

# **NORTH TIF #5**

Redevelopment Project Area  
Tax Increment Financing (TIF)

## **REDEVELOPMENT PLAN**

City of Fairview Heights, Illinois

November 25, 2014

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Economic Development Resources  
St. Louis, Missouri

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## SECTION I

### INTRODUCTION

The proposed North TIF #5 Redevelopment Project Area (the “Area”) contains 16 parcels within the City of Fairview Heights (the “City”), including 15 improved parcels and one vacant parcel. The location of this approximately 128 acre Area is illustrated on **Exhibit A - Boundary Map**. It is generally bounded on the north by north property line of parcel 03-21.0-400-001, on the west by Ruby Ln., on the south by Ludwig Dr., and on the east by Illinois Route 159 (N. Illinois St.). **Exhibit B - Existing Land Use** identifies the improved and vacant parcels within the Area. The legal description for this Area can be seen in **Appendix 1**.

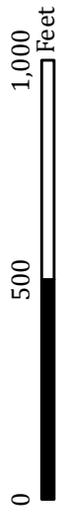
The City of Fairview Heights proposes to use tax increment financing to induce and complement the investment of private capital in the Area. The prospects for private and public investment in the Area are poor without the adoption of this proposed Redevelopment Plan.

The purpose of this Redevelopment Plan is to provide a document which can be used to catalogue the eligibility for tax increment financing of the portion of the City selected to be included in the Area, to provide a plan of actions and activities to address the conditions found in this portion of the City, and to assist in the development and redevelopment of the Area in conformance with the City’s Comprehensive Plan. This Redevelopment Plan also identifies those activities, sources of funds, procedures and various other necessary requirements in order to implement tax increment financing.

The redevelopment projects in the Area that are anticipated include both public and private activities: Private projects may include, but are not limited to: land acquisition and property assembly; preparation of sites for (re)development, including demolition, clearance, grading and remediation of culturally significant and environmentally-sensitive sites; the development of a new big box retail campus; the rehabilitation of existing buildings; the installation and/or upgrading of existing private utility improvements; and activities which support these projects. Public projects that are anticipated for the Area are expected to include, but are not limited to: construction and upgrading of public infrastructure and other public utilities; construction of a new fire station; and, the marketing of specific sites within the Area to prospective businesses, developers and investors.

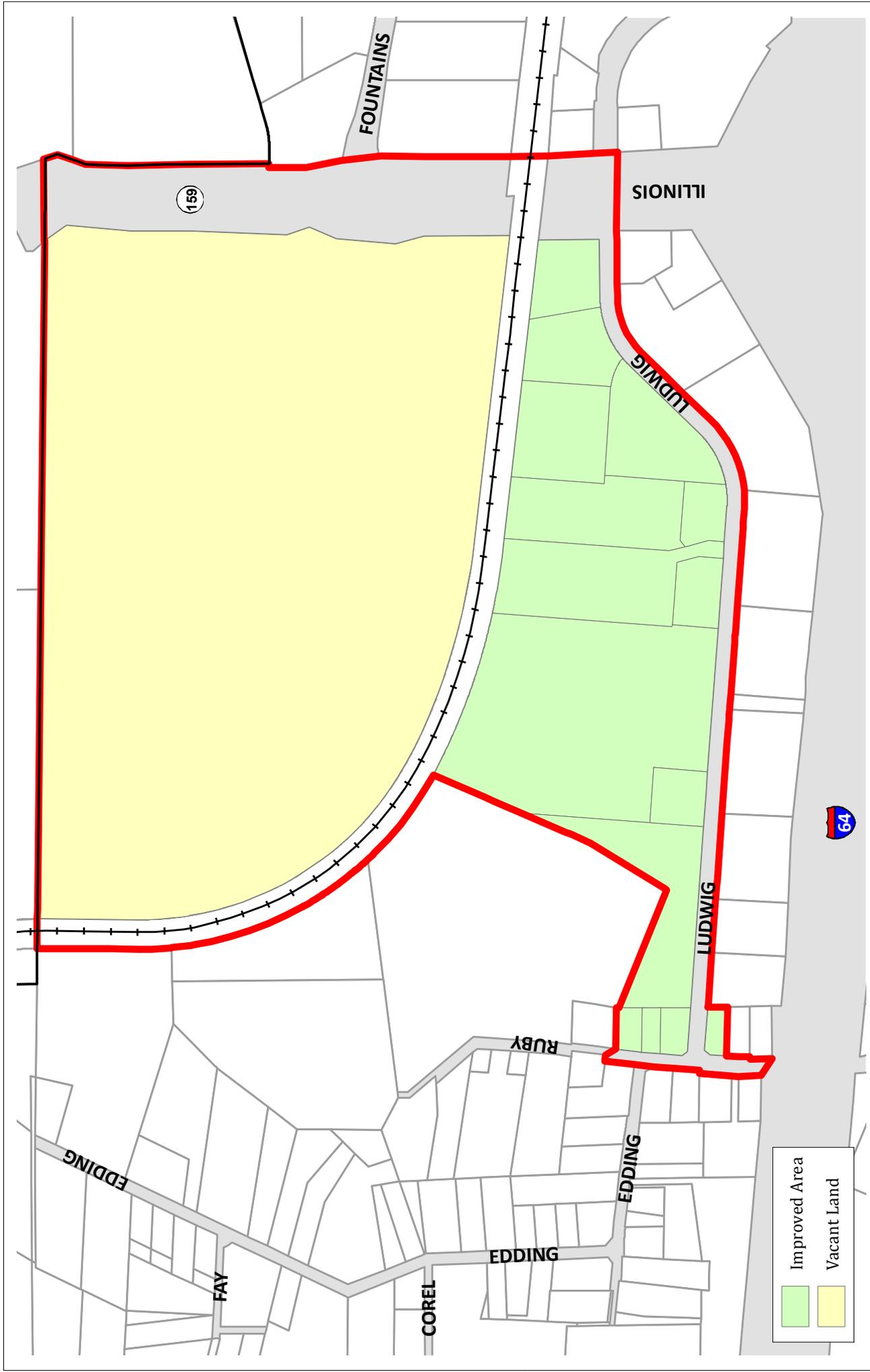


# EXHIBIT A Boundary Map

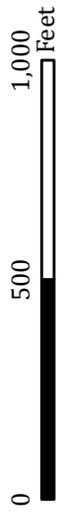


-  Municipal Boundary
-  Area Boundary

Fairview Heights North TIF # 5  
 Tax Increment Financing Redevelopment Plan  
 City of Fairview Heights, Illinois



# EXHIBIT B Existing Land Use



 Municipal Boundary  
 Area Boundary

 Improved Area  
 Vacant Land

Fairview Heights North TIF # 5  
 Tax Increment Financing Redevelopment Plan  
 City of Fairview Heights, Illinois

## SECTION II

### STATUTORY BASIS FOR TAX INCREMENT FINANCING

Tax increment financing was created by the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found at 65 ILCS 5.11-74.4-1 et seq.

Tax increment financing is a technique intended to be used by municipalities to address and eradicate problems which cause areas to qualify, as "blighted", "conservation", or "industrial park conservation" areas, and to carry out redevelopment projects which serve this end.

The concept behind the tax increment financing law is relatively straightforward and allows a municipality to perform redevelopment activities on a locally controlled basis. Redevelopment which occurs in a designated redevelopment project area will increase the equalized assessed valuation of the property and, thus, generate increased property tax revenues. This increase or "increment" can be used to finance "redevelopment project costs" such as land acquisition, site clearance, building rehabilitation, interest subsidy and the construction of public infrastructure.

The Illinois General Assembly made various findings in adopting the Act. Among them were:

- That there exists in many municipalities within the State blighted, conservation, and industrial park conservation areas; and
- That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest and welfare.

These findings were made on the assumption that in developed areas, the presence of blight and/or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public, and in vacant areas, impair the sound growth of the taxing districts.

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a redevelopment project area qualifies as eligible for tax increment financing. Qualifying portions of the municipality qualify as a "blighted area", "conservation area" or an "industrial park conservation area". The Act provides an enumeration of the factors which qualify property as eligible for the "blight", "conservation", or "industrial park conservation" designation, as well as detailed descriptions of these factors.

