to develop along the guidelines and requirements of contemporary standards. While the existence of obsolete platting does need to be addressed as part of the redevelopment of the project area, it does not exist to an extent that would allow a finding to be made and therefore the area does not qualify 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 of ownership of parcels of vacant land are sufficient in number to retard or impede the ability to assemble the land for development. Among the 26 parcels found to be vacant, it was determined that 16 different property owners exist. Therefore, there is a 62% diversity of ownership among the vacant land parcels in the project area. This level of diversity makes the development of these parcels of vacant land much more difficult to attain. This eligibility factor is therefore found to be present in the project area and reasonably distributed throughout, thus qualifying the vacant land portion of the project area 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 criterion if the deterioration of structures or site improvements in the neighboring areas adjacent to the vacant land exist and are reasonably distributed throughout the area. Through the on-site evaluation 98 buildings were found to be deteriorated and 80 parcels with some form of site improvements were found to be deteriorated. This deterioration amongst buildings and structures, as well as surface improvements, was found to be adjacent to parcels of real property identified as vacant. Specifically, 15 (58%) of the 26 vacant parcels were found to have neighboring parcels exhibit some form of deterioration, thus qualifying the vacant land portion of the project are under this eligibility criterion.

5. **Environmental Remediation**

As described in the Act, to make a finding under this eligibility factor for the vacant portion of the project area, IEPA or 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 in 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) year for which information is available. Following EAV analysis, it was determined that the undeveloped portion of the project area has had a lower annual EAV growth rates than the balance of the City for two (2) of the last five (5) years, for which there is available data. Therefore, the vacant portion of the project area does not qualify under this eligibility factor.

Year	Flora (\$)¹	Undeveloped Parcels (\$)²	%	Balance (\$)³	%
2018	45,598,910	16,145	3.26	45,582,765	2.80
2017	44,356,776	15,636	5.01	44,341,140	1.59
2016	43,664,092	14,890	1.48	43,649,202	5.73
2015	41,297,404	14,673	0.98	41,282,731	0.89
2014	40,933,274	14,531	2.92	40,918,743	4.53
2013	39,157,953	14,119	N/A	39,143,834	N/A

¹Total Village EAV (Source: Illinois Department of Revenue)

²Total EAV of Undeveloped Parcels in Project Area (Source: Clay County Online Parcel Data)

³Total Village EAV minus the EAV of the Undeveloped Parcels in Project Area

Redevelopment Blighting Area Factors

U.S. 50 Corridor Redevelopment Project Area

City of Flora, Illinois

	Total	Percent
Number of Improved Parcels	120	82%
Number of Unimproved Parcels	26	18%
Total Parcels	146	100%
Number of Buildings 35 Years or Older	*	*
Number of Buildings	148	100%
Improved Parcels Sub-Area Count (Non-Vacant)	5	
“BLIGHTED AREA” IMPROVED LAND FACTORS (5 or more)		
Number of Dilapidated Buildings/Structures	4	3%
Number of Obsolete Buildings/Structures	7	5%
Number of Deteriorated Buildings/Structures	98	66%
Number of Parcels with Site Improvements that are Deteriorated	82	68%
Deteriorated Streets and/or Sidewalks by Sub-Area	5	100%
Total Deterioration		78%
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	5	100%
Number of Parcels with Excessive Land Coverage or Overcrowding of Structures	68	57%
Deleterious Land Use or Layout by Sub-Area	4	80%
Deleterious Land Use by Improved Parcel	64	53%
Lack of Community Planning by Improved Parcel	62	52%
Environmental Remediation by Sub-Area	0	0%
Declining or Sub-Par EAV Growth	NO	
“BLIGHTED AREA” VACANT LAND FACTORS (2 or more)		
Obsolete Platting	10	38%
Diversity of Ownership (Number of Different Owners)	16	62%
Tax Delinquencies	*	
Deterioration of Adjacent Structures or Sites	15	58%
Environmental Remediation	*	
Declining or Sub-Par EAV Growth	NO	

* Not Determined

Project Area Summary of Findings

The U.S 50 Corridor Redevelopment Project Area being proposed for TIF encompasses 146 parcels of real property, streets and rights-of-way within the City of Flora. Of the 146 parcels of real property, 20 included buildings, structures or other site improvements and 26 were found to be unimproved in nature. Generally, this area includes the property adjacent to U.S. Highway 50 in the northern portion of the City and then traveling south to include additional parcels of real property where further redevelopment is necessary. The boundary of the U.S. 50 Corridor Redevelopment Project Area was shown on **Exhibit A**.

