

## WAREHOUSE DISTRICT TIF REDEVELOPMENT PLAN AND PROJECT

Prepared for:  
City of Peoria

By:  
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This plan is subject to review and may be revised after comment and public hearing.

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## **1. INTRODUCTION**

This document presents a Tax Increment Redevelopment Plan and Project (the "Plan") under the requirements of the *Tax Increment Allocation Redevelopment Act* (65 ILCS 5/11-74.4-1 *et seq.*), as amended (the "Act") for the Warehouse District TIF Redevelopment Project Area (the "Project Area") located in the City of Peoria, Illinois (the "City"). The Project Area is irregular in shape but encompasses certain properties in the area generally bounded by Liberty, William Kumpf and Harrison Street on the north, Jefferson and New Street on the west, Linden and Edmund on the south and the Illinois River on the east. The Project Area boundaries are delineated on *Figure 1: Redevelopment Project Area Boundary* in *Appendix A* and legally described in *Appendix B*.

The Project Area contains 438 tax parcels and is approximately 215 acres in size, including rights-of-way. Approximately 56 acres of land are dedicated to streets, alleys and other public rights-of-way, leaving 159 acres of net land area. The Project Area consists almost exclusively of improved property with a few scattered vacant lots.

The land use pattern is predominately industrial with a mix of commercial, public and residential uses. A total of 313 buildings were identified in the Project Area, of which 288 or 92% are 35 years of age or older.

This Plan responds to problem conditions within the Project Area and reflects a commitment by the City to improve and revitalize the Project Area. As described in this Plan, the Project Area has potential for new commercial, residential and mixed-use development. Certain public investments related to infrastructure and streetscape improvements are needed to prevent the Project Area from becoming blighted and enhance the Project Area as a mixed-use district and residential community with supportive commercial, public and institutional facilities.

The Plan summarizes the analyses and findings of Camiros, Ltd. (the "Consultant") which, unless otherwise noted, is the responsibility of the Consultant. The City is entitled to rely on the findings and conclusions of this Plan in designating the Project Area as a redevelopment project area under the Act. The Consultant has prepared this Plan and the related eligibility study with the understanding that the City would rely on: 1) the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Project Area and the adoption and implementation of the Plan, and 2) the fact that the Consultant has obtained the necessary information to conclude that the Plan and the related eligibility study are in compliance with the Act.

The Plan presents certain conditions, research and analysis undertaken to document the eligibility of the Project Area for designation as an improved conservation area tax increment financing ("TIF") district. The need for public intervention, goals and objectives, land use policies and other policy materials are presented in the Plan. The results of a study documenting the eligibility of the Project Area as a conservation area are presented in *Appendix C: Eligibility Study* (the "Study").

## **Tax Increment Financing**

In adopting the Act, the Illinois State Legislature found at Section 5/11-74.4-2(a) that:

... there exist in many municipalities within this State blighted, conservation and industrial park conservation areas, as defined herein; that the conservation areas are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked...;

and also found at Section 5/11-74.4-2(b) that:

... in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken... The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

In order to use the tax increment financing technique, a municipality must first establish that the proposed redevelopment project area meets the statutory criteria for designation as a "blighted area," or a "conservation area." A redevelopment plan must then be prepared which describes the development or redevelopment program intended to be undertaken to reduce or eliminate those conditions which qualified the redevelopment project area as a "blighted area" or "conservation area," or combination thereof, and thereby enhance the tax bases of the taxing districts which extend into the redevelopment project area. The statutory requirements are set out at 65 ILCS 5/11-74.4-3, et seq.

The Act provides that, in order to be adopted, the Plan must comply with the following requirements under 5/11-74.4-3(n):

- (1) The municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the redevelopment plan;
- (2) The municipality finds that the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality;
- (3) The redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (which dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 8 (b) of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted);
- (4) The municipality finds, in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area;

(5) if any incremental revenues are being utilized under Section 8(a)(1) or 8(a)(2) of the Act in redevelopment project areas approved by ordinance after January 1, 1986 the municipality finds (a) that the redevelopment project area would not reasonably be developed without the use of such incremental revenues, and (b) that such incremental revenues will be exclusively utilized for the development of the redevelopment project area; and

(6) If the redevelopment plan will not result in displacement of residents from 10 or more inhabited residential units, and the municipality certifies in the plan that such displacement will not result from implementation of the plan, a housing impact study need not be performed. If the redevelopment project area contains 75 or more inhabited residential units and such certification is not made, then the municipality must prepare a housing impact study.

Redevelopment projects are defined as any public or private development projects undertaken in furtherance of the objectives of the redevelopment plan in accordance with the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current equalized assessed value ("EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate to arrive at the Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following:

- (a) net revenues of all or part of any redevelopment project;
- (b) taxes levied and collected on any or all property in the municipality;
- (c) the full faith and credit of the municipality;
- (d) a mortgage on part or all of the redevelopment project; or
- (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under tax increment financing, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such excess Incremental Property Taxes are not otherwise required, pledged or otherwise designated for other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid in full.

The City authorized an evaluation to determine whether a portion of the City to be known as the Warehouse District TIF Redevelopment Project Area qualifies for designation as a redevelopment project area under the provisions contained in the Act. If the Project Area so qualifies, the City also authorized the preparation of a redevelopment plan for the Project Area in accordance with the requirements of the Act.

## **Redevelopment Project Area Overview**

The Project Area is approximately 215 acres in size and includes 438 contiguous parcels and public rights-of-way. The Project Area consists of improved property.

In order to be designated as a conservation area, 50% or more of the buildings within the Project Area must be 35 years of age or older. The improved portion of the Project Area contains 313 buildings, 288 of which were built in 1972 or earlier, representing 92% of all buildings. The Project Area is characterized by:

- Obsolescence;
- Deterioration;
- Presence of structures below minimum code standards;
- Excessive vacancies;
- Inadequate utilities;
- Excessive land coverage and overcrowding of structures and community facilities;
- Deleterious land use or layout;
- Lack of community planning; and
- Lagging or declining equalized assessed valuation (EAV)

As a result of these conditions, the Project Area is in need of revitalization, rehabilitation and redevelopment. In recognition of the unrealized potential of the Project Area, the City is taking action to facilitate its revitalization. The Project Area, as a whole, has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without adoption of the Plan.

The purpose of the Plan is to create a mechanism to allow for the revitalization, reuse and enhancement of existing commercial and industrial property, the redevelopment of obsolete uses and the improvement of the area's physical environment and infrastructure. The redevelopment of the Project Area is expected to encourage economic revitalization within the community and the surrounding area.

The *Eligibility Study*, attached as *Appendix C*, concludes that property in the Project Area is experiencing deterioration and disinvestment. The analysis of conditions within the Project Area indicates that it is appropriate for designation as a conservation area under the Act. The Plan has been formulated in compliance with the provisions of the Act. This document is a guide to all proposed public and private actions in the Project Area.

## **2. PROJECT AREA DESCRIPTION**

The Project Area is adjacent to the Central Business District, Southtown and Stadium TIF districts as shown in *Figure 2: Adjacent TIF Districts* in Appendix A. The Project Area includes only contiguous parcels and qualifies for designation as a conservation area under the Act. The proposed Project Area includes only that area that is anticipated to substantially benefit by the proposed redevelopment project improvements.

### **Community Context**

The Project Area is located immediately south of Peoria's Central Business District between Jefferson Street and the Illinois River. The Project Area includes a large number of old, and in many cases, architecturally significant buildings that vary from one to eight stories in height. Many of these buildings are vacant or underutilized. Some have environmental and structural problems that have hindered reuse.

The Project Area is included in the Heart of Peoria planning area and has been the focus of a visioning process to transform this underutilized portion of the City into a vibrant, high-density, mixed-use community. The Project Area is within walking distance to downtown employment centers and cultural resources including the Riverfront, Peoria Civic Center, O'Brien Baseball Stadium and the planned Peoria Riverfront Museum and Caterpillar Visitors' Center.

Adams and Washington Streets serve as the primary access through the Project Area. Bridge access across the Illinois River is provided on William Kumpf Boulevard and McArthur Highway located at the northern and southern edges of the Project Area respectively.

The Project Area is also located within Peoria's Enterprise Zone. Commercial projects are entitled to a waiver on sales tax for the purchase of building materials. If the building was built before 1936, a developer may also be entitled to a 10% federal tax credit on the cost of renovating the building.

### **3. ELIGIBILITY OF THE PROJECT AREA FOR DESIGNATION AS A REDEVELOPMENT PROJECT AREA**

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. Based on the conditions present, the Project Area is not likely to be comprehensively or effectively redeveloped without the adoption of the Plan. Between October 2006 and March 2007, studies were undertaken to establish whether the proposed Project Area is eligible for designation as a “blighted area” or “conservation area” in accordance with the requirements of the Act. This analysis concluded that the Project Area qualifies for designation as a redevelopment project area in accordance with the definitions contained in the Act.

In order to be designated as a conservation area, 50% or more of the buildings within the Project Area must be 35 years of age or older. The vast majority of buildings are more than 35 years of age, with 92% having been built in 1972 or before. Once the age requirement has been met, the presence of three of the 13 conditions stated in the Act is required for designation of improved property as a conservation area. These conditions must be meaningfully present and reasonably distributed within the Project Area. Of the 13 conditions cited in the Act for improved property, seven conditions are present within the Project Area to a major extent. Each of these conditions is reasonably distributed within the Project Area. The following conditions have been used to establish eligibility for designation as a conservation area:

- Obsolescence
- Deterioration
- Excessive vacancies
- Inadequate utilities
- Excessive land coverage and overcrowding of structures and community facilities
- Lack of community planning
- Lagging or declining equalized assessed value

Two additional conditions are present to a more limited extent within the Project Area. These are:

- Structures below minimum code standards
- Deleterious land use or layout

These conditions were not used to establish eligibility of the Project Area for designation as a conservation area, but help to illustrate the need for public intervention to prevent the Project Area from becoming blighted. For more details on the basis for eligibility, refer to *Appendix C: Eligibility Study*.

