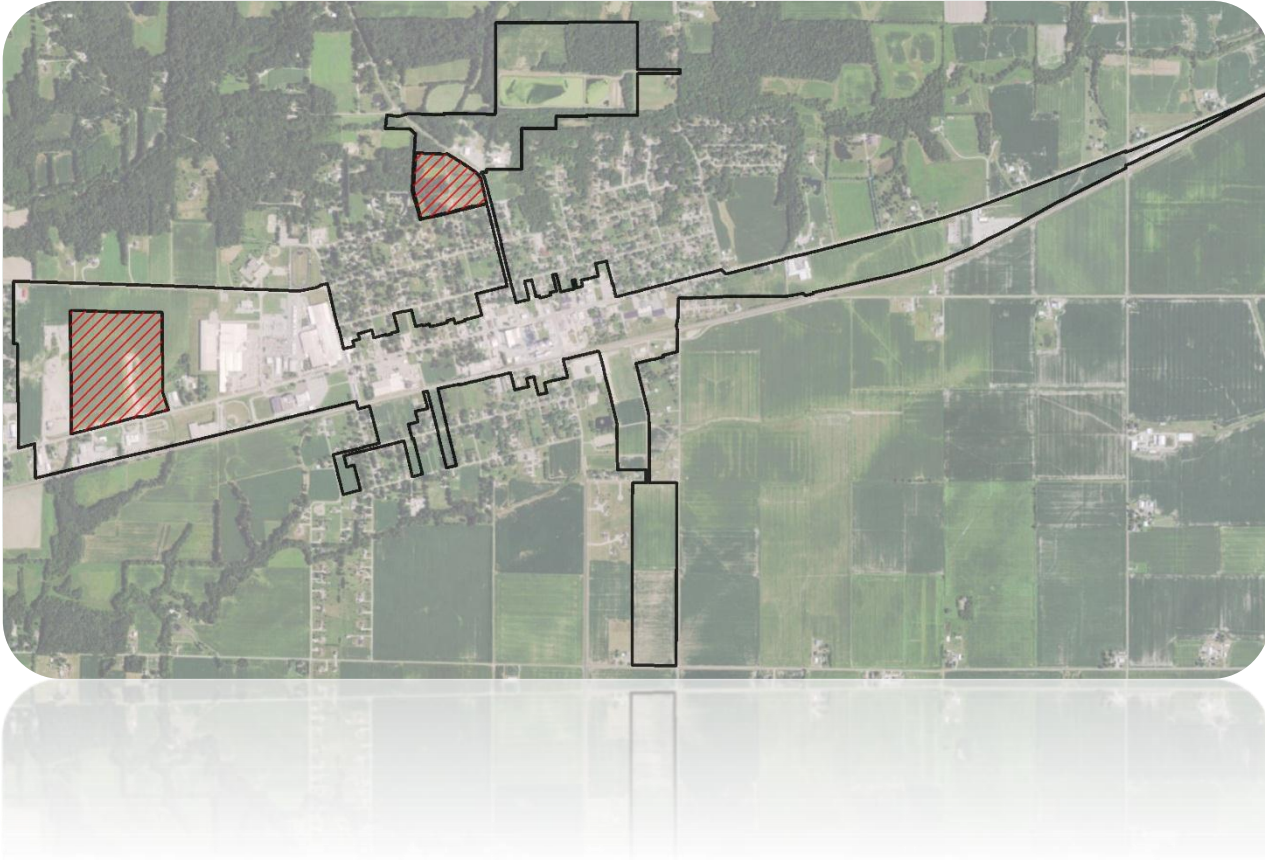




VILLAGE OF TEUTOPOLIS, ILLINOIS

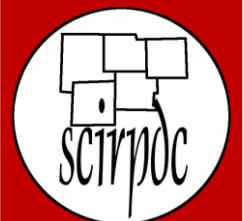
SCIRPPDC
120 Delmar Ave.
Suite A
Salem, IL 62881



Redevelopment Plan Summary Report

Central Redevelopment Project Area

May 24, 2017



Village of Teutopolis, Illinois

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Section I – Introduction

On March 15, 2017 the Village of Teutopolis Board of Trustees passed **Resolution No. 588** stating the intent of the Village to undertake a feasibility study to determine whether findings may be made to designate a portion of the Village as a tax increment financing (TIF) Redevelopment Project Area and to encourage the redevelopment of such area. The area being considered for designation as a TIF Redevelopment Area includes the industrial and downtown areas of the Village, as well as other adjoining areas of the Village. The area is referred to herein as the Central Redevelopment Project Area. Within the boundaries of the Central Redevelopment Project Area are two separate areas of exclusion. They include the currently active West Main Street Redevelopment Project area on the west end of the Village corporate limits and the St. Francis Cemetery located toward the northern portion of the Central Redevelopment Project Area. The boundaries of the aforementioned area are shown on **Exhibit A**.