In determining the eligibility of the U.S. 50 Corridor Redevelopment Project Area, the Act does not require that each and every property parcel, building, or site improvement be individually qualified, but as whole the project area must be determined 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 U.S. 50 Corridor Redevelopment Project Area following the on-site evaluation and subsequent analysis:

1. **Blighted Area Eligibility**

The area on the whole meets the statutory requirements as a blighted area. Furthermore, the factors that are necessary to make these findings exist to a meaningful extent and are generally distributed throughout the U.S. 50 Corridor 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 interest of the City and other local taxing districts, making TIF implementation a worthwhile activity to reduce or 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 the Redevelopment Plan, the adoption of the Redevelopment Plan, Redevelopment Project Area, and TIF should be considered by the City Council of Commissioners.

2. **Redevelopment Area Statutory Size**

The U.S. 50 Corridor Redevelopment Project Area exceeds the statutory minimum size of 1-1/2 acres.

3. **Contiguous Redevelopment Area**

The U.S. 50 Corridor 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 U.S. 50 Corridor 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.

- While some portions of the proposed redevelopment project area have seen growth and development in recent years, much more private investment is needed to revitalize a majority of the properties within the project area. Several necessary redevelopment projects will not occur without the adoption of a redevelopment plan.

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

The City finds that the U.S. 50 Corridor Redevelopment Project Area, “on the whole” has not currently, nor will reasonably be, developed without the use of tax increment financing.

- Significant private investment in recent years has aided in the redevelopment of the project area, however, these private investments are few and far between throughout the entire project on the whole. Without municipal intervention and the implementation of tax increment financing, future necessary redevelopment will not occur within the project area.

6. **Conformance with City Comprehensive Planning**

The redevelopment plan for the U.S. 50 Corridor 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 U.S. 50 Corridor 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 U.S. 50 Corridor 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 is 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 ultimately 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 U.S. 50 Corridor 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. 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 Sec.11-74.4-3(n)(7) of the Act.

Section IV – Redevelopment Plan

Introduction

This section outlines the Redevelopment Plan of the U.S. 50 Corridor Redevelopment Project Area for the City of Flora. 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 D**. All of the future redevelopment projects are subject to any and all provisions of the City of Flora’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.