## SECTION III

### NORTH TIF #5 REDEVELOPMENT PROJECT AREA

#### A. Boundary Delineation

There are a number of factors that were taken into consideration in determining the boundary of the Area. Established planning guidelines and standards, as described herein, have been followed in the delineation of the Area's boundary, as well as in the preparation of the North TIF #5 Tax Increment Financing Redevelopment Plan ("Plan").

Field investigators employed by Economic Development Resources L.L.C. (EDR) conducted research of the Area and environs in order to ascertain the existence and prevalence of blighting factors in the Area. EDR was assisted by information obtained from St. Clair County and the City of Fairview Heights. Based upon these investigations, the eligibility requirements for tax increment financing, the determination of redevelopment needs within the City and the location of the various blighting factors found, the boundary of the Area was determined.

The boundary is delineated on **Exhibit A – Boundary Map**. This boundary encloses a portion of the City which meets the requirements for eligibility as a "Redevelopment project area" as found in the Act.

#### B. Program Requirements / Findings

The following findings are made with respect to establishing the Area.

1. The Area as a whole meets the statutory requirements as a "Blighted area".
2. The Area exceeds the statutory minimum size of 1.5 acres.
3. The Area is contiguous and is contained within a single perimeter boundary.
4. All properties included in the Area will substantially benefit from being included in the Area.
5. The Area, in its entirety, is located within the City of Fairview Heights, Illinois.
6. The Plan conforms to the Comprehensive Plan for the development of the municipality as a whole.
7. The Area, on the whole, has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed or redeveloped without the adoption of the Plan.

## SECTION IV

### BASIS FOR FINDING AS A BLIGHTED AREA

#### A. Introduction

A Redevelopment Project Area, according to the Tax Increment Allocation Redevelopment Act (the “Act”; 65 ILCS 5/11-74.4-1 et. seq.), is that area designated by a municipality (City, Village, or incorporated town) in which the finding is made that there exist conditions which cause the area to be classified as a “Blighted area”, “Conservation area”, combination of “Blighted” and “Conservation” areas, or an “Industrial park conservation area”. The proposed North TIF #5 Redevelopment Project Area (the “Area”) contains 16 parcels within the City of Fairview Heights (the “City”), including 15 improved parcels and one vacant parcel. The location of this approximately 128 acre Area is illustrated on **Exhibit A - Boundary Map**. It is generally bounded on the north by north property line of parcel 03-21.0-400-001, on the west by Ruby Ln., on the south by Ludwig Dr., and on the east by Illinois Route 159 (N. Illinois St.). **Exhibit B - Existing Land Use** identifies the improved and vacant parcels within the Area.

This portion of the City has been found to meet the eligibility requirements as a “Blighted area.” Thus, the entire boundary encloses a section of the City which meets the requirements for eligibility as a Redevelopment Project Area, as found in the Act.

The criteria and the individual factors that were utilized in conducting the evaluation of the conditions in the Area are outlined below.

#### B. Statutory Qualifications

##### 1. Eligibility of a Blighted Area

“Blighted area” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of five or more of the following factors: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land-use or layout; the area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for the cleanup of hazardous materials, or a study conducted has determined the need for such an “environmental cleanup”; lack of community planning, the total equalized assessed value of the proposed redevelopment project area has declined 3 of the last 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

past 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 5 calendar years prior to the year in which the redevelopment project area is designated. If vacant, a blighted area is one in which the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: 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; diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development; tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; 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 remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area; the total equalized assessed value of the proposed redevelopment project area has declined 3 of the last 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 past 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 5 calendar years prior to the year in which the redevelopment project area is designated, or (2) the area consists of one or more unused quarries, mines, or strip mine ponds, or (3) the area consists of unused rail yards, rail tracks or railroad rights-of-way, or (4) the area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency, or (5) the area consists of an unused disposal site, containing earth, stone, building debris or similar material which were removed from construction, demolition, excavation or dredge sites, or (6) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and 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, or (7) the area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

## **2. Eligibility of a Conservation Area**

A conservation area means any improved area within the boundaries of a 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 three (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: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land-use or layout; lack of community planning; 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 remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area; lack of community planning; the total equalized assessed value of the proposed redevelopment project area has declined 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the past five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years for which information is available.

## **3. Eligibility of an Industrial Park Conservation Area**

“Industrial park conservation area” means an area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a “Labor surplus municipality” (as defined in the Act) or within 1½ miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

### **C. Investigation and Analysis of Blighting Factors**

In determining whether or not the proposed Redevelopment Project Area meets the eligibility requirements of the Act, various methods of research and field surveys were utilized. These included:

1. Contacts with individuals knowledgeable as to conditions and history of, and within, this portion of the City; age of buildings and site improvements; development patterns; real estate matters and related items. Existing information related to public utilities in this portion of the City was also reviewed, as was information regarding the City on file with St. Clair County;
2. Research of the condition of buildings, streets, utilities, etc. within the Area;
3. On-site field examination of the conditions within the Area by the staff of Economic Development Resources L.L.C. These personnel are trained in the determination of eligibility for tax increment financing;
4. Use of the definitions of the factors enumerated in Sections B. 1, 2, and 3, (above) found in 65 ILCS/5-11-74.4-3 et seq.;
5. Review of the findings and determinations established by the Illinois General Assembly in establishing tax increment financing. These include:
  - ii. There exists in many Illinois municipalities, areas that are blighted or conservation areas, within the meaning of the TIF statute;
  - iii. The eradication of blighted areas and the treatment of conservation areas by redevelopment projects are essential to the public interest;
  - iv. In order to promote and protect the health, safety, morals and welfare of the public, blighted conditions need to be eradicated and conservation measures instituted; and,
  - v. To remove and alleviate adverse conditions, it is necessary to encourage private investment by the creation of redevelopment project areas.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. The municipality must prepare a preliminary report which will assist the municipality in determining whether or not tax increment financing is appropriate for effective redevelopment of a proposed redevelopment project area. To this end, the City has prepared an analysis of the eligibility of the Area for tax increment financing.

#### **D. Analysis of Conditions in the Area**

In making the determination of eligibility of the Area for tax increment financing, it is not required that each and every property or building in such an area be blighted or otherwise qualify. In this determination of eligibility, it is the area as a whole that must be determined to be eligible.

For an improved blighted area, five or more statutory “factors” must be 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 reasonably distributed throughout the improved part of the area. For a vacant blighted area, the factors must be 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 reasonably distributed throughout the vacant part of the area to which it pertains. For a conservation area, the area must be improved and 50% or more of the structures in the Area must be at least 35 years of age and three such factors must be present. The findings, outlined below, demonstrate that the Area is “blighted” as defined in the Act.

The findings, outlined below, demonstrate that the Area is a “Blighted area” as defined in the Act.

#### **E. Review of Qualifications of the Improved Part of the Area**

The Area is located on the north side of Fairview Heights, Illinois, on Ludwig Dr. west of Illinois Route 159. The improved part of the Area (the “Improved Area”) consists of 15 parcels on approximately 33 acres. There are 10 individual buildings and one additional ancillary structure located in the Improved Area.

##### **1. As a “Blighted Area”**

An improved area may be found to be a “Blighted area” because a combination of five or more of the following factors, (i) each of which 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) reasonably distributed throughout the improved part of such area. Such factors include:

- **Dilapidation:**

**Dilapidation refers to 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;**

This factor was not found.