#### **Need for Public Intervention**

Most of the Project Area is in an Enterprise Zone that has been in existence for a number of years. Over the past three years only three small improvements have received Enterprise Zone incentives. These projects have not been sufficient to stimulate additional private investment in the Project Area.

Conversion of this decaying area to a vibrant element of Peoria's tax base will take time and cannot be accomplished without creation of a public/private partnership. Environmental remediation, public safety improvements, rehabilitation and infrastructure needs are too great for the private sector to undertake on its own.

Given the number of buildings in the Project Area that are economically or functionally obsolete, a significant level of investment and redevelopment in the Project Area is needed to prevent the Project Area's decline. Clearly, the lack of development is not being resolved through private-sector investment, and a continuation of the minimal level of private investment currently being made is likely to exacerbate deterioration and other blighting conditions within the Project Area including obsolescence, deterioration and deleterious land use and layout. There is little incentive for developers to initiate new projects in the Project Area or make major investments in rehabilitation without a public commitment to make the infrastructure improvements that are needed to support private redevelopment efforts.

## **4. REDEVELOPMENT PLAN GOALS AND OBJECTIVES**

The proposed Plan is consistent with City plans for the Project Area. The following goals and objectives are provided to guide development in the Project Area.

### **General Goals**

- Provide an economic environment that supports existing and new businesses. (Comprehensive Plan, Economics, Goal A)
- Promote Peoria as a desirable place in which to live and work. (Comprehensive Plan, Economics, Goal B)
- Plan for and adjust to changes in demographics. (Comprehensive Plan, Economics, Goal C)
- Make Peoria aesthetically desirable. (Comprehensive Plan, Land Use, Goal C)
- Provide safe and efficient infrastructure and utilities. (Comprehensive Plan, Infrastructure, Goal A)
- Provide for the orderly transition from obsolete uses to economically sustainable land development patterns.
- Create an attractive environment that encourages new residential and commercial mixed-use development and increases the tax base of the Project Area.
- Encourage redevelopment of parcels that are underutilized and vacant.
- Reduce or eliminate deleterious conditions within the Project Area.
- Improve public facilities and amenities.
- Increase the supply of affordable and market-rate housing (for-sale and rental).

### **Redevelopment Objectives**

- Encourage private investment, especially improvement and adaptive reuse of industrial and commercial property within the Project Area.
- Encourage housing types that promote economic and social diversity.
- Upgrade and maintain infrastructure to support redevelopment efforts.
- Direct redevelopment activities to appropriate locations within the Project Area in accordance with the land use plan and general land use strategies.
- Encourage appropriate infill development on vacant or underutilized sites.
- Encourage the preservation and reuse of historic buildings when possible.
- Implement the Heart of Peoria Plan.
- Promote residential development in the downtown area. (Comprehensive Plan, Land Use, Strategy b.3)

## **Design Objectives**

- Create an attractive setting that can attract new users to the Project Area.
- Enhance the appearance of public streets within the Project Area through streetscape improvements.
- Create civic spaces and destinations along the Illinois River and throughout the Project Area.
- Encourage development of appropriately scaled commercial, residential and mixed use buildings.
- Encourage pedestrian-friendly design, while also improving vehicular movement and ensuring that parking is adequate to meet current and future development needs.
- Continue development of the riverfront. (Comprehensive Plan, Land Use, Strategy B.2)

## **5. REDEVELOPMENT PLAN**

The City proposes to achieve the Plan's goals through the use of public financing techniques, including tax increment financing, and by undertaking some or all of the following actions:

### **Property Assembly and Site Preparation**

To meet the goals and objectives of the Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, or through other programs and may be for the purpose of: (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition authorized by the City Council of the City of Peoria. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of the Plan.

### **Intergovernmental and Redevelopment Agreements**

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects"). Such redevelopment agreements may be needed to: support the rehabilitation or construction of allowable private improvements, in accordance with the Plan; incur costs or reimburse developers for other eligible redevelopment project costs as provided in the Act in implementing the Plan; and provide public improvements and facilities which may include, but are not limited to utilities, street closures, transit improvements, streetscape enhancements, signalization, parking and surface right-of-way improvements.

Terms of redevelopment as part of a redevelopment project may be incorporated in appropriate redevelopment agreements. For example, the City may agree to reimburse a developer for incurring certain eligible redevelopment project costs under the Act. Such agreements may contain specific development controls as allowed by the Act.

### **Job Training**

To the extent allowable under the Act, job training costs may be directed toward training activities designed to enhance the competitive advantages of the Project Area and to attract additional employers to the Project Area. Working with employers and local community organizations, job training and job readiness programs may be provided that meet employers' hiring needs, as allowed under the Act. A job readiness/training program is a component of the Plan. The City expects to encourage hiring from the community that maximizes job opportunities for Peoria residents.

## **Relocation**

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City or required under the Act.

## **Analysis, Professional Services and Administrative Activities**

The City may undertake or engage professional consultants, engineers, architects, attorneys, and others to conduct various analyses, studies, administrative, legal or other professional services to establish, implement and manage the Plan.

## **Provision of Public Improvements and Facilities**

Adequate public improvements and facilities may be provided to service the Project Area. Public improvements and facilities may include, but are not limited to, street closures to facilitate assembly of development sites, upgrading streets, signalization improvements, provision of streetscape amenities, public open space, parking improvements and utility improvements.

## **Financing Costs Pursuant to the Act**

Interest on any obligations issued under the Act accruing during the estimated period of construction of the redevelopment project and other financing costs may be paid from the Incremental Property Tax revenues pursuant to the provisions of the Act.

## **Interest Costs Pursuant to the Act**

Pursuant to the Act, the City may allocate a portion of the incremental tax revenues to pay or reimburse developers for interest costs incurred in connection with redevelopment activities in order to enhance the redevelopment potential of the Project Area.

## **6. REDEVELOPMENT PROJECT DESCRIPTION**

The Plan seeks to encourage redevelopment and repositioning of the Project Area as a vibrant mixed-use residential and commercial neighborhood within walking distance of Downtown and the Illinois River. The Plan recognizes that new investment in industrial, commercial and mixed-use property is needed to improve and revitalize the Project Area.

In certain cases, attracting new private investment may require the redevelopment of existing properties. Infrastructure improvements will stress projects that will serve and benefit the Project Area and its development initiatives. A comprehensive program of aesthetic enhancements may include streetscape improvements, facade renovations and compatible new development in keeping with established development standards. These components will create the quality environment required to sustain the revitalization of the Project Area.

Based on this assessment, the goals of the redevelopment projects to be undertaken in the Project Area are to: 1) rehabilitate and convert existing industrial loft buildings within the Project Area into viable new uses; 2) redevelop outdated and obsolete commercial and industrial properties into more appropriate commercial and mixed-use development that will conform to current zoning and development standards; 3) encourage appropriate infill development on vacant and underutilized land; and 4) provide public open space, streetscape improvements and other community amenities to support private investment. The major physical improvement elements anticipated as a result of implementing the proposed Plan are outlined below.

### **Residential and Commercial Mixed-Use Development**

There are opportunities for the rehabilitation and adaptive reuse of obsolete industrial loft buildings within the Project Area as new mixed-use developments, with ground floor retail or restaurant use and upper story offices or dwelling units. Such development sites create opportunities to expand the supply of housing for a variety of residential groups and provide commercial spaces that meet the requirements of contemporary retailers. In accordance with the new form-based zoning code for the Warehouse District, there are also opportunities for new residential development on underutilized land within the Project Area.

### **Public Improvements**

Improvements to public infrastructure and facilities are needed to complement and attract private sector investment. Infrastructure improvements may include:

- Development of a riverfront park and riverwalk;
- Improvement of streetscape conditions to support redevelopment;
- Improvement of public infrastructure;
- Assembly and consolidation of smaller lots to provide appropriate development sites;
- Improvement of other public facilities that meet the needs of the community; and
- Utility improvements to serve the Project Area.

## **7. GENERAL LAND USE PLAN AND MAP**

*Figure 3: General Land Use Plan, in Appendix A, identifies land uses expected to result from implementation of the Plan. The land use categories planned for the Project Area are mixed-use and public. The General Land Use Plan allows for a prudent level of flexibility in land use policy to respond to future market forces. The General Land Use Plan is intended to provide a guide for future land use improvements and developments within the Project Area.*

The land uses proposed for the Project Area are consistent with the redevelopment goals of this Plan, Peoria's Comprehensive Plan, the Heart of Peoria Plan and applicable zoning. The General Land Use Plan is intended to serve as a broad guide for land use and redevelopment policy. The Plan is general in nature to allow adequate flexibility to respond to shifts in the market and private investment. A more specific discussion of the proposed uses within the Project Area is outlined below.

### **Mixed-Use**

This land use category includes a full range of residential, commercial, industrial, public, institutional and open space uses. This land use category is consistent with underlying zoning and the land use policies articulated in the Heart of Peoria Plan. The intent of this land use category is to allow the Project Area to evolve into a vibrant mixed-use district with complementary community amenities.

### **Public**

The public land use category has been applied to the Peoria Police Department and the CityLink bus station properties. These sites are expected to remain in public ownership and use throughout the life of the Plan, but may be redeveloped in the future for alternative public, open space, or other mixed use development consistent with the goals and objectives of this Plan.

These land use strategies are intended to direct private investment activity and enhance the overall development of the Project Area in accordance with the goals and objectives of the Plan. Locations of specific uses, or public infrastructure improvements, may vary from the General Land Use Plan as a result of more detailed planning and site design activities. Such variations are permitted without amendment to the Plan as long as they are consistent with the Plan's goals and objectives and the land uses and zoning approved by the Peoria Plan Commission.

## **8. REDEVELOPMENT PLAN FINANCING**

Tax increment financing is an economic development tool designed to facilitate the redevelopment of blighted areas and to arrest decline in areas that may become blighted without public intervention. It is expected that tax increment financing will be an important means, although not necessarily the only means, of financing improvements and providing development incentives in the Project Area throughout its 23 year life.