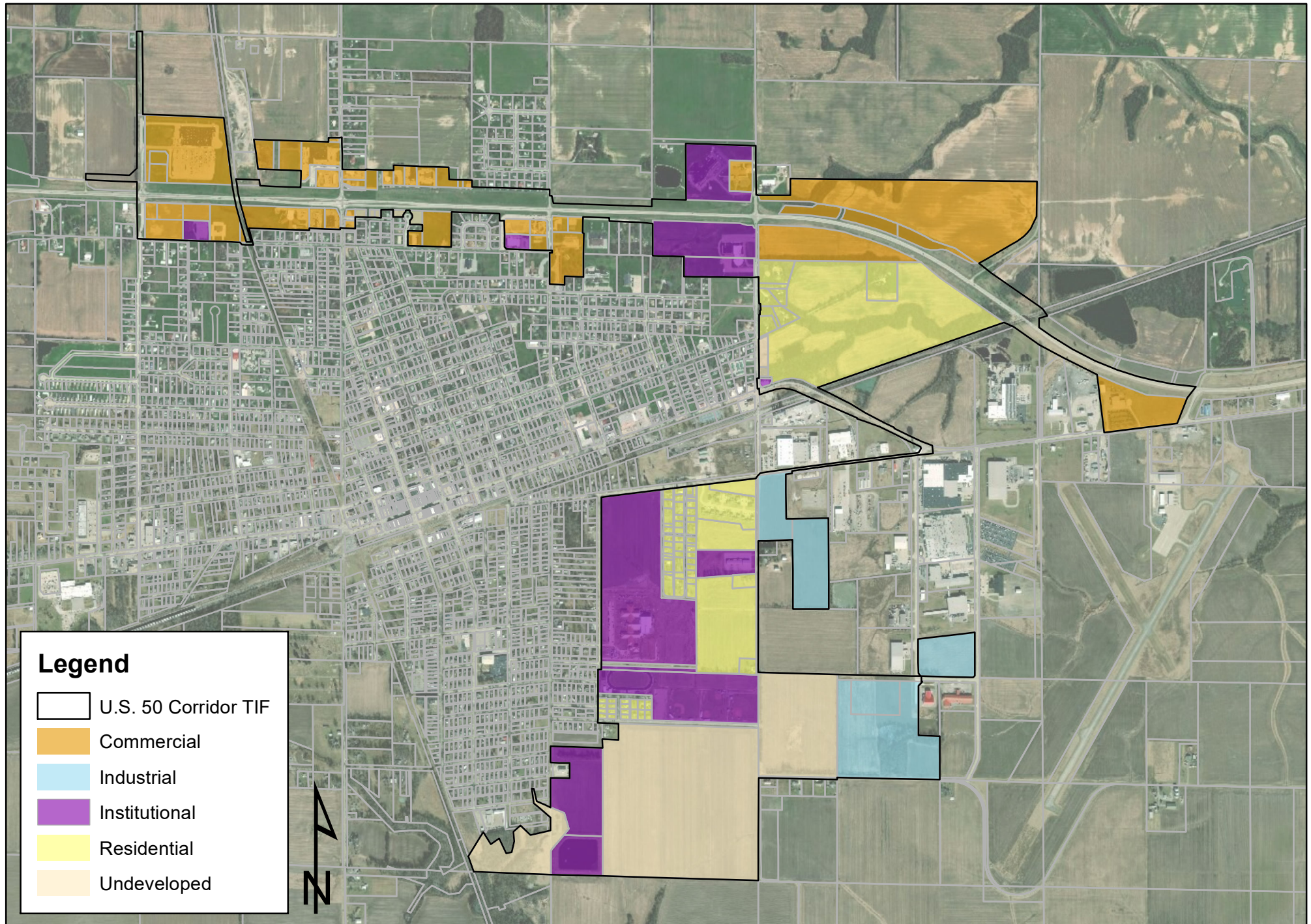
Objectives and Goals

The objectives and/or goals of the U.S. 50 Corridor Redevelopment Area Plan include:

1. The reduction or elimination of those conditions qualifying the Redevelopment Project Area as eligible under Act for TIF;
2. Prevent the reoccurrence of those conditions qualifying the Redevelopment Project Area as eligible under 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

U.S. 50 Corridor Redevelopment Area Future Land Use

EXHIBIT D



Redevelopment Project Area 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 the TIF, and human capital which will potentially be increased through new development within the Redevelopment Project Area; 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,

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 complimentary 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, as well as 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 maximize 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 is an important element 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. Additionally, 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 propose 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 development alongside public investment and infrastructure improvement. The improvements, investments and activities necessary to successfully implement the Redevelopment Plan may include, but are not necessarily limited to, the following:

1. Private Redevelopment Activities

The private activities for the proposed U.S. 50 Corridor 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 U.S. 50 Corridor 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 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, repair, or remodeling of existing public or private buildings;
- Cost of demolition of public or private buildings;
- Marketing properties within the Redevelopment Project Area for the 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 construction, renovation or rehabilitation of a existing building within 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, 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 a new municipal building principally used to provide office, 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 make a reasonable determination in the redevelopment Plan, supported by information that provides the basis for that determination, that ht 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 within 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 relocation 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 to 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 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 the term of the agreement.
13. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a Redevelopment Project provided that:
 - Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - 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;
 - If there are no sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph, then the amount due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and

- The total of such interest payments paid pursuant to this Act may not exceed 3-% 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 directly financial support to a retail entity initiating operation in the proposed Redevelopment Project Area, awhile terminating operations at another Illinois facility 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.