The Village intends to utilize TIF, as well as other financing and development tools as they become available and necessary, to improve the blighting conditions of the proposed Central Redevelopment Project Area as was found and documented through the authorized feasibility study conducted by staff of the South Central Illinois Regional Planning & Development Commission (SCIRPDC) on March 29th and March 30th, 2017. The completed feasibility study was then presented to the Village Board of Trustees on April 19, 2017 at a regularly scheduled board meeting.

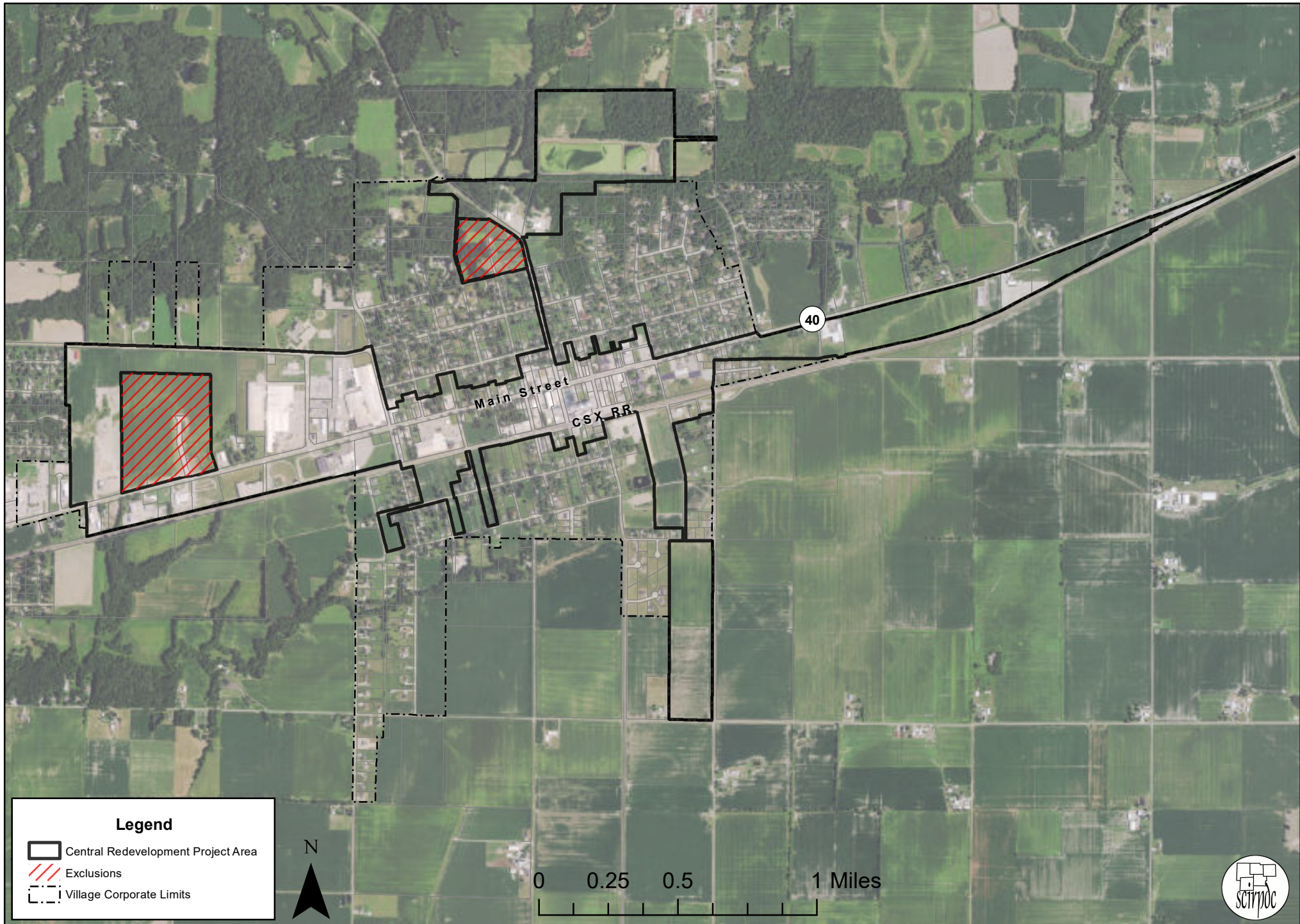
The Central Redevelopment Project Area contains approximately 446 acres, including streets and public rights-of-way. There are 181 total parcels of real property, of which 155 (86%) parcels have been found to be improved (i.e., buildings, parking lots, etc.). Much of the improved environment within the proposed area, including improvements in public right-of-way, suffers from advanced age as well as physical deterioration. While not all parcels of real property indicate conditions that would cause them to qualify individually under the definitions of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), henceforth referred to as the “Act”, the area “on the whole” meets the eligibility standards as set forth in the Act.