- **Obsolescence:**

**Obsolescence is the condition or process of falling into disuse. Structures have become ill-suited for their original use;**

Obsolescence is evident at two buildings in the Improved Area, including:

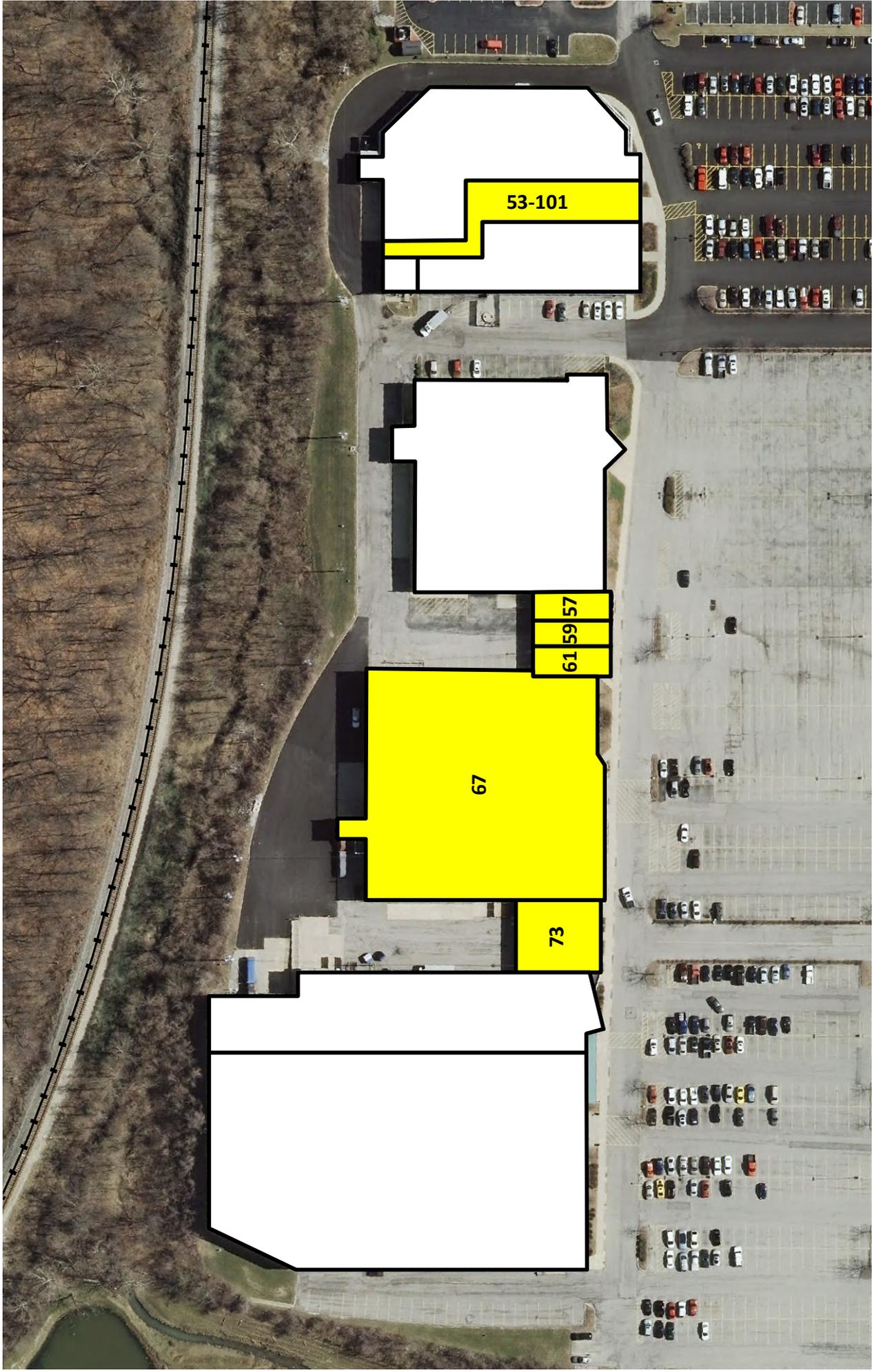
- 67 Ludwig Dr. (40,588 sq. ft. of the Gordman's/Guitar Center retail strip center) has been vacant since Sports Authority relocated in 2013 across I-64 to new space on Illinois Route 159; the existing space has now fallen into disuse and has become ill-suited for its original use; and,
- four other in-line retail units in the Gordman's/Guitar Center building (#57, 59, 61 and 73, 8,230 sq. ft.) and one space in the Planet Fitness/Ginger Buffet building (#53-101, 6,055 sq. ft.) have each become vacant over the past few years, evidence that these buildings have fallen into disuse and have become ill-suited for their original use (see **Exhibit C – Vacancies**).

- **Deterioration:**

**Deterioration refers, with respect to buildings, to 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, deterioration refers to the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas that evidence such problems as surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces;**

The field survey of building and site conditions found that seven of the 10 buildings (70%) in the Improved Area had major defects in their secondary, and in some instances, their primary, building components. The field survey found instances of rotted, cracked, missing, broken, leaking and rusted gutters, downspouts, fascia, soffits, walls, windows and door frames. Examples of this condition include, but are not limited to:

- the downspouts on the rear of the building at 51 Ludwig Dr. are rusted, dented and disconnected from any runoff system, draining storm water directly onto the building foundation, eroding the pavement below; the wood fascia, trim and building framing is rotted and peeling throughout; wooden siding panels are rotted and peeling off the building, revealing the wood boards underneath; siding panels have come apart from the building framing; wood framing around the garage doors on the rear of the building is rotted, dented and falling apart; wood framing around the rear garage access door is rotted, dented and falling



Fairview Heights North TIF # 5  
 Tax Increment Financing Redevelopment Plan  
 City of Fairview Heights, Illinois

**EDIR**  
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# EXHIBIT C Vacancies



<b>73</b>	4,030 Sq Ft	<b>59</b>	1,047 Sq Ft
<b>67</b>	40,588 Sq Ft	<b>57</b>	1,680 Sq Ft
<b>61</b>	1,473 Sq Ft	<b>53-101</b>	6,055 Sq Ft

apart; there is denting from truck damage on both sides of the garage door frame; metal garage doors are rusted and dented; wood columns surrounding the building are rotted and cracked; there is exposed wiring for the outdoor lighting and sound system; and the restaurant sign is visibly cracked and peeling;

- there is no gutter or downspout on the awning above the east access stairs of the multi-tenant commercial building at 49, 53-101 and 53-102 Ludwig Dr.; part of the awning framing has broken off and is hanging from the awning; there is water damage on the awnings at the northeast corner of the building; a downspout in the rear of the building is missing a runoff system, causing storm water to drain directly onto the building foundation, damaging the building and eroding the pavement below; there is bird feces on the exterior window of the building; posts at the southeast corner of the building are rusted and water damaged; the metal access stairs on the east side of the building are rusted throughout; the padding below the loading access garage door on the north side of the building is rotted and dented; the exterior building elements below the padding are molded and water damaged; two loading doors on the north side of the building are rotted; the metal bar below the loading doors is rotted, rusted and dented; the garage doors have been visibly patched; the wall below the loading bay has holes, cracks and is missing elements, exposing the rusted metal rebar below; and the access door on the north side of the building has been patched and replaced and is discolored; and,
- there are holes in the exterior of the in-line retail strip center at 57-81 Ludwig Dr.; light standards and access panels on the ceiling of the awning in front of the existing vacant spaces are rusted; interior walls of vacant spaces are visibly peeling and rotting; exterior building accents are rusted, dented and peeling; there is rusting and water damage at the front of 81 Ludwig Dr.; awnings behind the building are loose and hanging from the building; metal stairs behind the building are rusted and rotted; the brick exterior of the building is visibly cracking and settling; the metal framing around the access window on a rear door of the building is rotted, dented and damaged; there is exposed wiring behind a loading bay door; main loading bay doors behind the building are rusted, dented and water damaged; the concrete elements surrounding the loading bay doors are cracked and damaged from service trucks; the rear building foundation line is cracked and overgrown with weeds; there is evident water damage around downspouts on the building exterior; garage doors on the east side of the building are dented, decaying and water damaged; and brick walls on the east side of the building are cracking and settling.

Deterioration of site improvements is evident throughout the Improved Area as shown in the surface cracking, crumbling, base failure, depressions and potholes in the concrete and/or gravel of the parking lots, driveways and storage areas. Railroad tie retaining walls surrounding commercial uses are rotted, leaning and missing in places.

Further, light standards located in parking areas in the Improved Area are visibly rusted and dented and privacy fences are rusted, dented and leaning.

- **Presence of Structures Below Minimum Code:**

**The presence of structures below minimum code standards includes all structures which 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;**

This factor was not found.