Estimated Redevelopment Project Costs

U.S 50 Corridor Redevelopment Project Area

Description of Costs	Estimated Project Costs
Planning & Professional Services	\$ 600,000
Property Assembly	\$ 1,500,000
Rehabilitation of Existing Buildings	\$ 1,400,000
Public Works Improvements	\$ 5,500,000
Financing Costs	\$ 2,500,000
Total Estimated Project Costs	\$ 11,500,000

(1) Costs shown are in 2020 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 date of the Plan adoption, per *Sec. 11-74.4-5 (c)* of the Act.

Planning & Professional Services

These include, as described in the Act, costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional services costs for architectural, engineering, legal, financial, planning or other services, including the marketing of sites within the redevelopment area, all subject to certain limitations as specifically discussed in *Sec. 11-74.4-3 (q)(1)* of the Act.

Property Assembly

These costs, as described in the Act, include but are not limited to the acquisition of land and other property, demolition of buildings, site preparation, the clearing or grading of land, and 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, as discussed in *Sec. 11-74.4-3 (q)(2)* of the Act.

Rehabilitation of Existing Buildings

These estimated costs include, as described in the Act, the costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements, all subject to certain limitations as discussed in *Sec. 11-74.4-3 (q)(3)* of the Act.

Public Works Improvements

Costs including the construction of public works or improvements, including any direct or in-direct costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, all subject to certain limitations as identified in *Sec. 11-74.4-3 (q)(4)* of the Act.

Financing Costs

These costs include but are 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. “Obligations” are defined within the Act under *Sec. 11-74.4-3 (l)* as such, “bonds, loans, debentures, notes, special certificates or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations”. All costs are subject to certain limitations as identified in *Sec. 11-74.4-3 (q)(6)* of the Act.

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.

1. Most Recent Estimated Equalized Assessed Valuation

The most recent total equalized assessed valuation for the Redevelopment Project Area is estimated to be approximately \$9,402,009 based on data derived from Clay County Online GIS parcel tax and assessment system as well as historical data.

2. Estimated Redevelopment Valuation

Contingent upon the adoption of the proposed U.S. 50 Corridor Redevelopment Project Area and Plan 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 projection of an increase in the total equalized assessed valuation of the Redevelopment Project Area, after redevelopment, of approximately \$15,000,000 (in 2020 dollars).

3. Source of Funds

The primary source of funds to pay for the 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 costs within

the entire Redevelopment Project Area and retire any 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 tax increment financing areas within the City. In turn, this tax increment financing project area may also provide funding to abutting tax increment financing areas within the City, if applicable.

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 U.S. 50 Corridor 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 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 tax increment financing assistance will also adhere to these policies under the assurance of the City.

Redevelopment Plan Amendments

The U.S. 50 Corridor Redevelopment Area Plan and Project may be amended in accordance with the provisions of the Act.

Redevelopment Plan and Project Reporting and Meeting Requirements

The City shall adhere to all reporting and meeting requirements in accordance with the provisions of the Act.

Attachment 1: Legal Description

Part of Sections 23, 24, 25 and 36, Township 3 North, Range 6 East and Part of Sections 19, 29, 30 and 31, 3 North, Range 7 East, all of the 3rd P.M., Clay County, IL, more particularly described as follows:

Beginning at the Northwest Corner of The Southeast Quarter of said Section 23 also being the Northwest Corner of Parcel 1023400001; thence Easterly to the Northeast Corner of said Parcel 1023400001; thence Southerly to the Southeast Corner of said parcel, being a point on the North Line of Lot 1 of Worthey Subdivision, City of Flora; Thence Easterly along the North line of Lot 1 of said Worthey Subdivision to the West Right of Way line of the former CSX Railroad; thence Southerly along said West Right of Way line to the North Right of Way Line of W. 12th Street; thence Easterly along the North right of way line of W. 12th Street to the East Right of Way line of the former CSX Railroad; thence Northwesterly along the East Right of Way line of the former CSX Railroad to the Northwest Corner of Parcel 10234000039; thence Easterly to the Northeast Corner of Parcel 10234000039; thence Southerly to the Southeast Corner of Parcel 10234000039, being a point on the North Right of Way line of U.S. Route 50; thence Easterly along the North Right of Way line of U.S. Route 50 to the point of intersection of the East line of Lot 1 of Flora Commerce Plaza extended to the North Right of Way line of U.S. Route 50; thence Northerly to the Northeast Corner of Lot 1 of Flora Commerce Plaza; thence Westerly to the Northwest Corner of Lot 3 of Flora Commerce Plaza; thence Northwesterly to the Northwest Corner of Flora Commerce Plaza; thence Easterly to the Southwest Corner of Parcel 1023405001; thence Northerly to the Northwest corner of Parcel 1023405001; thence Easterly to the Northeast corner of Parcel 1023405001; thence Easterly to the Northwest Corner of Parcel 1024301016, being a point on the East line of Section 23; thence Southerly along said East line to the Southwest Corner of Parcel 1024301019; thence Easterly to the Southeast Corner of Parcel 1024301019; thence Northerly to the Northwest Corner of Parcel 1024301023; thence Easterly to the Northeast Corner of Parcel 1024301025; thence Northerly to the Northwest Corner of Parcel 1024300012; thence Easterly to the Northwest Corner of Parcel 1024301031; thence Southerly to the Southwest Corner of Parcel 1024301031; thence Easterly to the Northeast Corner of Parcel 1024300018; thence Southerly to the Southwest Corner of Parcel 1024305028, being a point on the North Right of Way Line of U.S. Route 50; thence Easterly along the North Right of Way Line of U.S. Route 50 to the West line of the Southeast Quarter of Section 24, being a point on the West Line of Parcel 1024400010; thence Southerly along said West line to the Southwest corner of Parcel 1024400010; thence Easterly to the Northwest Corner of Parcel 1024400011; thence Southeasterly to the Southwest Corner of Parcel 1024400011; thence Easterly along the North Right of Way Line of U.S. Route 50 to the Southeast Corner of Parcel 1024400011; thence Northerly to the Southwest Corner of Parcel 1024400017; thence Easterly to the Southwest Corner of Parcel 1024400015; thence Northerly to the Northwest Corner of Parcel 1024400015; thence Easterly to the Southeast Corner of Parcel 1024400021, being a point on the East line of Section 24; thence Southerly along said East line to the Southwest Corner of Parcel 1119300008; thence Easterly to the Southeast Corner of Parcel 1119300008; thence Northerly to the point of intersection of the West Line of Parcel 1119300008 and the North Line of Parcel 1119300011; thence Easterly to the Northeast Corner of Parcel 1119300011; thence Southerly and Southwesterly along the East Line of Parcel 1119300011 to a point on the North Right of Way Line of U.S. Route 50; thence Southeasterly along the North Right of Way Line of U.S. Route 50 to a point on the South Right of Way Line of CSXT Railroad; thence Southwesterly to the East line Section 30; thence South along said East line to the Southwest Corner of Parcel 1129100011; thence Southeasterly along the North Right of Way Line of U.S. Route 50 to the Southeast Corner of Parcel 1129100011; thence Southwesterly to the Northeast Corner of Parcel 1129100007; thence Southwesterly to the Southeast Corner of Parcel 1129100007; thence