Tax increment financing can only be used when private investment would not reasonably be expected to occur without public assistance. The Act sets forth the range of public assistance that may be provided. It is anticipated that expenditures for redevelopment project costs will be carefully staged in a reasonable and proportional basis to coincide with expenditures for redevelopment by private developers and the projected availability of tax increment revenues.

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Plan (the “Redevelopment Project Costs” or “Project Budget”).

In the event the Act is amended after the date of the approval of this Plan by the Peoria City Council to: a) include new eligible redevelopment project costs, or b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in *Table 1: Estimated Redevelopment Project Costs* or otherwise adjust the line items in *Table 1* without amendment to this Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Plan.

### **Eligible Project Costs**

Redevelopment project costs include the sum total of all reasonable, or necessary, costs incurred, or estimated to be incurred, and any such costs incidental to the Plan pursuant to the Act. Eligible costs may include, without limitation, the following:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses) provided however, that no charges for professional services may be based on a percentage of the tax increment collected and the terms of such contracts shall not extend beyond a period of three years. Redevelopment project costs may not include general overhead or administrative costs of the City that would still have been incurred if the City had not designated a redevelopment project area or approved a redevelopment plan.
2. The cost of marketing sites within the Project Area to prospective businesses, developers and investors.

3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.
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 public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.
5. Costs of the construction of public works or improvements, subject to the limitations in Section 11-74.4-3 (q) (4) of the Act.
6. Costs of job training and retraining projects including the cost of "welfare-to-work" programs implemented by businesses located within the Project Area and such proposals featuring a community-based training program which ensures maximum reasonable employment opportunities for residents of the Project Area with particular attention to the needs of those residents who have previously experienced inadequate opportunities and development of job-related skills, including residents of public and other subsidized housing and people with disabilities.
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 thereunder, including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and including reasonable reserves related thereto.
8. To the extent the City by written agreement accepts and approves the same, all, or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred, or to be incurred, in furtherance of the objectives of the Plan.
9. Relocation costs, to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by state or federal law or in accordance with the requirements Section 74.4-3(n)(7) of the Act.
10. Payment in lieu of taxes, as defined in the Act.
11. 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 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 the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs

pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a.

12. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
  - (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the developer for such redevelopment project, plus (ii) Redevelopment Project Costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
  - (e) up to 75 percent of the interest cost described in subsections (b) and (d) above incurred by a redeveloper 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.
13. An elementary, secondary or unit school district's or public library district's increased costs attributable to housing units assisted by the City through implementation of this Plan may be reimbursed as provided for in the Act.
14. Instead of the eligible costs provided for in 12(b), 12(d) and 12(e) above, the City may pay up to 50% of the cost of construction, renovation and/or rehabilitation of all low-income and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low-income and very low-income households, only the low-income and very low-income households shall be eligible for benefits under the Act.
15. The cost of day care services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the City, county or regional median income adjusted for family size, as the annual income and City, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development (HUD).

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

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

## **Estimated Project Costs**

A range of activities and improvements may be required to implement the Plan. The proposed eligible activities and their estimated costs over the life of the Project Area are briefly described below and also shown in *Table 1: Estimated Redevelopment Project Costs*.

1. Analysis, administration and professional services including planning, legal, surveys, real estate marketing costs, fees and other related development costs. This budget element provides for studies and survey costs for planning and implementation of the Plan, including architectural and engineering services, development of plans and specifications, development site marketing, and financial and special service costs. (*Estimated cost: \$3,000,000*)
2. Property assembly costs, including acquisition of land and other property, real or personal, or rights or interests therein, and other appropriate and eligible costs needed to prepare the property for redevelopment. These costs may include the reimbursement of acquisition costs incurred by private developers. Land acquisition may include acquisition of both improved and vacant property in order to create development sites, accommodate public rights-of-way or to provide other public facilities needed to achieve the goals and objectives of the Plan. Property assembly costs also include demolition of existing improvements, including clearance of blighted properties or clearance required to prepare sites for new development, site preparation, including grading, and other appropriate and eligible site activities needed to facilitate new construction, and environmental remediation costs associated with property assembly which are required to render the property suitable for redevelopment. (*Estimated cost: \$13,000,000*)
3. Rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements, and the cost of construction of low and very-low income housing pursuant to the provisions of the Act. (*Estimated cost: \$100,000,000*)
4. Construction of public works and improvements, including streets and utilities, parks and open space, and public facilities such as schools and other public facilities. These improvements are intended to improve access within the Project Area, stimulate private investment and address other identified public improvement needs, and may include all or a portion of a taxing district's eligible costs, including increased costs of the Peoria Public Schools District 150 attributable to assisted housing units within the Project Area in accordance with the requirements of the Act. (*Estimated cost: \$110,000,000*)
5. Relocation costs, as judged by the City to be appropriate or required to further implementation of the Plan. (*Estimated cost: \$500,000*)
6. Costs of job training and retraining projects, advanced vocational education, welfare-to-work, career education, or provision of day care services as provided for in the Act. (*Estimated cost: \$500,000*)
7. Interest subsidy or other financing costs associated with redevelopment projects, pursuant to the provisions of the Act. (*Estimated cost: \$65,000,000*)

The estimated gross eligible project cost over the life of the Project Area is \$292 million. All project cost estimates are in 2007 dollars. The foregoing simply describes the range of eligible project costs associated with implementation of this Plan. The City will use its discretion with respect to funding improvements and is not obligated to spend funds beyond those needed to implement the Plan. Any bonds issued to finance portions of the redevelopment project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations, as well as to provide for capitalized interest and reasonably required reserves. The total project cost figure excludes any costs for the issuance of bonds.

Adjustments to estimated line items, which are upper estimates for these costs, are expected and may be made without amendment to the Plan.

**Table 1:**  
**ESTIMATED REDEVELOPMENT PROJECT COSTS**

<b>Eligible Expense</b>	<b>Estimated Cost</b>
Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$ <u>3,000,000</u>
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$ <u>13,000,000</u>
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost	\$ <u>100,000,000</u>
Public Works and Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) <sup>[1]</sup>	\$ <u>110,000,000</u>
Relocation Costs	\$ <u>500,000</u>
Job Training, Retraining, Welfare-to-Work, Day Care Services	\$ <u>500,000</u>
Interest Subsidy	\$ <u>65,000,000</u>
<b>TOTAL REDEVELOPMENT PROJECT COSTS</b>	<b>[2] [3] \$ <u>292,000,000</u><sup>4</sup></b>

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.

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<sup>1</sup>This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

<sup>2</sup>Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

<sup>3</sup>The amount of the Total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of Redevelopment Project Costs incurred in the Project Area which are paid from Incremental Property Taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.

<sup>4</sup>Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

## Sources of Funds

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived principally from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds as the City may deem appropriate. The City may incur Redevelopment Project Costs (costs listed in *Table 1: Estimated Redevelopment Project Costs*) which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area may be contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in the Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.61-1 *et seq.*). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas, or those separated only by a public right-of-way, are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City, and in furtherance of the purposes of the Plan, that net revenues from the Project Area be made available to support any such redevelopment project areas and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, or other areas described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in *Table 1: Estimated Redevelopment Project Costs* herein.

Development of the Project Area would not be reasonably expected to occur without the use of the Incremental Property Taxes as set forth in the Act. Redevelopment Project Costs include those eligible redevelopment project costs stated in the Act. Tax increment financing or other public sources will be used only to the extent needed to secure commitments for private redevelopment activity or meet identified public improvement needs.

## **Nature and Term of Obligations to be Issued**

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance Redevelopment Project Costs and implement the Plan shall be retired not later than December 31 of the year in which the payment to the City Treasurer, as provided by the Act, is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Project Area is adopted (i.e. assuming City Council approval of the Project Area and Plan in 2007, by 2031). The City will monitor the implementation of the Plan and, if feasible, will endeavor to end life of the Project Area at an earlier date. The final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issuance. One or more series of obligations may be sold at one or more times in order to implement the Plan. The City may also issue obligations to a developer as reimbursement for project costs incurred by the developer on behalf of the City. Obligations may be issued on a parity or subordinated basis.

The City intends to declare as surplus revenues a portion of the Incremental Property Taxes that result from inflationary growth within the Project Area for properties that are not subject to a redevelopment agreement. Such surplus revenues will be redistributed to all taxing districts on a proportionate basis as provided in the Act. For properties subject to a redevelopment agreement, the City intends to allocate a portion of the Incremental Property Tax Revenues to public infrastructure improvements within the Project Area, with generally no more than 50% of the Incremental Property Taxes made available to redevelopers under applicable redevelopment agreements.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled and/or early retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

## **Most Recent Equalized Assessed Valuation**

The purpose of identifying the most recent EAV of the Project Area is to provide an estimate of the initial EAV, which the Peoria County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The 2006 EAV of all taxable parcels in the Project Area is approximately \$16,108,519. This total EAV amount by PIN is summarized in *Appendix D: Initial Equalized Assessed Value (EAV) of Property within the Warehouse District TIF Redevelopment Project Area*. The EAV is subject to verification by the Peoria County Clerk. After verification, the final figure shall be certified by the Peoria County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Peoria County.

The Plan has utilized EAV values for the 2006 tax year. If the 2007 EAV shall become available prior to the date of the adoption of the Plan by the City Council, the City may update the Plan by replacing the 2006 EAV with the 2007 EAV.

## **Anticipated Equalized Assessed Valuation**

Once the redevelopment project has been completed and the property is fully assessed, the EAV of real property within the Project Area is estimated at approximately \$220 million. This estimate has been calculated assuming that the Project Area will be developed in accordance with *Figure 3: General Land Use Plan* presented in *Appendix A*.

The estimated EAV assumes that the assessed value of property within the Project Area will increase substantially as a result of new private development and public improvements. Calculation of the estimated EAV is based on several assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner and 2) an annual rate of inflation of 3.0%.

## **Financial Impact on Taxing Districts**

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

The following taxing districts are presently authorized to levy property taxes on property located within the Project Area:

Peoria County. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways.

Greater Peoria Sanitary District. The Greater Peoria Sanitary District provides the main trunk lines for the collection of wastewater from cities, villages and towns, and for the treatment and disposal thereof.