- **Illegal Use of Individual Structures:**

**This refers to 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;**

There were 49 counts of possession of cannabis, controlled substances or alcohol reported in the Improved Area since 2005.

- **Excessive Vacancies:**

**Excessive vacancies refer to 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;**

There are five vacant units in the in-line Fairview Heights Plaza retail shopping center, north of Ludwig Dr., including the former Sports Authority (#67 Ludwig Dr., closed in 2013) and four smaller retail spaces (#53-101, 57, 59, 61 and 73 Ludwig Dr., all closed over the past 10 years). These five vacancies consist of 54,873 square feet (approximately 28% of the 198,000 total square feet of building). These vacant spaces create buildings that are unoccupied and under-utilized, and thus represent an adverse influence on the area. See **Exhibit C – Vacancies**.

- **Lack of Ventilation, Light, or Sanitary Facilities:**

**This refers to 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 or inadequacy 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;**

Field research identified inadequate sanitary facilities at eight of the 10 buildings (80%) in the Improved Area. Examples include, but are not limited to:

- seven instances of unenclosed garbage dumpsters, and/or lack of proper garbage enclosures throughout the Improved Area; and,
  - inadequate garbage storage shown in the unenclosed and easily accessed open storage of miscellaneous debris throughout the Improved Area, including wood pallets, bike racks, wood beams and panels, and roofing tiles.
- **Inadequate Utilities:**

**This refers to 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, (iii) lacking within the redevelopment area;**

Infrastructure information provided by City officials identified inadequate utilities throughout the Improved Area, including, but not limited to, the following examples:

- 6" Polyvinyl Chloride (PVC) water mains service the Super 8 hotel (45 Ludwig Dr.), the Houlihan's restaurant (15 Ludwig Dr.), the Planet Fitness/Ginger Buffet building (49-53 Ludwig Dr.) and the Olive Garden restaurant (25 Ludwig Dr.); contemporary standards require at least an 8" PVC pipe for all new development, evidence that these existing water mains are antiquated and obsolete;
- 6" ductile iron water mains are present on Ruby Ln., the westernmost portion of the Improved Area; similarly, new development mandates at least 8" PVC pipe, proving that the size and material of this system are antiquated and obsolete; further, the water main that extends from Ludwig Dr. south across Interstate 64 is also made of ductile iron and is therefore antiquated and obsolete;
- pools of standing water and filled storm water drainage ditches were found throughout the Improved Area, demonstrating inadequate storm drainage, Areas of such inadequate storm water drainage include parking lots and landscaped areas at 45 Ludwig Dr., 25 Ludwig Dr., 55 Ludwig Dr., 81 Ludwig Dr., 79 Ludwig Dr., and 67 Ludwig Dr.; and,
- Ruby Ln. does not have any storm water drainage system north of Ludwig Dr.; field work showed all storm water draining off the road into abutting properties, demonstrating a lack of storm drainage within additional portions of the Improved Area.

- **Excessive Land Coverage and Overcrowding of Structures and Community Facilities:**

**Excessive land coverage refers to 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 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 the 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;**

There are two attached primary buildings split by a parcel line (the Sears Outlet store and the Gordman's/Guitar Center building). The close proximity of these multiple primary buildings increases the threat of spread of fire.

Further, the HSHS Medical Group building (5 Ludwig Dr.) is positioned approximately 12 feet from the east property line (and the Illinois Route 159 right-of-way), and is therefore improperly situated on its parcel. The Joe's Crab Shack building (51 Ludwig Dr.) is positioned approximately 14 feet from the north property line, and the Planet Fitness/Ginger Buffet building (49-53 Ludwig Dr.) is positioned approximately 10 feet from the east property line. In each instance, City zoning regulations require a 20 foot rear yard setback and 25 foot side yard setback; this close proximity of buildings and lack of proper access to a public right-of-way increases the threat of spread of fire.

- **Deleterious Land Use or Layout:**

**This factor includes 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;**

Current uses within the Improved Area (i.e. commercial retail and service, and their attendant instances of unenclosed storage of miscellaneous debris) are unsuitable for the residences in the immediate surrounding area. Further, the close proximity of buildings increases the threat of spread of fire and creates a noxious environment for the surrounding area.

Further, field work efforts showed that semi-trailer trucks were parked idling in the active driving lane of the access road off Ludwig Dr. in front of the Super 8 hotel (45 Ludwig Dr.) throughout the day (and into the night). When parked, these trucks take up the eastbound driving lane of this access road, forcing all patrons and employees to use

the westbound lane for two-way traffic. This truck traffic (and that of regular delivery and service trucks) creates constant noises and fumes, and is noxious and offensive for business patrons and hotel guests. Further, such a situation forces all passenger traffic to use one lane for two-way traffic creates a noxious environment for the surrounding area.

- **Environmental Clean-Up:**

**This factor exists if 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;**

This factor was not found.

- **Lack of Community Planning:**

**A lack of community planning implies that 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;**

There are no sidewalks on the north side of Ludwig Dr., from the main Fairview Heights Plaza driveway in front of Gordman's (81 Ludwig Dr.) to the west boundary of the Improved Area at Ruby Ln. (980 feet). There is also no sidewalk on the south side of Ludwig Dr. from Illinois Route 159 to the access road in front of Houlihan's (15 Ludwig Dr., 675 feet). There are no crosswalks, stop signs or stop lights anywhere on Ludwig Dr. between Ruby Ln. and Illinois Route 159; this forces pedestrians wishing to walk along Ludwig Dr. to either cross in oncoming traffic at undesignated crossings to utilize sidewalks on the other side of the road, or walk in active driving lanes or in abutting properties. There are no sidewalks at all on Ruby Ln. north of Ludwig Dr., forcing pedestrians to walk in active driving lanes or in abutting properties. The same sidewalk on the north side of Ludwig Dr. in front of HSHS Medical Group dead ends at the east property line and Illinois Route 159 right-of-way. East of this point, the sidewalk turns into a natural dirt trail with utility wires and manholes obscuring the walkway to the Illinois Route 159 intersection. This layout of sidewalks (and absence of adequate sidewalk system) demonstrates a lack of community planning in the Improved Area.

Inadequate street layout also demonstrates a lack of community planning in the Improved Area. The semi-trailer trucks that park idling in the eastbound lane of the access road in front of the Super 8 hotel force all patrons and employees to use the westbound lane for two-way traffic. At the same location, there are six driveways in and out of retail stores and restaurants, including loading access for commercial trucks to the rear of the Planet Fitness/Ginger Buffet building. The combination of the restricted one-lane road for two-way traffic (created by the parked idling semi-trailer trucks) and the multitude of ingress/egress points used on a regular basis by passenger and commercial vehicles surrounding this road segment creates a hazardous environment for cars and pedestrians, demonstrating inadequate street layout in the Improved Area. This factor is exemplified by the 457 vehicle accidents reported in the Improved Area since 2005, including approximately 30 accidents in and around this portion of Ludwig Dr.

Additionally, the volume of traffic at the intersection of Illinois Route 159 and Ludwig Dr. (27,000 Average Daily Traffic - 2013) and the proximity of said intersection to the on/off ramps of I-64 (approximately 500 feet south on a State highway) creates an unsafe environment for passenger and commercial traffic at this intersection in the Improved Area. This is evidenced by the 321 vehicle accidents reported at this intersection since 2005, including 80 "failure to yield" and 80 "failure to reduce speed".

Lighting, and its location in the Improved Area, also demonstrates a lack of community planning. During site visits in June 2014, there were noticeable areas within the Improved Area which had little, or no, measurable light (as identified by measuring the light levels throughout the Improved Area) resulting in portions of the Area having levels of illumination below that recommended by the Illuminating Engineering Society of North America (IESNA), including areas where unenclosed dumpsters and used oil drums are situated. Such lighting, allowed by current community planning standards, presents a safety concern for patrons, business owners and residents in the Area, as shown by the 837 crime incidents reported in the Improved Area in the last 10 years (including, but not limited to, 518 counts of burglary and theft, 25 counts of criminal damage, 49 counts of possession, and 13 stolen vehicles).