Southwesterly to the Southwest Corner of Parcel 1129100007; thence Northerly to the Northwest Corner of Parcel 1129100007, being a point on the South Right of Way Line of U.S. Route 50; thence Northwesterly to along the South Right of Way Line of U.S. Route 50 to a point on the North Right of Way Line of the CSXT Railroad; thence Southwesterly along the North Right of Way Line of the CSXT Railroad to a point on the North Right of Way Line of North Avenue; thence Southeasterly along the North Right of Way Line of North Avenue, 1680 Feet; thence Southerly to the point on North Line of Parcel 1130400011 located 538 feet West of the Northeast Corner of Parcel 1130400011; thence Southwesterly along the Centerline of Vincennes Avenue to a Northwest Corner of Parcel 1130300007; thence Southerly to the South Right of Way Line of Vincennes Avenue; thence Southwesterly along the South Right of Way Line of Vincennes Avenue to the Northwest Corner of Parcel 1130300008; thence Southerly to the Southwest Corner of Parcel 1130300008; thence Easterly to the Southeast Corner of Parcel 1130300008; thence Southerly to the Southeast Corner of Parcel 1130300006; thence Westerly to the Southwest Corner of Parcel 1130300006; thence Northerly to the Southeast Corner of Parcel 1130300005; thence Westerly to the Northwest Corner of Parcel 1130300002 being a point on the West line of Section 30; thence Southerly along said West line to the Southwest corner of Section 30, also being the Southwest Corner of Parcel 1130300001; thence Easterly along said South line of Section 30 to the Southwest Corner of Parcel 1130400024, being the point of intersection of the East Right of Way Line of Commercial Drive and the North Right of Way Line of Dode Briscoe Drive; thence Northerly along the East Right of Way Line of Commercial Drive to the Northwest Corner of Parcel 1130400024; thence Northeasterly to the Northeast Corner of Parcel 1130400024; thence Southerly to the Southeast Corner of Parcel 1130400024, being a point on the North Right of Way Line of Dode Briscoe Drive; thence Westerly along the North Right of Way Line of Dode Briscoe Drive to the Southwest Corner of Parcel 1130400024; thence Southerly to the Northwest Corner of Parcel 1131200018; thence Southerly to the Southwest Corner of Parcel 1131200018; thence Easterly to the Southeast Corner of Parcel 1131200018; thence Southerly to the Southeast Corner of Parcel 1131200019; thence Westerly to the Southwest Corner of Parcel 1131200019; thence Southerly to the Northeast Corner of Parcel 1131101014, being a point on the South Right of Way Line of Country View Drive; thence Westerly along the South Right of Way Line of Country View Drive to the East line of Section 36, being a point on the East Line of Parcel 1036200011; thence Southerly to the Southeast Corner of the Northeast Quarter of Section 36, also being the Southeast Corner of Parcel 136200011; thence Westerly along said South line to a point on the East Right of Way line of the Former CSX Railroad, said point being the Southwest Corner of Parcel 1036100029; thence Northwesterly along the East Right of Way line of the Former CSX Railroad to the Southwest Corner of Parcel 1036100027, said point being on the North Line of Parcel 1036100029; thence meandering Northeasterly along the North Line of Parcel 1036100029 to the West line of Parcel 1036200012 also being the West line of the Northeast Quarter of Section 36; thence Northerly along said West line point of intersection of the South Line of Parcel 1036200013; thence Easterly to the Southeast Corner of Parcel 1036200013; thence Northerly to the Northeast Corner of Parcel 1036200013; thence Westerly to the intersection of the North Line of Parcel 1036200013 and the West line of the Northeast Quarter of Section 36; thence Northerly along said West line to the Northwest Corner of Parcel 1036200012; thence Easterly to the Northeast Corner of Parcel 1036200012; thence Northerly to the Southwest Corner of Parcel 1036200009; thence Easterly to the Southeast Corner of Parcel 1036200009; thence Northerly to the Northeast Corner of Parcel 1036200009; thence Westerly to the Northeast Corner of Parcel 1036208009; thence Northerly to Southwest Corner of Parcel 1036205007; thence Northerly to a point on the North line of Section 36, also being the Northwest Corner of Parcel 1036200005; thence Easterly along said North line to the Southwest Corner of Parcel 1025400014; thence Northerly to the Northwest Corner of Parcel 1025400023, being a point on the South Right of Way Line of Vincennes Avenue; thence Northeasterly along the South Right of Way Line of Vincennes Avenue to the Northeast Corner of Parcel 1025400025; thence Northeasterly to the Southwest Corner of Parcel 1130100013,