Illinois Central College District 514. The Illinois Central College District is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

Peoria Public Schools District 150. General responsibilities of the District 150 include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade.

The Pleasure Driveway and Park District of Peoria. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. It coordinates acquisition, development, preservation and operation of parks and recreation and nature preservation areas for the benefit of the general public.

City of Peoria. The City is responsible for the provision of a wide range of municipal services, including: police and fire protection, capital improvements and maintenance, building, housing and zoning codes, etc.

Greater Peoria Regional Airport Authority. The Greater Peoria Regional Airport Authority is an important link within the national system as it provides facilities to accommodate airline passengers, air cargo, military and corporate/general aviation demand for not just the Tri-County region, but all of central Illinois.

Peoria Public Library. The Peoria Public Library is a member of the Alliance Library System. Peoria Public Library participates in inter-library loan assuring patrons of an almost limitless access to the books and information that are difficult to find. This system also assures Peoria Public Library cardholders that they may use their card to borrow materials from libraries in the surrounding areas.

Greater Peoria Mass Transit District. Greater Peoria Mass Transit (CityLink) provides economic, social, and environmental benefits to the community through progressive, customer focused, transportation service by combining state of the art equipment and facilities with professional, well trained staff.

The proposed revitalization of the Project Area may increase demand on public services and facilities as the new households are added as a result of new residential development. The required level of these public services will depend upon the uses that are ultimately included within the Project Area. Although the specific nature and timing of the private investment expected to be attracted to the Project Area cannot be precisely quantified at this time, a general assessment of financial impact can be made based upon the level of development and timing anticipated by the proposed Plan.

For the taxing districts levying taxes on property within the Project Area, increased service demands are expected to be negligible because they are already serving the Project Area. Upon completion of the Plan, all taxing districts are expected to share the benefits of a substantially improved tax base. When completed, developments in the Project Area will generate property tax revenues for all taxing districts. Other revenues may also accrue to the City in the form of sales tax, business fees and licenses, and utility user fees.

It is expected that most of the increases in demand for the services and programs of the aforementioned taxing districts, associated with the Project Area, can be adequately addressed by the existing services and programs maintained by these taxing districts. However, a portion of the \$110 million that has been allocated for public works and improvements within the Project Budget may be used to address potential demands associated with implementing the Plan, through intergovernmental agreements as provided for in the Act.

Real estate tax revenues resulting from increases in the EAV, over and above the Certified Initial EAV established with the adoption of the Plan, will be used to pay eligible Redevelopment Project Costs in the Project Area. Following termination of the Project Area, the real estate tax revenues, attributable to the increase in the EAV over the certified initial EAV, will be distributed to all taxing districts levying taxes against property located in the Project Area. Successful implementation of the Plan is expected to result in new development and private investment on a scale sufficient to overcome deleterious conditions and substantially improve the long-term economic value of the Project Area.

## **Completion of the Redevelopment Project and Retirement of Obligations to Finance Redevelopment Project Costs**

The Plan will be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the City Treasurer as

provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Plan is adopted (assuming adoption in 2007, by December 31, 2031).

## **9. HOUSING IMPACT**

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from ten or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and the City is unable to certify that no displacement of residents will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The Project Area contains 50 inhabited residential units. The Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. An analysis was undertaken to identify the number and location of inhabited dwelling units that may be removed as a result of the implementation of the Plan. As a result of this analysis, the City has determined that the displacement of ten or more inhabited residential units will not occur and hereby certifies that residential displacement will not result from the Plan. Consequently, a housing impact study is not a required element of this Plan.

## **10. PROVISIONS FOR AMENDING THE PLAN**

The Plan may be amended as provided under the provisions of the Act.

## **11. CITY OF PEORIA COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION**

As part of any Redevelopment Agreement entered into by the City of Peoria and any private developer, both will agree to establish and implement an affirmative action program that serves appropriate sectors of the City of Peoria. Developers or redevelopers will meet City of Peoria standards for participation of Minority Business Enterprises and Woman Business Enterprises as required in Redevelopment Agreements.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race, religion or creed. Neither party will countenance discrimination against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, terminations, compensation, benefit programs and educational opportunities.

Developers or redevelopers conducting business with the City of Peoria shall comply with the fair employment and affirmative action provisions of Chapter 17, Article III, Division 4 of the municipal code. Anyone involved with employment or contracting for this Plan will be responsible for conformance with this policy and the compliance requirements of applicable state and federal regulations.

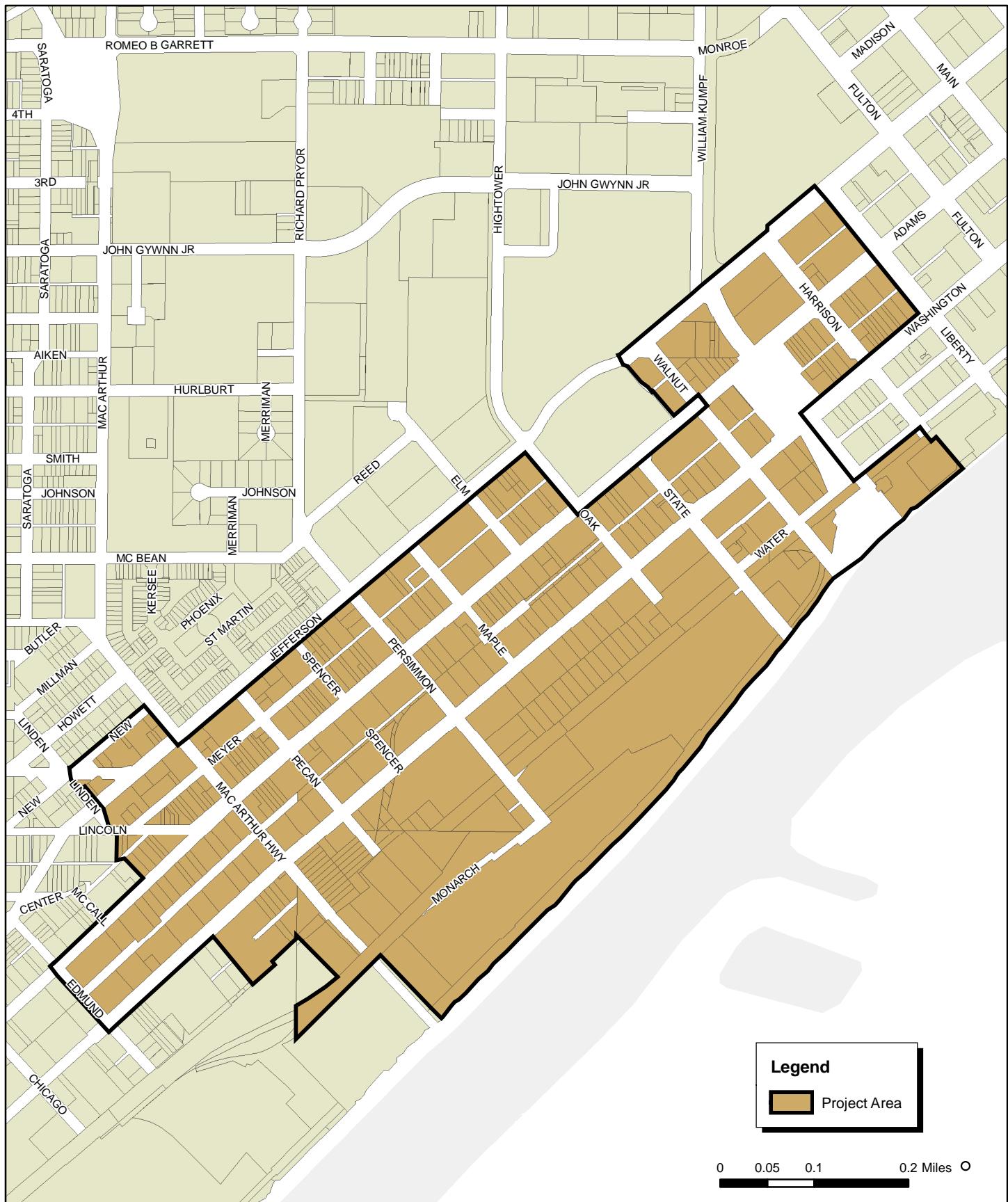
The City and the private developers involved in the implementation of this Plan will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts at any level for redevelopment projects being undertaken in the Project Area. Any public/private partnership established with respect to implementation of the Plan will seek to ensure and maintain a working environment free of harassment, intimidation and coercion at all sites, and in all facilities at which employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

Underlying this policy is the recognition that successful affirmative action programs are important to the continued growth and vitality of the City of Peoria.