- **Lack of Growth in Equalized Assessed Value:**

**The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 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 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 5 calendar years prior to the year in which the redevelopment project area is designated;**

**Table 1 - Change in Equalized Assessed Value 2008 - 2013 (Improved Area)** shows that the total equalized assessed value of the Improved Area has declined for 3 of the last 5 calendar years, is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years and 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 for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

## **F. Review of Qualifications of the Vacant Portion of the Area**

### **1. Determination of "Vacancy"**

Unimproved property must first be found to be "vacant land" in order to be eligible for tax increment financing. "Vacant land" is 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 5 years prior to the designation of the TIF 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 into 3 or more smaller tracts that were accepted for recording during the period from 1950-1990 then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in that 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. Under the Act, 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 subsequent phases of the proposed Redevelopment Project Area or relevant portion thereof have been properly approved and filed in accordance with the applicable ordinance of the municipality. Once found to be "vacant", such property may be found to be a "Blighted area" on the basis of those factors and conditions described previously.

The unimproved part of the Area, consisting of one parcel and approximately 72 acres of land, is "Vacant Land". This parcel is without industrial, commercial, and residential buildings, and property owners and City officials have confirmed that this property has not been used for commercial agricultural purposes in the last five years; therefore this portion of the Area meets the definition of "vacant land".

### **2. Determination of Blight**

Once determined to be "vacant land", an area may qualify as a "Blighted area" if the sound growth of the taxing districts on such land is impaired by a combination, or the existence of two (2) or more of the following factors:

**TABLE 1**  
**CHANGE IN EQUALIZED ASSESSED VALUE 2008-2013**  
**IMPROVED AREA**

<b>Time Frame</b>	<b>Improved Area</b>	<b>Remainder of the City</b>	<b>Consumer Price Index (CPI)</b>
Between 2008 and 2009	<b>-9.66%</b>	<b>1.17%</b>	<b>-0.36%</b>
Between 2009 and 2010	<b>-10.73%</b>	<b>-2.18%</b>	<b>1.64%</b>
Between 2010 and 2011	<b>-1.11%</b>	-1.41%	<b>3.16%</b>
Between 2011 and 2012	<b>-3.59%</b>	<b>-3.52%</b>	<b>2.07%</b>
Between 2012 and 2013	<b>-2.22%</b>	-2.50%	<b>1.46%</b>

Note: **BOLD** represents the Time Frame where the equalized assessed value has either declined for 3 of the last 5 calendar years, is increasing at an annual rate less than the balance of the City or is increasing at an annual rate that is less than the CPI.

**Sources:**

- St. Clair County Treasurer
- St. Clair County Clerk
- United States Bureau of Labor Statistics

- a. **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, alleys, or other public rights-of-ways or that omitted easements for public utilities.**

This factor was not found.

- b. **Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.**

This factor was not found.

- c. **Tax and special assessment delinquencies exist or the property has been subject of tax sales under the Property Tax Code within the last 5 years.**

This factor was not found.

- d. **Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.**

If vacant land is adjacent to an improved area which evidences deterioration of structures or site improvements within the guidelines set forth for deterioration of a blighted area or conservation area, this factor may be found to be present.

Structures and site improvements adjacent to the Vacant Land are deteriorated. Deteriorated primary buildings including, but not limited to, the Gordman's/Guitar Center retail strip center, the Sears Outlet and Joe's Crab Shack, show major defects to their primary and/or secondary building components.

Site and surface improvements adjacent to the Vacant Land also show deterioration as well. Driveways and parking lots have protruding weeds and cracking/ crumbling pavement. Standing water, and depressions in gravel parking lots and driveways, are also present on properties adjacent to the Vacant Land, including but not limited to 15 Ludwig Dr., 45 Ludwig Dr., 214 Ruby Ln. and 25 Ludwig Dr.

- e. **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.**

This factor was not found.

- f. **The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 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 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 5 calendar years prior to the year in which the redevelopment project area is designated.**

**Table 2 – Change in Equalized Assessed Value 2008 – 2013 (Vacant Land)** shows that the total equalized assessed value of the Vacant Land has declined for 3 of the last 5 calendar years and 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 for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

### 3. **Determination of “Stand Alone” Factors**

Such vacant area may also be found to be “blighted” if the sound growth of the redevelopment project area is impaired by one or more of the following factors that is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of such area to which it pertains. Such factors include:

- a. **The area consists of one or more unused quarries, mines, or strip mine ponds;**

Information provided by the Illinois State Geological Survey (ISGS) and the Department of Natural Resources (DNR) reveals that coal mining was conducted beneath the proposed Area between 1888 and 1935.

The *Directory of Coal Mines in Illinois 7.5-Minute Quadrangle Series O’Fallon Quadrangle St. Clair County*, prepared by ISGS, reports that the Consumer’s Coal Co. and its successors (up to and including Howard E. Miller) removed over 1.2 million tons of coal from beneath the vacant portion of the proposed Area and adjoining areas. More than 90% of the Vacant Land is underlain by the haulage ways of this unused mine. Virtually the entirety of the Vacant Land is at risk due to the fact that subsidence can occur beyond the area actually mined. See **Exhibit D – Ruby Mine**.

- b. **The area consists of unused rail-yards, rail tracks, or railroad rights-of-way;**

This factor was not found.

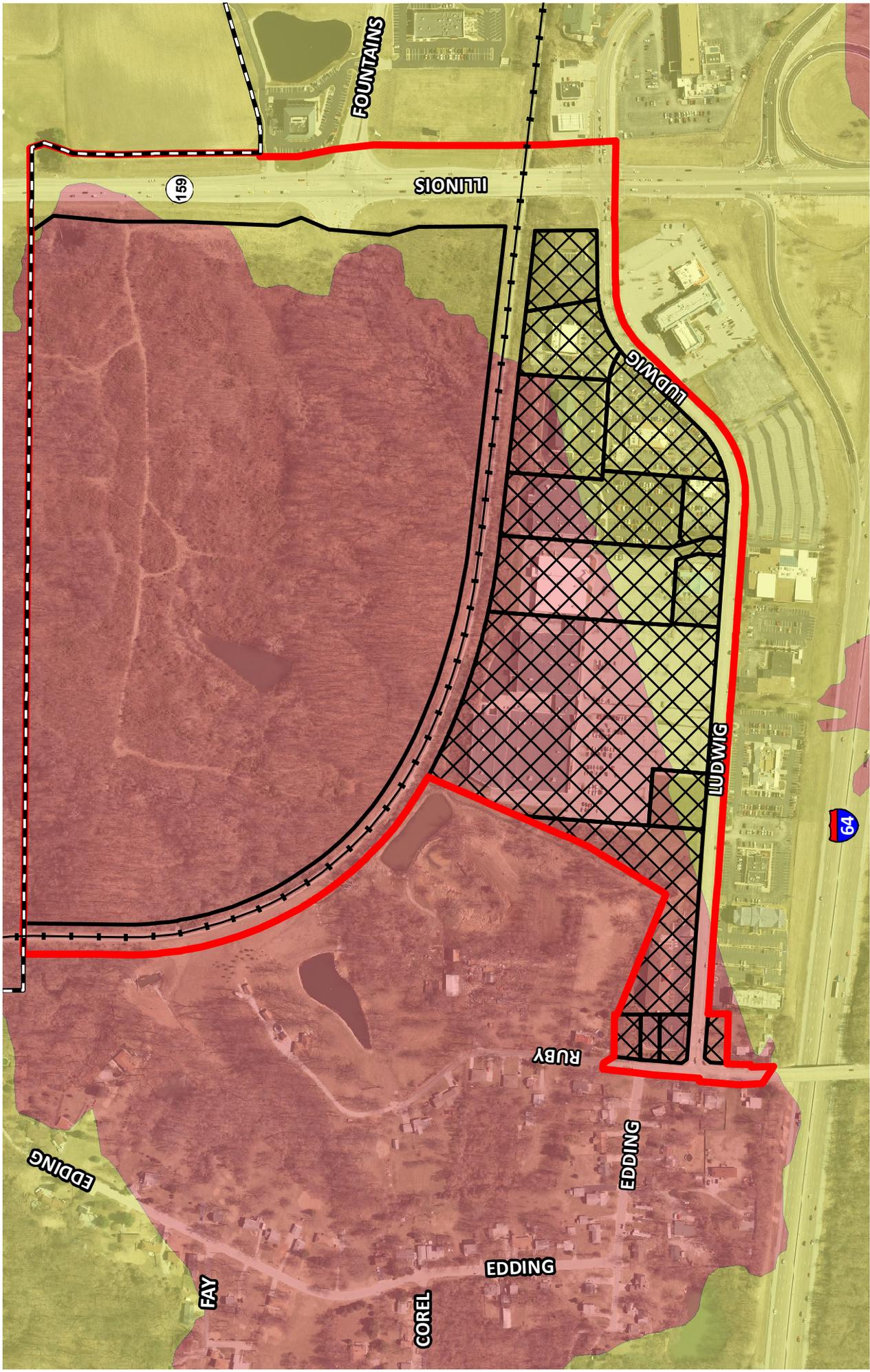
**TABLE 2**  
**CHANGE IN EQUALIZED ASSESSED VALUE 2008-2013**  
**VACANT LAND**