being a point on the North Right of Way Line of Vincennes Avenue; thence Northeasterly along the North Right of Way Line of Vincennes Avenue to the Southeast Corner of Parcel 1130200012, being a point on the West Right of Way Line of North Avenue; thence Northwesterly along the West and South Right of Way Line of North Avenue to the Northwest Corner of Parcel 1130100007; thence Northerly to the Southwest Corner of Parcel 1130106005; thence Northerly to the Northwest Corner of Parcel 1130106005; thence Easterly to the Northeast Corner of Parcel 1130106005; thence Northerly along the East Right of Way Line of N. Stanford Road to the intersection of East Right of Way Line of N. Stanford Road and the North Line of Parcel 1025200050 Extended; thence Westerly to the Northeast Corner of Parcel 1025200050; thence Westerly to the Northwest Corner of Parcel 1025219001; thence Northerly to the North line of Section 25, also being the Northeast Corner of Parcel 1025200048; thence Westerly to the Southeast Corner of Parcel 1024408004; thence Northerly to the Northeast Corner of Parcel 1024408004, being the South Right of Way Line of U.S. Route 50; thence Westerly along the South Right of Way Line of U.S. Route 50 to the Northwest Corner of Parcel 1024408001; thence Northerly along the South Right of Way Line of U.S. Route 50 to the Northeast Corner of Parcel 1024400007; thence Westerly along the South Right of Way Line of U.S. Route 50 to the Northwest Corner of Parcel 1024400007; thence Southerly to the Southeast Corner of Parcel 1024400006; thence Easterly to the Northeast corner of Parcel 1025200043; thence Southerly to the Northeast Corner of Parcel 1025200004; thence Westerly to the Northwest Corner of Parcel 1025200003; thence Southerly to the Northeast Corner of Parcel 1025200002; thence Westerly to the Northwest Corner of Parcel 1025200001; thence Northerly to the Northeast Corner of Parcel 1025100007, being a point on the South line of Section 24; thence Easterly to the West Right of Way line of Olive Street; Thence North to the intersection of the East Right of Way line of Olive Street and The North Right of Way Line of 12th Street; thence Westerly to the Southwest Corner of Parcel 1024309020; thence Northerly to the Northwest Corner of Parcel 1024309010; thence Westerly to a point on the East Line of Parcel 1024309005; thence Northerly to the Northeast Corner of Parcel 1024309005, being a point on the South Right of Way Line of U.S. Route 50; thence Westerly along the South Right of Way Line of U.S. Route 50 to the Northwest Corner of Parcel 1024309001; thence Southerly to the Southwest Corner of Parcel 1024309016, being a point on the North Right of Way Line of 12th Street; thence Westerly along the North Right of Way Line of 12th Street to the Southwest Corner of Parcel 1024307012; thence Northerly to the Northwest Corner of Parcel 1024307012; thence Easterly to the Northeast Corner of Parcel 1024307012; thence Northerly to the Northeast Corner of Parcel 1024307007; thence Westerly to the Northwest Corner of Parcel 1024307007; thence Northerly to the Northwest Corner of Parcel 1024307013; thence Westerly to the Northeast Corner of Parcel 1024307010; thence Southwesterly to the Southeast Corner of Parcel 1024307010; thence Westerly to the Southwest corner of Parcel 1024307010; thence Northerly to the Northwest Corner of Parcel 1024307010; thence Westerly to the Northwest Corner of Parcel 1024306006; thence Southerly to the Southwest Corner of Parcel 1024306006; thence Westerly to the Southwest Corner of Parcel 1024306003; thence Southerly to the Southeast Corner of Parcel 1024306007; thence Westerly to a point on the East Line of Parcel 1023400022; thence Southerly to the Southeast Corner of Parcel 1023400022; thence Westerly to the Southwest Corner of Parcel 1023400025; thence Southerly to the Southeast Corner of Parcel 1023400014; thence Westerly to the intersection of the South Line of Parcel 1023400014 and the West Line of Parcel 1023417001 Extended; thence Southeasterly to the Northwest Corner of Parcel 102621002; thence Westerly to the Northwest Corner of Parcel 1026207001; thence Northwesterly to the Northeast Corner of Parcel 1026206003, being a point on the South line of Section 23; thence Westerly along said South line to the Southwest Corner of Parcel 1023400032; thence Northerly to the Northeast Corner of Parcel 1023300026; thence Westerly to the Southeast Corner of Parcel 1023300008; thence Northerly to the to the Southwest Corner of Parcel 1023300009; thence Easterly to the Southeast Corner of Parcel 1023300009; thence Northerly to the Northwest Corner of Parcel 1023400001, being the Point of Beginning, containing 759 Acres more or less.