## **APPENDIX A**

### **WAREHOUSE TIF REDEVELOPMENT PROJECT AREA**

#### **FIGURES 1-3**



**FIGURE 1. REDEVELOPMENT PROJECT AREA BOUNDARY**



**FIGURE 2. ADJACENT TIF DISTRICTS**



**FIGURE 3. GENERAL LAND USE PLAN**

## **APPENDIX B**

### **CITY OF PEORIA**

### **WAREHOUSE DISTRICT TIF REDEVELOPMENT PROJECT AREA**

### **LEGAL DESCRIPTION**

Beginning at the intersection of the Southwesterly line of Lot 7 in School Commissioners Subdivision of the Northwest Quarter Section 16, Township 8 North, Range 8 East of the 4<sup>th</sup> Principal Meridian and the Peoria Harbor Line; thence Northwesterly along the Southeasterly line of said Lot 7 to the intersection with the Southeasterly line of the ADM (formerly CR&P) Railroad; thence Southwesterly along the Southeasterly line of said Railroad to the intersection with the Westerly line of the Northwest Quarter of said Section 16, thence Northerly along said Section line to the intersection with the Northwesterly line of said railroad, thence Northeasterly along the Northwesterly line of said railroad to intersection with the Southwesterly of Lot 18 in said Subdivision; thence Northwesterly along the Southeasterly line of the tract conveyed in Doc # 97-366449 (all documents assumed to be recorded at the Peoria County Recorder of Deeds office); thence Northwesterly along the Southeasterly line to the intersection with the West line of the West Half of the Northwest Quarter of said Section 16; thence Southerly along said Section Line to the intersection with the Southeasterly line of Rouses Addition, a part of the Northeast Quarter of Section 17, Township 8 North, Range 8 East of the 4<sup>th</sup> Principal Meridian; thence Southeasterly along the Southeasterly line of said Rouses Addition to the intersection with the Northeasterly line of Gregg's Division a part of the Northeast Quarter of Said Section 17; thence Northeasterly along the Southeasterly line to the intersection with the Southeasterly line of Washington Street; thence Southwesterly along the Southeasterly line of Washington Street to the intersection with the Southwesterly line of Edmunds Street; thence Northwesterly along the Southwesterly line of Edmunds Street to the intersection with the Northwesterly line of Adams Street; thence Northeasterly along the Northwesterly line of Adams Street to the intersection with the Southwesterly line of Lot 9 in Adams Addition, a part of the Northeast Quarter of said Section 17; thence Northwesterly along the Southwesterly line of said Lot 9 to the most Westerly corner of Lot 9; thence Westerly to the Westerly line of the tract conveyed in Doc # 98-19356; thence Northerly along said Westerly line to the intersection with the Southerly line of Lincoln Avenue; thence Northerly across Lincoln Avenue to the intersection with the Northerly line of Lincoln Avenue and the Easterly line of Linden Place; thence Northerly along the Easterly line of Linden Place to the Southeasterly line of Jefferson Avenue; thence across Northerly across Jefferson Avenue to the Intersection of the Northwesterly line of Jefferson Avenue and the Northeasterly line Linden Place thence Northeasterly along the Northwesterly line of Jefferson Avenue to the intersection with the northeasterly line of the tract conveyed in Document # 99-05706; thence Northwesterly along the Northeasterly line of said tract to the intersection with the Northwesterly line of said tract: thence Southwesterly along the Northeasterly line of said tract to the intersection with the centerline of Linden Place; thence Northwesterly along the centerline of Linden Place to the intersection with the Northerly line of New Street; thence Easterly along the Northerly line of New Street to the intersection with the Southwesterly line of Mac Arthur Avenue; thence Southeasterly along the Southwesterly line of Mac Arthur Avenue to the intersection of the Southeasterly line of Jefferson Avenue; thence Northeasterly along the Southeasterly line of Jefferson Avenue to the intersection with the

Southwesterly line of Oak Street; thence Southeasterly along Southwesterly line of Oak Street to the intersection with the Southwesterly line of Adams Street; thence Northeasterly along the Southeasterly line of Adams Street to the intersection with the Southwesterly line of Walnut Street; thence Northwesterly along the Southwesterly line of Walnut Street to the intersection with the Northwesterly line of Adams Street ( said point also being the most easterly corner of Block 41 of Balances Addition to the City of Peoria, part of the Southwest Quarter of Section 9, Township 8 North, Range 8 East of the 4<sup>th</sup> Principal Meridian; thence Southwesterly along the Northwesterly line of Adams Street ( also being the southeasterly line of Lots 11 & 12 in said subdivision) a distance of 100.00 feet; thence Northwesterly and parallel with the Southwesterly line of said Lot 11 to the Northwesterly line of said lot 11; thence Southwesterly along the Northwesterly line of said Lot 11, distance of 20.00 feet; thence Northwesterly along the Southwesterly line of Lot 2 in said subdivision to the intersection with the Northwesterly line of Jefferson Avenue; thence Northeasterly along the Northwesterly line of Jefferson Avenue to the intersection with the Southwesterly line of Liberty Street; thence Southeasterly along the Southwesterly line of Liberty Street to the intersection with the Northeasterly line of Washington Street; thence Southwesterly along the Northwesterly line of Washington Street to the intersection with the Southwesterly line of Franklin Street; thence Southeasterly along the Southwesterly line of Franklin Street to the intersection with the Southeasterly line of Water Street; thence Northeasterly along the Southeasterly line of Water Street to the intersection with the Centerline of vacated Harrison Street ; thence along the Centerline of said Harrison Street a distance of 58.42 feet; thence Northeasterly to the Northeasterly line of vacated Harrison Street; thence Southeasterly along the Northeasterly line of Harrison Street to the Harbor Line; thence Southwesterly along the Harbor Line to the Point of Beginning.

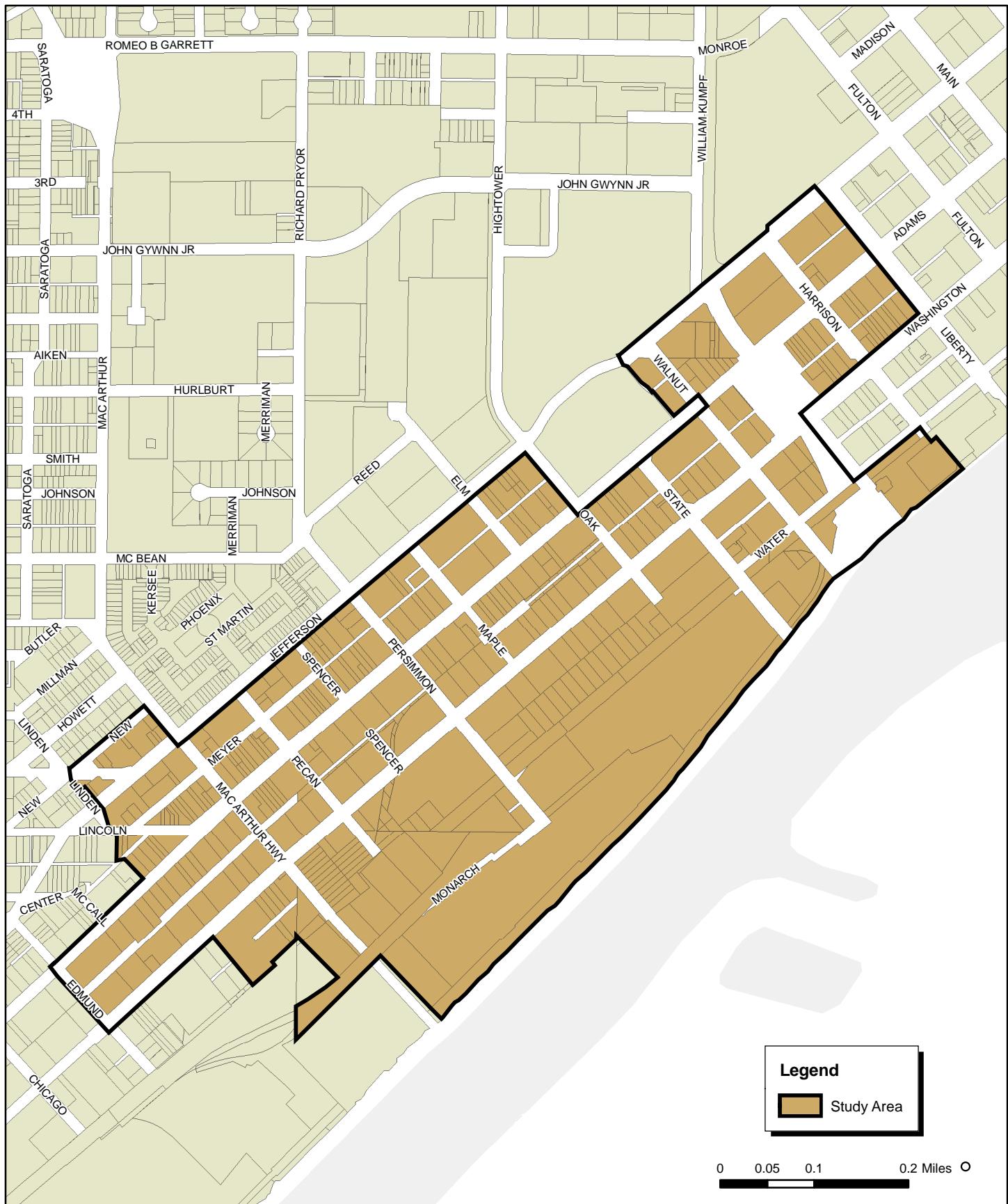
## **APPENDIX C**

### **WAREHOUSE DISTRICT TIF REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY**

The purpose of this study is to determine whether a portion of the City of Peoria (the "City") identified as the Warehouse District TIF Redevelopment Project Area qualifies for designation as a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4 contained in the "Tax Increment Allocation Redevelopment Act" (65 ILCS 5/11-74.1 *et seq.*), as amended (the "Act"). This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a redevelopment project area for the payment or reimbursement of eligible redevelopment project costs.

The area proposed for designation as the Warehouse District TIF Redevelopment Project Area is hereinafter referred to as the "Study Area" and is shown in *Figure C-1: Study Area Boundary Map*. The Project Area is irregular in shape but encompasses certain properties in the area generally bounded by Liberty, William Kumpf Boulevard and Harrison Street on the north, Jefferson Avenue and New Street on the west, Linden and Edmund on the south and the Illinois River on the east. The Study Area is approximately 215 acres in size and includes 438 tax parcels. The Study Area is classified as improved for the purposes of this eligibility analysis.

This report summarizes the analyses and findings of the Consultant's work, which, unless otherwise noted, is solely the responsibility of Camiros, Ltd. and does not necessarily reflect the views and opinions of potential developers or the City. Camiros, Ltd. has prepared this report with the understanding that the City would rely on: 1) the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) the fact that Camiros, Ltd. has obtained the necessary information to conclude that the Study Area meets the requirements for designation as a redevelopment project area in compliance with the Act.



**FIGURE C-1. STUDY AREA BOUNDARY MAP**

## **1. INTRODUCTION**

The Tax Increment Allocation Redevelopment Act permits municipalities to induce redevelopment of eligible "blighted," "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures, which must be adhered to, in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. At 65 Sec 5/11-74.-3(p), the Act defines a "redevelopment project area" as:

"... an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or combination of both blighted areas and conservation areas."