<b>Time Frame</b>	<b>Vacant Land</b>	<b>Remainder of the City</b>	<b>Consumer Price Index (CPI)</b>
Between 2008 and 2009	3.52%	0.93%	-0.36%
Between 2009 and 2010	<b>0.00%</b>	-2.35%	<b>1.64%</b>
Between 2010 and 2011	<b>-1.11%</b>	-1.41%	<b>3.16%</b>
Between 2011 and 2012	<b>-3.59%</b>	-3.52%	<b>2.07%</b>
Between 2012 and 2013	<b>-2.22%</b>	-2.50%	<b>1.46%</b>

Note: **BOLD** represents the Time Frame where the equalized assessed value has either declined for 3 of the last 5 calendar years, is increasing at an annual rate less than the balance of the City or is increasing at an annual rate that is less than the CPI.

**Sources:**

- St. Clair County Treasurer
- St. Clair County Clerk
- United States Bureau of Labor Statistics



# EXHIBIT D Ruby Mine

Fairview Heights North TIF # 5  
 Tax Increment Financing Redevelopment Plan  
 City of Fairview Heights, Illinois

**EDPR** Economic Development Resources

- Area Boundary
- Improved Area
- Vacant Land
- Underground Coal Mine
- Underground Mine Proximity Region
- Municipal Boundary

N  
 0 500 1,000 Feet

- c. The area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency;**

This factor was not found.

- d. 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;**

This factor was not found.

- e. Prior to November 1, 1999, the area is not less than 50 acres nor more than 100 acres and 75% of which has been vacant (notwithstanding that the area had 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 above (in Section D. 2.), the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose;**

This factor was not found.

- f. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area;**

This factor was not found.

## **SECTION V**

### **SUMMARY**

The improved part of the proposed Area is eligible as a “Blighted area” due to the fact that the industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of the combination of nine blighting factors (obsolescence, deterioration, excessive vacancies, lack of ventilation, light or sanitary facilities, inadequate utilities, excessive land coverage, deleterious land use or layout, lack of community planning, lack of growth in equalized assessed value), five of which, (deterioration, lack of ventilation, light or sanitary facilities, inadequate utilities, lack of community planning, and lack of growth in equalized assessed value) are present to a meaningful extent, clearly present within the intent of the Act and reasonably distributed throughout the improved part of the Area.

The unimproved part of the proposed Area is without industrial, commercial, and residential buildings, and property owners and City officials have confirmed that this property has not been used for commercial agricultural purposes in the last five years; thus these parcels are “vacant land”. This part of the Area qualifies as a “Blighted area” due to the presence of two blighting factors (deterioration in neighboring areas adjacent and lack of growth in equalized assessed value) and one “stand alone” blighting factor (one or more unused quarries, mines or strip mine ponds), each of which is clearly present within the intent of the Act and each of which is reasonably distributed throughout the vacant part of the Area to which it pertains.

## SECTION VI

### FINDINGS OF NEED FOR TAX INCREMENT FINANCING

The Area, as a whole, is a Blighted area. The Act requires that no redevelopment plan shall be adopted without meeting additional requirements, viz:

**A. Area, on the Whole, not Subject to Growth and Development Through Investment by Private Enterprise**

The City finds that the Area, on the whole, has not been subject to growth and development through investment by private enterprise.

Building permits issued by the City and information provided by the St. Clair County Assessor's office show that there have been two new buildings constructed in the Area in the last 20 years (Houlihan's, 1994, and Comfort Suites Hotel, 2006), and none in the last five years. All other buildings in the Area were constructed in the 1980's and early 1990's. New construction in the City has moved east of Illinois Route 159 and/or south of Interstate 64 (including Sports Authority, which moved from the Improved Area in 2013). Existing vacancies and the deterioration of existing buildings and surface improvements in the Improved Area demonstrate the lack of growth and development through investment by private enterprise within the Area. Further, data provided by the St. Clair County Assessor's office shows that the total equalized assessed value of the Area has declined by 24.6% over the last five years (an average of approximately 5% per year). Such a situation demonstrates that the Area has not been subject to growth and development through investment by private enterprise.

**B. Conformance with the City's Comprehensive Plan**

The City finds that the Plan conforms to the comprehensive plan for the development of the municipality as a whole.

The *City of Fairview Heights, 2012 Comprehensive Plan*, identifies the land use within the Area as "Regional Commercial".

**C. Estimated Dates for Completion of the Redevelopment Project**

The estimated date for the completion of the Redevelopment Project shall be no later than December 31 of the year in which payment to the municipal treasurer is made for the ad-valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the Redevelopment Project Area is adopted by the City.

**D. Would Not Reasonably be Anticipated to be Developed Without the Adoption of the Redevelopment Plan**

The Area is significantly and negatively impacted by the blighting factors discussed in this Plan, conditions which militate against the Area's development and redevelopment.

The Area is positioned on a State highway (the City's primary retail corridor), fronts on Interstate 64 and is located at one of the busiest interstate exits in the Metro East. However, vacancies and the deterioration of existing buildings and surface improvements in the Improved Area are common and show disinvestment. The location of the unused Ruby Mine, and its impact on new development, has been a strong disincentive to development of the Vacant Land. Because of this situation, without the adoption of this Plan, and the subsequent use of tax increment financing to overcome the costs of both development and redevelopment within the Area – including, but not limited to, those associated with, site preparation (and remediation), repairing and rehabilitating existing buildings, structures and site improvements, property assembly, and extending and upgrading public infrastructure – the Area would not reasonably be anticipated to be developed.

## SECTION VII

### REDEVELOPMENT PLAN

#### A. Introduction

This section presents the Redevelopment Plan for the Area. Pursuant to the Act, when the finding is made that an area qualifies as either conservation, blighted, a combination of conservation and blighted areas, or industrial park conservation area, a redevelopment plan may be prepared. A “Redevelopment plan” is defined in 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”.