Attachment 2: Parcel Identification

10-23-400-006	10-25-200-008	10-25-408-024	10-36-207-003
10-23-400-001	11-19-300-011	10-25-408-009	10-36-200-011
10-23-430-001	11-19-300-005	10-25-408-033	10-36-200-012
10-23-430-002	11-19-400-003	10-25-408-023	10-36-200-003
10-23-430-003	11-19-300-010	10-25-408-034	10-36-100-029
10-23-400-008	11-29-100-007	10-25-408-022	
10-23-400-032	11-30-100-001	10-25-408-054	
10-23-400-039	11-30-100-002	10-25-408-035	
10-23-440-010	11-30-100-015	10-25-408-064	
10-23-400-034	11-30-100-018	10-25-408-055	
10-23-400-041	11-30-100-022	10-25-408-036	
10-23-405-001	11-30-100-005	10-25-408-063	
10-24-301-020	11-30-100-021	10-25-408-011	
10-24-301-021	11-30-200-016	10-25-408-065	
10-24-301-023	11-30-200-019	10-25-408-059	
10-24-301-025	11-30-106-006	10-25-408-012	
10-24-300-012	11-30-106-007	10-25-408-062	
10-24-300-015	11-30-106-004	10-25-408-061	
10-24-300-020	11-30-106-005	10-25-408-056	
10-24-300-023	11-30-300-005	10-25-408-057	
10-24-300-024	11-30-300-006	10-25-408-041	
10-24-300-018	11-30-400-024	10-25-408-043	
10-24-400-015	11-31-100-001	10-25-408-015	
10-24-400-013	11-31-200-019	10-25-408-016	
10-23-400-052	11-31-200-020	10-25-408-042	
10-23-400-053	10-25-400-025	10-25-408-018	
10-23-400-048	10-25-400-018	10-25-408-017	
10-23-400-026	10-25-400-024	10-25-400-014	
10-23-400-043	10-25-400-026	10-25-400-029	
10-23-400-014	10-25-400-027	10-36-200-005	
10-23-400-025	10-25-400-023	10-36-205-001	
10-23-400-022	10-25-408-051	10-36-205-002	
10-24-306-002	10-25-408-050	10-36-205-003	
10-24-306-003	10-25-408-048	10-36-205-004	
10-24-306-004	10-25-408-045	10-36-205-005	
10-24-306-005	10-25-408-046	10-36-205-006	
10-24-306-007	10-25-408-004	10-36-205-007	
10-24-307-010	10-25-408-005	10-36-205-008	
10-24-307-013	10-25-408-044	10-36-206-001	
10-24-307-012	10-25-408-052	10-36-206-002	
10-24-300-008	10-25-408-053	10-36-206-003	
10-24-309-010	10-25-408-006	10-36-206-004	
10-24-309-011	10-25-408-007	10-36-207-006	
10-24-400-004	10-25-408-058	10-36-207-005	
10-25-200-043	10-25-408-025	10-36-207-004	
10-24-400-006	10-25-408-008	10-36-207-001	
10-24-400-009	10-25-408-032	10-36-207-002	