In adopting this legislation, the Illinois General Assembly found that:

1. (at 65 Sec 5/11-74.4-2(a)) ...there exists in many municipalities within the State blighted, conservation and industrial park conservation areas...; and
2. (at 65 Sec 5/11-74.4-2(b)) ...the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

The legislative findings were made on the basis that the presence of blight, or conditions that lead to blight, is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements which must be met before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

Before the tax increment financing technique can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a "blighted area," "conservation area," or an "industrial park conservation area." Based on the conditions present, this Eligibility Study finds that the Study Area qualifies for designation as a conservation area.

### **Conservation Areas**

A "conservation area" is an improved area located within the territorial limits of the municipality in which 50% or more of the structures have an age of 35 years or more. Such areas are not yet blighted but, because of a combination of three or more of the following conditions that are detrimental to the public safety, health, morals or welfare, may become a blighted area:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light or sanitary facilities

8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land use or layout
11. Environmental clean-up requirements
12. Lack of community planning
13. Lagging or declining equalized assessed value

The Act defines blighted and conservation areas and amendments to the Act also provide guidance as to when the conditions present qualify an area for such designation. Where any of the conditions defined in the Act are found to be present in the Study Area, they must be: 1) documented to be present to a meaningful extent so that the municipality may reasonably find that the condition is clearly present within the intent of the Act, and 2) reasonably distributed within the Study Area, as applicable.

The test of eligibility is based on the conditions of the Study Area as a whole. The Act does not require that eligibility be established for each and every property in the Study Area.

## **2. ELIGIBILITY STUDIES AND ANALYSIS**

An analysis was undertaken to determine whether any or all of the eligibility conditions listed in the Act are present in the Project Area, and if so, to what extent and in which locations. In order to accomplish this evaluation the following tasks were undertaken:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions involving parking facilities, public infrastructure, site access, fences and general property maintenance;
3. Analysis of existing land uses and their relationships;
4. Comparison of surveyed buildings to zoning regulations;
5. Analysis of the current platting, building size and layout;
6. Analysis of building floor area and site coverage;
7. Review of previously prepared plans, studies, inspection reports and other data;
8. Analysis of real estate assessment data;
9. Review of available building permit records to determine the level of development activity in the area; and
10. Review of building code violation records.

### **Building Condition Evaluation**

This section summarizes the process used for assessing building conditions in the Study Area. These standards and criteria were used to evaluate the existence of dilapidation or deterioration of structures.

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted by City of Peoria staff between October 2006 and January 2007. Additional field verification was conducted by Camiros, Ltd. in March 2007. Structural deficiencies in building components and related environmental deficiencies in the Study Area were noted during the survey.

#### ***Building Components Evaluated***

During the field survey, each component of the buildings in the Study Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

##### **Primary Structural Components**

These include the basic elements of any building: foundation walls, load-bearing walls and columns, roof, roof structures and facades.

##### **Secondary Components**

These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, chimney, and gutters and downspouts.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

### ***Building Component Classification***

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below.

#### **Sound**

Building components that contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

#### **Deficient – Requiring Minor Repair**

Building components containing defects (loose or missing material or holes and cracks over a limited area) which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either the primary or secondary components and the correction of such defects may be accomplished by the owner or occupants. Examples include tuckpointing masonry joints over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.

#### **Deficient – Requiring Major Repair**

Building components that contain major defects over a widespread area that would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

#### **Critical**

Building components that contain major defects (bowing, sagging, or settling to any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive.

### ***Final Building Rating***

After completion of the exterior building condition survey, each structure was placed in one of three categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below:

#### **Sound**

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have no minor defects.

#### **Deficient**

Deficient buildings contain defects that collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.

- **Deficient-Minor**

Buildings classified as “deficient – requiring minor repairs” have more than one minor defect, but no major defects.

- **Deficient-Major**

Buildings classified as “deficient – requiring major repairs” have at least one major defect in one of the primary components or in the combined secondary components, but less than one critical defect.

**Substandard**

Structurally substandard buildings contain defects that are so serious and so extensive that the building must be removed. Buildings classified as structurally substandard have two or more major defects.

Minor deficient and major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Act. Substandard buildings are the same as dilapidated buildings.

## **Eligibility Determination**

Where a condition is described as being present to a *meaningful* extent, the condition is present with respect to a significant number of properties to which the condition pertains and is reasonably distributed in the Study Area. The presence of such conditions has a major adverse impact or influence on adjacent and nearby property. A condition described as being present to a *limited extent* indicates that the condition is present, but that the distribution of impact of the condition is more limited. A statement that the condition is *not present* indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses. Conditions whose presence could not be determined with certainty were not considered in establishing eligibility.

In order to establish the eligibility of a redevelopment project area under the “conservation area” criteria established in the Act, at least 50% of buildings must be 35 years of age or older and at least three of 13 eligibility conditions must be meaningfully present and reasonably distributed throughout the Study Area.

### **3. PRESENCE AND DISTRIBUTION OF ELIGIBILITY CONDITIONS**

This *Eligibility Study* finds that the Study Area qualifies for designation as a conservation area under the criteria contained in the Act. In order to establish the eligibility of the improved property of a redevelopment project area under the “conservation area” criteria established in the Act, 50% or more of the buildings must be 35 years of age or older and at least three of the 13 eligibility conditions must be meaningfully present and reasonably distributed within the Study Area.

The Study Area qualifies because the required age threshold is satisfied with 92% of buildings being at least 35 years of age and because seven of the conditions cited in the Act are meaningfully present and reasonably distributed within the Study Area. Two other conditions are present in the Study Area to a more limited degree and support the overall conclusions reached in this Study. These conditions and whether they are present to a major or limited extent within the Study Area are as follows:

1. Obsolescence (major)
2. Deterioration (major)
3. Presence of structures below minimum code standards (limited)
4. Excessive vacancies (major)
5. Inadequate utilities (major)
6. Excessive land coverage or overcrowding of community facilities (major)
7. Deleterious land use or layout (limited)
8. Lack of community planning (major)
9. Lagging or declining equalized assessed valuation (major)

The eligibility conditions related to the qualification of the Study Area for designation a conservation area are presented below. The distribution of these conditions within the Study Area is presented in *Table C-2: Distribution of Conservation Area Eligibility Conditions* at page C-14.

#### **Age**

The Study Area contains 313 structures, with 288 of these buildings identified as having been built in 1972 or earlier. Thus, the required age threshold is met with 92% of buildings being 35 years of age or older.

#### **Conservation Area Eligibility Conditions**

The presence and distribution of eligibility conditions related to the qualification of the Study Area for designation as a conservation area are as follows.

##### **1. *Dilapidation***

As defined in the Act, “dilapidation” refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvement 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.

While many buildings within the Study Area are deteriorated, for the purposes of this analysis only structures that have been ordered demolished due to serious building code violations were classified as dilapidated. Since there are no such buildings within the Study Area with pending demolition orders, this condition is not present.

*Conclusion: This condition was not identified as being present within the Study Area and was not used to establish eligibility as a conservation area under the Act.*

## **2. Obsolescence**

As defined in the Act, “obsolescence” refers to the condition or process of falling into disuse. Structures have become ill suited for the original use. In making findings with respect to buildings, it is important to distinguish between *functional obsolescence* which relates to the physical utility of a structure, and *economic obsolescence* which relates to a property's ability to compete in the marketplace.

### Functional Obsolescence

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site and similar conditions which detracts from the overall usefulness or desirability of a property.

### Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and depreciation in market values.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

Obsolescence as an eligibility condition should be based upon the documented presence and reasonable distribution of buildings evidencing such obsolescence. Obsolete buildings contain characteristics or deficiencies that limit their long-term sound use or reuse. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Buildings within the Study Area are both functionally and economically obsolete. As noted previously, 92% of buildings are more than 35 years old. Many of these buildings are multi-story industrial loft buildings that do not meet the needs of contemporary industrial uses. As a result, a number of these structures are vacant or underutilized. The age of a structure is often a key indicator of its relative usefulness. Older structures frequently require extensive maintenance in order to maintain mechanical systems or structural integrity. The costs involved in maintaining and upgrading older buildings often create adverse impacts on existing users and create impediments to the marketability and reuse of industrial or commercial structures.

Functional obsolescence is further evidenced by a number of commercial and industrial buildings in the Study Area that lack reasonably required off-street parking and have inadequate provision for service and loading.

*Conclusion: Obsolescence is meaningfully present and reasonably distributed within the Study Area.*

### **3. Deterioration**

As defined in the Act, “deterioration” refers to, 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, 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 that protrude through paved surfaces.

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. The vast majority of property in the Study Area exhibits deterioration with respect to site improvements, structures and buildings. In addition, public infrastructure including alleys, sidewalks, public parking and curbs and gutters is also deteriorated.

*Conclusion: Deterioration is meaningfully present and reasonably distributed within the Study Area affecting the majority of tax parcels in the Study Area.*

### **4. Presence of Structures Below Minimum Code Standards**

As defined in the Act, the “presence of structures below minimum code standards” refers to 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.

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

Current City building code violation records were reviewed to determine the extent to which this condition is present in the Study Area. Only two buildings were identified as having current building code violations. Because not all buildings in the Study Area have been inspected recently, the number of code violations is most likely significantly understated, given the deterioration that was observed throughout the Study Area.

*Conclusion: Based on available information, this condition is present to a limited extent and was not used to establish eligibility as a conservation area under the Act.*

### **5. Illegal Use of Structures**

There is an illegal use of a structure when structures are used in violation of federal, state or local laws.

*Conclusion: This condition was not identified as being present within the Study Area and was not used to establish eligibility as a conservation area under the Act.*

#### **6. Excessive Vacancies**

As defined in the Act, “excessive vacancies” refers 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.

Vacant and underutilized buildings were found throughout the Study Area. These vacant buildings contribute to the image of decline and disinvestment and serve as an impediment to attracting the level of private investment needed to revitalize the Study Area.

*Conclusion: This condition is meaningfully present and reasonably distributed in the Study Area.*

#### **7. Lack of Ventilation, Light, or Sanitary Facilities**

As defined in the Act, “lack of ventilation, light, or sanitary facilities” 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 refer 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.