The Act sets forth the requirements and procedures for establishing and designating a TIF Redevelopment Project Area as well as a Redevelopment Plan. This Redevelopment Plan Summary Report serves as meeting the requirement of *Sec. 11-74.4-5* of the Act which states that:

At least [ten] 10 days prior to the adoption of the ordinance or resolution establishing the time and place for the public hearing, the municipality shall make available for public inspection a redevelopment plan or separate report that provides in reasonable detail the basis for eligibility of the redevelopment project area.

This summary report provides the following information: (1) the boundaries of the Central Redevelopment Project Area including a detailed parcel identification list, (2) a summary of the findings of eligibility for establishing a TIF Redevelopment Project Area and (3) the expected Redevelopment Plan project costs. This summary report is meant not only to comply with the requirements noted above, but provide for a more efficient and reader-friendly summary of the final Central Redevelopment Area Redevelopment Plan.

Exhibit A: Central Redevelopment Project Area



Section II – Redevelopment Plan and Project Eligibility Findings

Redevelopment area eligibility is set forth in the Act. Again, in determining the eligibility of the Central Redevelopment Project Area, the Act does not require that every parcel of real property, building, or site improvement be individually qualified, but as a whole the project area must be determined to be eligible. An analysis of the physical conditions of the project area as well as the presence of qualifying factors was performed by SCIRPDC staff. The following findings are being made with respect to the Project Area:

1. Combination Conservation and Blighted Area Eligibility

The Area on a whole meets the statutory requirements as a combination conservation area and blighted area. Furthermore, the factors that are necessary to make these findings exist to a meaningful extent are generally distributed throughout the Central Redevelopment Project Area.

- Conservation Area Findings (Improved Land Factors):
 - 116 (78%) of the 148 documented buildings are of 35 years in age or older;
 - 73% total deterioration of improved land;
 - 102 (69%) of the 148 buildings or structures within the project area are found to be deteriorated;
 - 110 (71%) of the 155 parcels of real property found to have buildings, structures or other site improvements are found to be deteriorated;
 - 19 (79%) of the 24 improved parcel Sub-Areas are found to be deteriorated;
 - 12 (50%) of the 24 improved parcel Sub-Areas are found to be of deleterious land use;
 - 113 (73%) of the 155 parcels of real property are found to be of deleterious land use; and
 - 121 (78%) of the 155 parcels of real property are found to have lack of community planning.
- Blighted Area Findings (Vacant Land Factors):
 - 17 (65%) of the 26 parcels of real property considered to be vacant, as defined in the Act, have a diversity of ownership impeding the ability to efficiently assemble the land for development;
 - 15 (58%) of the 26 parcels of real property considered to be vacant, as defined in the Act, have adjacent and neighboring buildings, structures or site improvements that are deteriorating; and
 - The 26 parcels of real property considered to be vacant, as defined in the Act, have had a decline in total equalized assessed value for 3 of the last 5 calendar years for which data is available.