#### B. General Land Use Plan

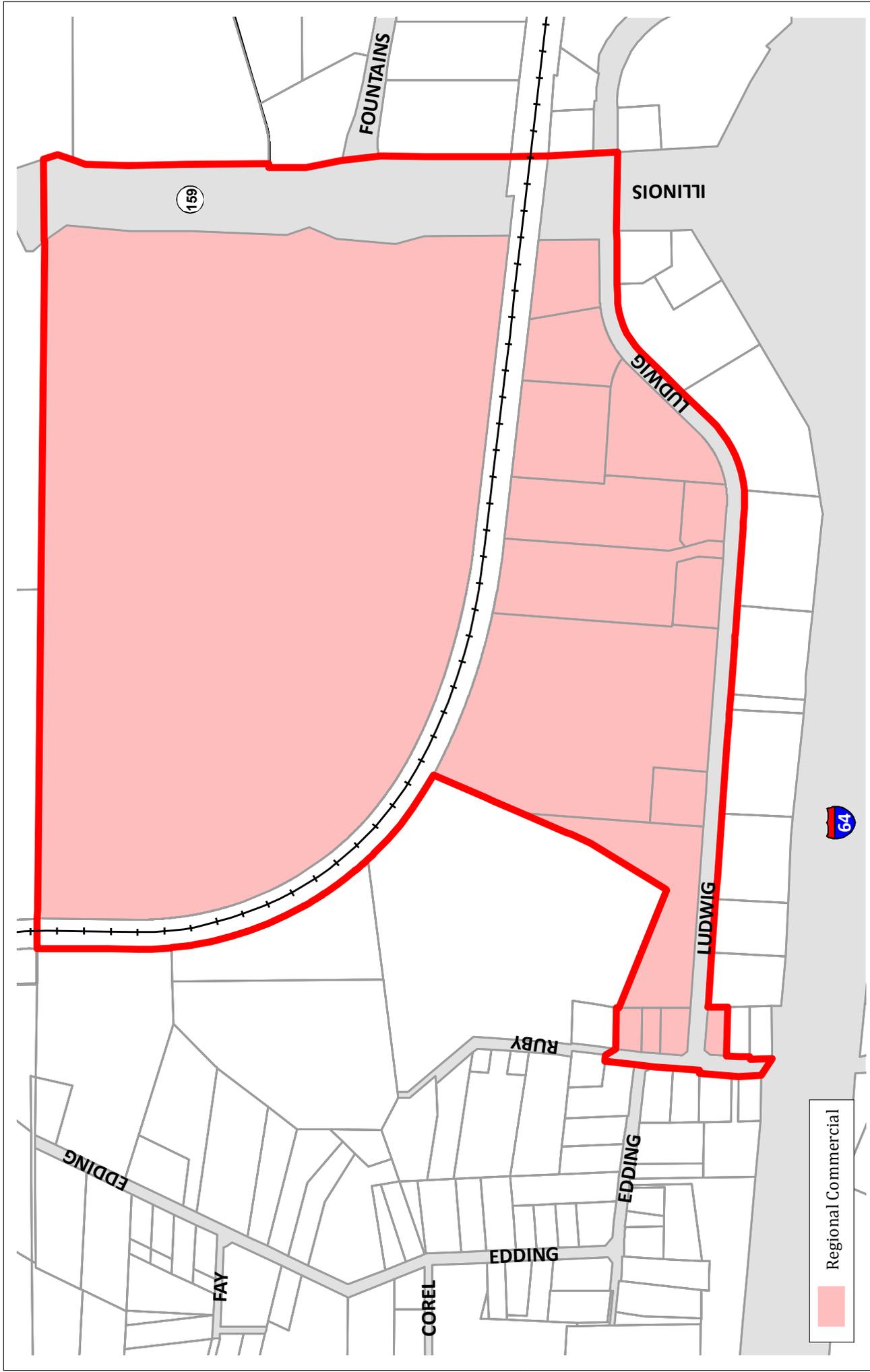
The proposed General Land Use plan for the Area is presented as **Exhibit E - General Land Use**. This General Land Use plan identifies all parcels in the Area as “Regional Commercial”.

All redevelopment projects shall be subject to the provisions of the City of Fairview Heights’s ordinances and other applicable codes as may be in existence, and may be amended or modified from time-to-time.

#### C. Objectives

The Objectives of the Redevelopment Plan are to:

1. Reduce or eliminate those conditions which qualify the Area as eligible for tax increment financing;
2. Prevent the recurrence of blighting conditions;
3. Enhance the real estate tax base for the City and all other taxing districts which extend into the Area;
4. Facilitate the implementation of public sector plans and projects within the Area, in a manner that is compatible with the *City of Fairview Heights, 2012 Comprehensive Plan*;
5. Address the impact of the Plan’s Redevelopment Projects on the underlying taxing districts;

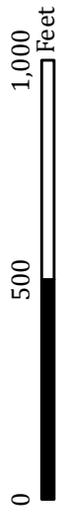


Regional Commercial

Fairview Heights North TIF # 5  
 Tax Increment Financing Redevelopment Plan  
 City of Fairview Heights, Illinois

Municipal Boundary  
 Area Boundary

# EXHIBIT E General Land Use



6. Encourage and assist private investment and development within the Area, in a manner that is compatible with the *City of Fairview Heights, 2012 Comprehensive Plan*, and this Plan; and,
7. Assist in job training for new employment opportunities anticipated in the Area.

**D. Program for Accomplishing the Objective**

The City of Fairview Heights will follow certain policies to achieve the Objectives outlined above. The program to accomplish these objectives includes:

1. Use TIF-derived revenues to assist the implementation of the public and private projects and activities envisioned in this Plan;
2. Use TIF-derived revenues to address site development issues, including site preparation and storm water control;
3. Use TIF-derived revenues to mitigate the “capital costs” incurred or to be incurred by the underlying taxing districts, if any;
4. Utilize City staff and consultants to undertake those actions necessary to accomplish the specific public-side activities outlined in Objective #8 of Commercial Areas in the Goals and Objectives Section of the *City of Fairview Heights, 2012 Comprehensive Plan*;
5. Provide financial assistance, as permitted by the Act, to encourage private developers to complete those certain private actions and activities as outlined in this Plan;
6. Monitor the public and private actions and activities occurring within the Area; and,
7. Complete the specified actions and activities in an expeditious manner, striving to minimize the length of the “life” of the TIF area.

This Program may be amended from time to time as determined by the City.

**E. Redevelopment Projects**

To achieve the Objectives proposed in the Plan, a number of redevelopment projects will need to be undertaken. An essential element of the Plan is a combination of private developments, as well as public investments and infrastructure improvements. Such actions and activities may include but are not restricted to the following:

**1. Private Redevelopment Projects:**

The private projects that are proposed for the Area are intended to develop new uses and rehabilitate existing uses and may include, but are not limited to:

- a. land acquisition and assembly of property for new (re)development efforts;
- b. site preparation, including demolition, clearance and grading, and remediation of culturally significant or undermined areas;
- c. the development of a new regional commercial big box retail campus;
- d. the rehabilitation and reconstruction of existing buildings, structures and site improvements;
- e. extension of private utilities and other private infrastructure (including fiber optics) to parts of the Area not currently served.

**2. Public Redevelopment Projects:**

Public projects are intended to be used to induce and complement private investment. These improvements may include, but are not limited to:

- a. extension of municipal utilities and other public infrastructure to parts of the Area not currently served, including, but not limited to, sewers (sanitary and storm water), sidewalks, crosswalks, streetscape improvements, trails, fiber optics, curb and gutter;
- b. upgrade of municipal utilities and other public infrastructure now serving the Area;
- c. construction of a new fire station in the Area, required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the Plan (see **Appendix 2 – Public Safety Letter**); and,
- d. marketing of specific sites within the Area to prospective businesses, developers and investors.

**F. Assessment of Financial Impact**

The Act requires an assessment of the financial and service impacts on the taxing districts as a result of the TIF Plan and any program to address such impact.

The General Land Use Plan shown in **Exhibit E** provides for commercial activities within the Area. As such, the land uses anticipated in the Area will not result in any residential

development or redevelopment. The projects within the Area will not create any new residences, thus limiting the financial impact on the school and library districts. Further, capital costs of taxing districts, required because of TIF-related activities in the Area, if any, may be paid for from TIF revenues.

**Exhibit F – Estimated Redevelopment Project Costs**, summarizes the use of TIF revenues to help address the costs for public improvements, property assembly, rehabilitation and reconstruction, marketing and administration, job training and relocation costs. Future incremental TIF revenues are proposed for use as a resource for such improvements and their associated costs. Such uses and improvements are not anticipated to cause significant increase in demand for, or service impacts upon, any of the underlying taxing districts.

Upon the expiration of the Area, all taxing bodies will benefit from the increase in EAV anticipated within the Area. As this Plan provides for funds to be utilized to pay for defined redevelopment project costs which will assist and induce new private development within the Area, the City anticipates that such investment may result in new, private development occurring in proximity to the Area. The City will closely monitor its TIF program to determine if surplus funds are available for distribution to all taxing districts as identified in the Act.