*Conclusion: This condition was not identified as being present within the Study Area and was not used to establish eligibility as a conservation area under the Act.*

#### **8. Inadequate Utilities**

As defined in the Act, “inadequate utilities” 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, or (iii) lacking within the redevelopment project area.

All properties within the Study Area are presently served by appropriate utilities. However, in many instances this utility infrastructure is deteriorated, antiquated and in need of replacement. This is particularly true of the combined sewer system, which is deteriorated and has insufficient capacity to meet anticipated demands of future development associated with implementation of the Heart of Peoria Plan.

The City is under an EPA mandate to develop a plan to reduce pollutant discharges from the existing combined sewer system that serves the Study Area. Many of the sewers in the Study Area are 50 or even 100 years old. The central water system is also very old. Electric service is above ground and also in poor condition. New development and redevelopment in the Study Area will require new, separated sanitary and storm sewers.

*Conclusion: This condition is meaningfully present and reasonably distributed within the Study Area.*

## **9. Excessive Land Coverage or Overcrowding of Community Facilities**

As defined in the Act, “excessive land coverage or overcrowding of community facilities” 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 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.

This condition is present to a major extent within the Study Area with closely spaced, multi-story industrial buildings that are obsolete and deteriorating, inadequate off-street parking to accommodate employees and service vehicles, and inadequate provision for loading. There are numerous instances of buildings improperly situated on their sites.

*Conclusion: This condition is meaningfully present and reasonably distributed, contributing to the eligibility of the Study Area as a conservation area under the Act.*

## **10. Deleterious Land Use or Layout**

As defined in the Act, “deleterious land-use or layout” refers to 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.

Examples of this condition include instances of illegal dumping on vacant building sites and inappropriate open storage adjacent to active commercial and industrial uses. This condition was found in scattered locations within the Study Area.

*Conclusion: This condition is present to a limited extent within the Study Area and was not used to establish eligibility as a conservation area under the Act.*

## **11. Environmental Clean-Up Requirements**

As defined in the Act, “environmental clean-up” means that 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.

*Conclusion: The degree to which this condition is present within the Study Area was not documented as part of the eligibility analysis. Thus, the extent to which this condition may be present in the Study Area is unknown.*

## **12. Lack of Community Planning**

As defined in the Act, “lack of community planning” means 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 condition 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.

The land use pattern of the Study Area was largely established during the last century and included a mix of commercial, industrial uses and railroad uses. Some of this development occurred in what is now designated floodplain. This land use mix has become obsolete as manufacturing, storage and distribution technology has modernized. Over the last few decades, lots have been consolidated and resubdivided in response to the market-driven transition from active industrial use to a more mixed land use pattern that now includes a few residential developments and several institutional uses. Over the years, the Study Area has evolved into an area that is marked by incompatible land use relationships, improper subdivision and public infrastructure that cannot adequately support the current land use vision for the Study Area. The established land use pattern is no longer consistent with community plans, which envision creation of a mixed-use residential and commercial neighborhood with supportive community amenities along Peoria's riverfront as articulated in the Heart of Peoria Plan.

*Conclusion: This condition is meaningfully present and reasonably distributed in the Study Area.*

### **13. Lagging or Declining Equalized Assessed Value**

As defined in the Act, this condition is present when the Study Area can be described by one of the following three conditions: 1) the total equalized assessed value ("EAV") has declined in three of the last five years; 2) the total EAV is increasing at an annual rate that is less than the balance of the municipality for three of the last five years; or 3) the total EAV is increasing at an annual rate that is less than the Consumer Price Index for all Urban Consumers for three of the last five years.

*Table C-1: Comparative Increase in Equalized Assessed Value (EAV)* compares the annual change in EAV of the Study Area with the balance of the City. The EAV of the Study Area declined between the 2004 and 2005 tax years and increased at a slower rate than the balance of the City for the other four analysis years.

**Table C-1:  
COMPARATIVE INCREASE IN EQUALIZED ASSESSED VALUE (EAV)**

	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Study Area – EAV and % Change over Prior Year	\$15,570,550	\$15,661,509	\$15,517,212	\$14,821,560	\$13,986,310
	-0.58%	0.93%	4.69%	5.97%	3.26%
Balance of City of Peoria - % Change over Prior Year	5.16%	3.65%	4.96%	7.74%	6.86%

Source: Peoria County

*Conclusion: This condition is meaningfully present and reasonably distributed, affecting the entire Study Area.*

## **ELIGIBILITY ANALYSIS SUMMARY**

On the basis of the above review of current conditions, the Study Area meets the criteria for qualification as a conservation area. More than 50% of the buildings within the Study Area are

35 years of age or older. The Study Area exhibits the presence of nine of the 13 conservation area eligibility conditions defined by the Act. Seven of these conditions are meaningfully present and reasonably distributed within the Study Area affecting at least 50% of tax blocks. Two other conditions were found to be present to a limited extent and were not used to establish eligibility as a conservation area under the Act. Only three conditions are required to qualify as a conservation area under the Act, once the age threshold is met. *Table C-2: Distribution of Conservation Area Eligibility Conditions* summarizes the presence and distribution of the conditions applicable to eligibility of the Study Area as conservation area. This summary demonstrates the degree to which these conditions are meaningfully present and reasonably distributed within the Study Area.

**Table C-2:**

**DISTRIBUTION OF CONSERVATION AREA ELIGIBILITY CONDITIONS**

Conservation Area Eligibility Conditions		Present to a Major Extent	Present to a Limited Extent
1	Dilapidation		
2	Obsolescence	✓	
3	Deterioration	✓	
4	Presence of structures below minimum code standards		✓
5	Illegal use of structures		
6	Excessive vacancies	✓	
7	Lack of ventilation, light or sanitary facilities		
8	Inadequate utilities	✓	
9	Excessive land coverage or overcrowding of community facilities	✓	
10	Deleterious land use or layout		✓
11	Environmental contamination		
12	Lack of community planning	✓	
13	Lagging or declining EAV	✓	

## APPENDIX D

### **INITIAL EQUALIZED ASSESSED VALUE (EAV) OF PROPERTY WITHIN THE WAREHOUSE DISTRICT TIF REDEVELOPMENT PROJECT AREA**

#	PIN #	2006 EAV	#	PIN #	2006 EAV
1	1808479001	\$4,220	38	1808485008	\$10,970
2	1808479003	\$17,230	39	1808485009	\$23,230
3	1808479004	\$1,240	40	1808485010	\$18,240
4	1808480001	\$5,980	41	1808485011	\$13,680
5	1808480002	\$1,990	42	1808485012	\$10,800
6	1808480003	\$250	43	1808485013	\$1,590
7	1808480004	\$43,880	44	1808485014	\$18,210
8	1808480005	\$310	45	1808486001	\$13,960
9	1808480006	\$1,240	46	1808486002	\$17,470
10	1808480007	\$810	47	1808486003	\$6,070
11	1808480008	\$4,280	48	1808486004	\$12,400
12	1808480010	\$600	49	1808486005	\$810
13	1808482008	\$8,020	50	1808486006	\$990
14	1808482009	\$16,040	51	1808486007	\$2,440
15	1808482013	\$4,850	52	1808486008	\$2,050
16	1808482016	\$23,310	53	1808486009	\$19,550
17	1808482017	\$490	54	1808486010	\$2,340
18	1808482018	\$32,820	55	1808486011	\$1,990
19	1808482020	\$102,730	56	1808486012	\$770
20	1808482021	\$4,920	57	1808486013	\$560
21	1808483001	\$12,660	58	1808486014	\$2,340
22	1808483002	\$1,350	59	1808487005	\$46,120
23	1808483003	\$1,040	60	1808487006	\$20,360
24	1808483004	\$27,550	61	1808488001	\$8,910
25	1808484001	\$12,210	62	1808489001	\$10,500
26	1808484002	\$33,630	63	1808489002	\$6,180
27	1808484006	\$560	64	1808489003	\$2,110
28	1808484007	\$3,780	65	1808489004	\$2,960
29	1808484008	\$15,320	66	1808489005	\$2,370
30	1808484010	\$37,150	67	1808489006	\$4,950
31	1808485001	\$960	68	1808489007	\$73,300
32	1808485002	\$430	69	1809186010	\$0
33	1808485003	\$720	70	1809189005	\$58,150
34	1808485004	\$810	71	1809190001	\$0
35	1808485005	\$560	72	1809190002	\$0
36	1808485006	\$1,400	73	1809190003	\$0
37	1808485007	\$1,190			

74	1809190004	\$0	123	1809313013	\$20,680
#	PIN #	2006 EAV	#	PIN #	2006 EAV
75	1809190005	\$0	124	1809313015	\$23,710
76	1809191001	\$0	125	1809313016	\$3,010
77	1809253014	\$0	126	1809313017	\$7,830
78	1809254001	\$803,930	127	1809328009	\$50,270
79	1809254003	\$14,960	128	1809328019	\$0
80	1809254004	\$1,148,080	129	1809329001	\$2,370
81	1809254006	\$61,310	130	1809329002	\$0
82	1809254007	\$9,940	131	1809329003	\$0
83	1809254013	\$1,641,090	132	1809329004	\$0
84	1809257001	\$35,450	133	1809329005	\$0
85	1809257002	\$39,640	134	1809329006	\$2,340
86	1809257003	\$41,950	135	1809329007	\$0
87	1809257004	\$40,800	136	1809329009	\$0
88	1809257005	\$53,290	137	1809329010	\$0
89	1809257008	\$37,200	138	1809330001	\$48,260
90	1809257009	\$83,050	139	1809330002	\$2,700
91	1809257010	\$24,470	140	1809330003	\$3,820
92	1809258001	\$91,330	141	1809330005	\$4,530
93	1809258002	\$30,090	142	1809330006	\$17,000
94	1809258003	\$20,520	143	1809330007	\$23,170
95	1809258004	\$1,325,620	144	1809330008	\$65,510
96	1809258005	\$1,355,420	145	1809330009	\$27,860
97	1809258006	\$19,200	146	1809330012	\$191,330
98	1809258007	\$1,880	147	1809330013	UNKNOWN
99	1809258008	\$1,380	148	1809330014	UNKNOWN
100	1809258009	\$4,110	149	1809330015	UNKNOWN
101	1809258010	\$14,820	150	1809330016	UNKNOWN
102	1809258011	\$14,820	151	1809330017	UNKNOWN
103	1809258012	\$22,220	152	1809330018	UNKNOWN
104	1809258013	\$22,220	153	1809330019	UNKNOWN
105	1809258014	\$11,090	154	1809330020	UNKNOWN
106	1809258015	\$33,300	155	1809330021	UNKNOWN
107	1809258016	\$129,120	156	1809330022	UNKNOWN
108	1809312013	\$34,970	157	1809330023	UNKNOWN
109	1809312015	\$32,060	158	1809330024	UNKNOWN
110	1809312016	\$281,700	159	1809330025	UNKNOWN
111	1809313001	\$3,840	160	1809330026	UNKNOWN
112	1809313002	\$11,920	161	1809330027	UNKNOWN
113	1809313003	\$11,650	162	1809330028	UNKNOWN
114	1809313004	\$3,010	163	1809330029	UNKNOWN
115	1809313005	\$840	164	1809330030	UNKNOWN
116	1809313006	\$1,360	165	1809330031	\$52,780
117	1809313007	\$840	166	1809330032	\$19,100
118	1809313008	\$1,940	167	1809330033	\$28,700
119	1809313009	\$73,880	168	1809330035	\$18,300
120	1809313010	\$13,550	169	1809330036	\$21,540
121	1809313011	\$10,070	170	1809330037	\$31,570
122	1809313012	\$16,840	171	1809330038	\$4,730

172	1809330039	\$30,710	221	1809353002	\$960
#	PIN #	2006 EAV	#	PIN #	2006 EAV
173	1809330040	\$0	222	1809353003	\$2,690
174	1809330041	\$2,440	223	1809353004	\$1,240
175	1809330042	\$28,570	224	1809353005	\$1,240
176	1809330043	\$5,920	225	1809353006	\$37,840
177	1809330044	\$22,880	226	1809353011	\$7,330
178	1809330045	\$2,840	227	1809353012	\$2,510
179	1809330046	\$0	228	1809353013	\$5,920
180	1809330047	\$24,260	229	1809353014	\$1,590
181	1809331001	\$10,390	230	1809353016	\$8,070
182	1809331002	\$21,900	231	1809353017	\$2,690
183	1809331003	\$20,270	232	1809353018	\$5,300
184	1809331004	\$18,470	233	1809353019	\$4,260
185	1809331005	\$45,010	234	1809353020	\$14,710
186	1809331006	\$0	235	1809353021	\$6,320
187	1809331007	\$1,190	236	1809353022	\$6,230
188	1809331008	\$460	237	1809353023	\$25,720
189	1809331009	\$38,100	238	1809354004	\$5,160
190	1809331010	\$10,100	239	1809354005	\$36,040
191	1809331011	\$30,130	240	1809354006	\$3,530
192	1809331012	\$11,790	241	1809354008	\$340
193	1809331013	\$5,220	242	1809354009	\$4,420
194	1809331014	\$3,120	243	1809354010	\$4,420
195	1809332016	\$21,010	244	1809354011	\$1,520
196	1809332017	\$5,270	245	1809354012	\$2,980
197	1809332018	\$3,680	246	1809354013	\$57,760
198	1809332019	\$4,140	247	1809354014	\$76,570
199	1809332020	\$54,540	248	1809355001	\$3,280
200	1809332022	\$0	249	1809355002	\$9,240
201	1809333001	\$0	250	1809355003	\$15,980
202	1809333002	\$0	251	1809355004	\$91,220
203	1809333006	\$0	252	1809355005	\$8,030
204	1809333007	\$0	253	1809355006	\$8,030
205	1809333010	\$0	254	1809355007	\$128,530
206	1809334001	\$85,730	255	1809356001	\$35,310
207	1809335001	\$143,570	256	1809356004	\$19,620
208	1809335002	\$127,820	257	1809356005	\$16,200
209	1809335003	\$77,740	258	1809356006	\$20,430
210	1809335004	\$37,710	259	1809356007	\$970
211	1809335006	\$70,090	260	1809356008	\$19,390
212	1809335007	\$80,570	261	1809357001	\$14,980
213	1809336001	\$0	262	1809357002	\$68,890
214	1809352001	\$17,510	263	1809358001	\$12,290
215	1809352002	\$17,900	264	1809358002	\$71,810
216	1809352003	\$12,500	265	1809359001	\$130,360
217	1809352004	\$3,330	266	1809360001	\$8,400
218	1809352005	\$9,490	267	1809360002	\$13,110
219	1809352006	\$11,840	268	1809360003	\$8,760
220	1809353001	\$1,240	269	1809360004	\$103,060

270	1809361001	\$7,720	319	1809408017	\$1,200
#	PIN #	2006 EAV	#	PIN #	2006 EAV
271	1809361006	\$400,280	320	1809408020	\$66,890
272	1809361008	\$7,840	321	1809408021	\$685,270
273	1809362001	UNKNOWN	322	1809410002	\$0
274	1809362002	UNKNOWN	323	1809410003	\$418,030
275	1809362003	UNKNOWN	324	1809410004	\$0
276	1809376001	\$103,040	325	1809410005	\$185,080
277	1809376002	\$54,000	326	1809502001	\$0
278	1809376003	\$50,130	327	1809502002	\$0
279	1809376004	\$63,000	328	1809502003	\$0
280	1809376005	\$10,010	329	1809502004	\$0
281	1809376006	\$34,670	330	1809502005	\$0
282	1809376007	\$5,760	331	1809502006	\$0
283	1809376008	\$63,230	332	1809502007	\$0
284	1809376009	\$90,850	333	1809502008	\$0
285	1809376011	\$2,690	334	1809502009	\$0
286	1809376012	\$2,690	335	1809502010	\$0
287	1809376013	\$3,160	336	1809502011	\$0
288	1809376014	\$2,690	337	1809502012	\$0
289	1809376015	\$2,690	338	1809502013	\$0
290	1809376016	\$2,690	339	1809502014	\$0
291	1809376017	\$2,690	340	1809502015	\$0
292	1809376018	\$2,690	341	1809502016	\$0
293	1809376019	\$2,690	342	1809502017	\$0
294	1809376020	\$3,160	343	1809502018	\$0
295	1809376021	\$2,690	344	1809502019	\$0
296	1809376022	\$2,690	345	1809502020	\$0
297	1809376023	\$2,690	346	1809502021	\$0
298	1809376024	\$2,690	347	1809502022	\$0
299	1809376028	\$150,130	348	1809502023	\$0
300	1809376029	\$45,150	349	1809502024	\$0
301	1809376030	\$3,400	350	1809502025	\$0
302	1809376031	\$0	351	1809502026	\$0
303	1809377036	\$0	352	1809502027	\$0
304	1809377037	\$29,770	353	1809502028	\$0
305	1809402013	\$101,950	354	1809502029	\$0
306	1809402014	\$14,740	355	1809502030	\$0
307	1809402015	\$214,970	356	1809502033	\$0
308	1809402018	\$40,160	357	1809505004	\$0
309	1809402019	\$113,840	358	1816101001	UNKNOWN
310	1809403001	\$67,520	359	1816101003	\$4,290
311	1809403002	\$54,690	360	1816101004	UNKNOWN
312	1809403003	\$3,930	361	1816102001	\$0
313	1809403005	\$106,540	362	1816102002	\$0
314	1809403006	\$28,320	363	1816102003	\$0
315	1809403010	\$1,490	364	1816102004	\$0
316	1809403011	\$20,390	365	1816102005	\$0
317	1809408005	\$1,250	366	1816102006	\$0
318	1809408007	\$560	367	1816102007	\$0

368	1816102008	\$0	417	1817227015	\$65,760
#	PIN #	2006 EAV	#	PIN #	2006 EAV
369	1816102009	\$0	418	1817228001	\$9,630
370	1816102010	\$0	419	1817228002	\$3,210
371	1816102011	\$0	420	1817228003	\$0
372	1816102012	\$0	421	1817228004	\$0
373	1816102013	\$0	422	1817228005	\$0
374	1816102014	\$5,380	423	1817228006	\$13,040
375	1816102015	\$0	424	1817228008	\$53,950
376	1816102016	\$0	425	1817228009	\$4,280
377	1816102017	\$0	426	1817228010	\$12,090
378	1816102018	\$51,600	427	1817228011	\$19,660
379	1816102019	\$0	428	1817229001	\$271,700
380	1816102020	\$0	429	1817230009	\$104,230
381	1816102021	\$0	430	1817230010	\$15,790
382	1816102022	\$83,070	431	1817230011	\$810
383	1816104001	\$0	432	1817230012	\$770
384	1816104005	\$390,950	433	1817230013	\$810
385	1816502002	\$0	434	1817230014	\$1,850
386	1816502003	\$0	435	1817230015	UNKNOWN
387	1816502004	\$0	436	1817230025	\$810
388	1816502005	\$0	437	1817230026	\$2,580
389	1816502006	\$0	438	1817402018*	\$30,189
390	1816502008	\$0			
391	1816502009	\$0			\$16,078,33
392	1816502010	\$0			0
393	1816502011	\$0			
394	1816505001	\$0			
395	1817226012	\$3,810			
396	1817226013	\$4,220			
397	1817226014	\$3,260			
398	1817226036	\$7,430			
399	1817226037	\$18,220			
400	1817226038	\$3,710			
401	1817226039	\$1,880			
402	1817226040	\$1,880			
403	1817226041	\$19,160			
404	1817227001	\$6,370			
405	1817227002	\$35,310			
406	1817227003	\$53,200			
407	1817227004	\$5,500			
408	1817227005	\$5,280			
409	1817227006	\$5,280			
410	1817227007	\$23,590			
411	1817227008	\$18,280			
412	1817227009	\$3,750			
413	1817227010	\$4,820			
414	1817227011	\$4,940			
415	1817227013	\$41,720			
416	1817227014	\$6,580			

\* - Note that parcel 1817402018 will be redivided for the 2007 tax year to reflect the portion of the parcel that is located within the Project Area.