The Act requires a housing impact study to be performed if the redevelopment plan would result in the displacement of residents from ten (10) or more inhabited residential units. The City has determined that no housing impact study is needed since the Act requires a housing impact study only if residents from ten (10) or more inhabited residential units are displaced or if the redevelopment project area contains 75 or more inhabited residential units.

**EXHIBIT F**

**Estimated Budget for Redevelopment Project Costs**

<b><u>Description</u></b>	<b><u>Estimated Costs</u></b>
Cost of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan.	\$1,000,000
The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors.	\$250,000
Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements and the clearing and grading of land.	\$15,000,000
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 public building is to be demolished to use the site for private investment.	\$2,000,000
Costs of the construction of public works or improvements, including but not limited to public rights-of-way, signalization, extension and relocation of public utilities and other public infrastructure, streetscape improvements and sidewalk construction and replacement.	\$15,750,000
<b><u>Total Estimated Budget</u></b>	<b>\$34,000,000</b>

Note:

Expenditures in individual categories may differ from those shown above; however the total amount of the Estimated Redevelopment Project Costs will not exceed \$34,000,000 plus any additional increase in this figure permitted in the Act for any school district's, or public library district's increased costs attributable to housing assisted by tax increment financing, and for any interest or other financing costs as may be required.

## SECTION VIII

### IMPLEMENTATION STRATEGY

The development and follow through of a well-devised implementation strategy is a key element in the success of the Plan. In order to maximize program efficiency, and with full consideration of available funds, a phased implementation strategy will be employed. A combination of private investments and public improvements is an essential element of the Plan.

The City of Fairview Heights anticipates the following actions as its Implementation Strategy:

- Adopt the Plan;
- Negotiate Redevelopment Agreements with private parties to provide TIF revenues for eligible redevelopment project costs, in order to create development consistent with the general land uses shown in this Plan and the City's Comprehensive Plan; and,
- Provide public infrastructure and other public redevelopment projects to induce and complement private development and redevelopment projects.

#### A. Estimated Redevelopment Costs

The City may include as redevelopment project costs, all reasonable costs incurred, or estimated to be incurred, and any costs that are incidental to the redevelopment projects and the Plan as permitted by the statute.

Such costs include, without limitation, the following:

**1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan.**

Such costs shall include, but not be limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services.

**2. Costs of marketing sites within the redevelopment project area to prospective businesses, developers and investors.**

**3. Property assembly costs.**

Such costs shall include, but not be limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparations, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land.

**4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements.**

Such costs shall also include the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.

**5. Costs of the construction of public works or improvements.**

Such redevelopment project costs shall not include the cost of constructing a new municipal public 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.

**6. Cost of job training and retraining projects.**

Such costs shall include the cost of “welfare to work” programs implemented by businesses located within the redevelopment project area.

**7. Financing costs.**

Such costs shall include, but not be limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter, and including reasonable reserves related thereto.

**8. To the extent the municipality by written agreement 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 redevelopment project area.**

Such costs shall be those 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. A public library district's increased costs attributable to assisted housing units located within the redevelopment project area.**

Such costs shall be those 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.

**11. Relocation costs.**

To the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law.

**12. Payment in lieu of taxes.**

**12. Costs of job training, retraining, advanced vocational education or career education.**

Such costs shall include, but not be limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that 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 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 same, and the 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 insufficient funds are available in the special tax allocation fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - d. The total of such interest payments paid pursuant to this Act may not exceed 30% of the total (1) cost paid or incurred by the developer 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.
  - e. The cost limits set forth in subparagraphs (b.) and (d.) above are modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (b.) and (d.) above for these situations.
  - f. The municipality may pay from tax increment revenues up to 50% of the cost of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of the construction of those units may be derived from the proceeds of bonds issued by the municipality.
- 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 project costs enumerated above shall be eligible redevelopment costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.**

The cost estimate associated with the redevelopment activities to be funded from available revenues of the City as described in **D.**, below, is presented in **Exhibit F - Estimated Budget for Redevelopment Project Costs**. The estimate includes reasonable and necessary costs incurred or estimated to be incurred during the implementation of the Redevelopment Plan. These estimated costs are subject to refinement as specific plans and designs are finalized and experience is gained in implementing this Redevelopment Plan and do not include the tax increment financing revenues which will be applied to any interest or other financing costs which are eligible to be funded under the Act. As such, debt service and expenses associated with issuance of bonds or other obligations are in addition to costs stated above.

**B. Most Recent Equalized Assessed Valuation**

The most recent equalized assessed valuation for the Redevelopment Project Area is \$7,311,355 as provided by the St. Clair County Treasurer’s Office.

**C. Redevelopment Valuation**

Contingent upon the adoption of this Tax Increment Financing Redevelopment Plan and commitment by the City to the Redevelopment Program, it is anticipated that several private developments and / or improvements may occur within the Redevelopment Project Area.

The private redevelopment investment in this Redevelopment Project Area is expected to increase the equalized assessed valuation to approximately \$55,000,000. Following completion of the private redevelopment projects, total EAV is anticipated to increase by approximately \$48,000,000.

**D. Source of Funds**

The primary source of funds to pay for redevelopment project costs associated with implementing the Plan shall be funds collected pursuant to tax increment allocation financing to be adopted by the City. Under such financing, tax increment revenue (in the form of increases in the equalized assessed value (EAV) of property, in the Area) shall be allocated to a special fund (the “Special Tax Allocation Fund”). The assets of the Special Allocation Fund shall be used to pay redevelopment project costs and retire any obligations incurred to finance redevelopment project costs.

In order to expedite the implementation of the Plan and construction of the public improvements, the City of Fairview Heights, pursuant to the authority granted to it under the Act, may issue obligations to pay for the redevelopment project costs. These obligations may be secured by future amounts to be collected and allocated to the Special Allocation Fund.

If available, revenues from other funding sources will be utilized within the Area. These may include state and federal programs and revenues from any other tax increment financing area in the City which may, pursuant to the Act, provide such revenues to the Area. In turn, the Area may also provide TIF generated revenues to other tax increment financing areas in the City as well.

**E. Nature and Term of Obligation**

In order to expedite the implementation of the Plan, the City of Fairview Heights, pursuant to the authority granted to it under the Act, may issue obligations to pay for the redevelopment project costs. These obligations may be secured by future amounts to be collected and allocated to the Special Allocation Fund. Such obligations may take the form of any loan instruments authorized by the Act.

Such loans or obligations may be issued pursuant to this Plan, for a term not to exceed 20 years, bearing an annual interest rate as permitted by law. The City anticipates that notes, bonds or similar obligations may be issued and secured by resources in the Special Allocation Fund to fund eligible redevelopment project costs.

Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the obligations, and not identified for other redevelopment project costs or early retirement of such obligations, may be declared as surplus and become available for distribution annually to the taxing bodies to the extent that this distribution of surplus does not impair the financial feasibility of the redevelopment projects.

#### **F. Completion of Redevelopment Project and Retirement of Obligations**

The date for the completion of the Plan and retirement of obligations issued to finance redevelopment project costs is no later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to the ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the redevelopment project area is adopted by the City.

#### **G. Employment Practices, Affirmative Action and Wages**

The City will insure that any recipient of tax increment financing assistance will construct all private and public development and redevelopment projects in accordance with all fair employment practices, affirmative action and prevailing wage requirements, as provided for by the Act.

#### **H. Certification**

The City hereby certifies that the North TIF #5 Tax Increment Financing Redevelopment Plan will not result in displacement of residents from ten (10) or more inhabited residential units. The City has determined that no housing impact study is needed since the Act requires a housing impact study only if residents from ten (10) or more inhabited residential units are displaced or if the redevelopment project area contains 75 or more inhabited residential units.

## **SECTION IX**

### **AMENDING THE TIF PLAN**

The North TIF #5 Tax Increment Financing Redevelopment Plan may be amended in accordance with the provisions of the Tax Increment Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq.

## **SECTION X**

### **REPORTING AND MEETING**

The City shall adhere to all reporting and meeting requirements as provided for in the Act.

## **APPENDIX 1**

### **Legal Description**

## **Legal Description**

*[to be provided by the City]*

## **APPENDIX 2**

### **Public Safety Letter**

**Public Safety Letter**

*[to be provided by the City]*



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