Redevelopment Conservation Area and Blighting Area Factors

Central Redevelopment Project Area

Village of Teutopolis, Illinois

| | Total | Percent (%) |
|--|-------|-------------|
| Number of Improved Parcels | 155 | 86% |
| Number of Vacant Parcels | 26 | 14% |
| Total Parcels | 181 | 100% |
| Number of Buildings 35 Years or Older | 116 | 78% |
| Number of Buildings | 148 | 100% |
| Improved Parcels Sub-Area Count (Non-Vacant) | 24 | |
| “CONSERVATION AREA” IMPROVED LAND FACTORS (3 or more) | | |
| Number of Dilapidated Buildings | 12 | 8% |
| Number of Obsolete Buildings | 2 | 1% |
| Number of Deteriorated Buildings | 102 | 69% |
| Number of Parcels with Site Improvements that are Deteriorated | 110 | 71% |
| Deteriorated Streets and/or Sidewalks by Sub-Area | 19 | 79% |
| Total Deterioration | | 73% |
| Number of Structures Below Minimum Code | | * |
| Number of Buildings with Illegal Uses | | * |
| Number of Buildings with Vacancies | | * |
| Number of Buildings Lacking Ventilation, Light or Sanitation Facilities | | * |
| Inadequate Utilities by Sub-Area | | * |
| Number of Parcels with Excessive Land Coverage or Overcrowding of Structures | 23 | 17% |
| Deleterious Land Use or Layout by Sub-Area | 12 | 50% |
| Deleterious Land Use by Improved Parcel | 113 | 73% |
| Lack of Community Planning by Improved Parcel | 121 | 78% |
| Environmental Remediation by Sub-Area | 0 | 0% |
| Declining or Sub-Par EAV Growth | | NO |
| “BLIGHTED AREA” VACANT LAND FACTORS (2 or more) | | |
| Obsolete Platting | 6 | 23% |
| Diversity of Ownership (Number of Different Owners) | 17 | 65% |
| Tax Delinquencies | | * |
| Deterioration of Adjacent Structures or Sites | 15 | 58% |
| Environmental Remediation | 0 | 0% |
| Declining or Sub-Par EAV Growth | | YES |

* Not Determined

2. **Redevelopment Area Statutory Size**

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

3. **Contiguous Redevelopment Area**

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

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

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

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

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

The Village finds that the Central Redevelopment Project Area, “on the whole” has not currently, nor will reasonably be, developed without the use of tax increment financing.

- Strong private investment in recent years by Siemer Milling Company, Subway® Restaurants and Meyer Oil Company have aided in the redevelopment of the project area, however, these private investments are few and far between throughout the entire project on the whole. Without municipal intervention and the implementation of tax increment financing, future necessary redevelopment will not occur within the project area.

6. **Conformance with Village Comprehensive Planning**

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

7. **All Redevelopment Area Properties Will Substantially Benefit**

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

8. **Assessment of Local Taxing District Financial Impact**

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

- Potential negative impacts upon local taxing districts is expected to be minimal. New development within the project area would, potentially, create new jobs, allow for further recruitment and retention of businesses, and increase the sales tax base therefore contributing to the local economy beyond simple property tax incremental increases.
- Negative impacts will also be minimized through the inclusion of projects specifically benefiting the local taxing bodies. Utility, roadway and other transportation access improvements will be beneficial to the general public, municipal services and emergency services. Additionally, planned projects may increase the general population of the Village further increasing the current sales tax base and property tax base for all local taxing bodies.

9. **The Redevelopment Plan Conforms To the Statutory Timeframe**

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

10. **Housing Impact Certification**

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

Section III – Estimated Redevelopment Project Costs

Estimated Redevelopment Project Costs Central Redevelopment Project Area

| Description of Costs | Estimated Project Costs |
|--------------------------------------|-------------------------|
| Planning & Professional Services | \$ 1,500,000 |
| Property Assembly | \$ 3,000,000 |
| Rehabilitation of Existing Buildings | \$ 1,500,000 |
| Public Works Improvements | \$ 6,500,000 |
| Financing Costs | \$ 2,100,000 |
| Total Estimated Project Costs | \$ 14,600,000 |

- (1) Costs shown are in 2017 dollars.
- (2) Adjustments to individual category line items may be made to reflect changes in program implementation.
- (3) Private redevelopment costs, investment as well as any other funds that may be used in redevelopment to the proposed area are not included or considered above.
- (4) The total Estimated Redevelopment Project Costs shall not be increased by more than 5% after adjustment for inflation from date of the Plan adoption, per *Sec. 11-74.4-5 (c)* of the Act.

The Estimated Redevelopment Project Costs are subject to the limitations set forth in *Sec. 11-74.4-3* of the Act.

Planning & Professional Services

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

Property Assembly

These costs, as described in the Act, include but are not limited to the acquisition of land and other property, demolition of buildings, site preparation, the clearing or grading of land, and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination including, but not limited to parking lots and other concrete or asphalt barriers, as discussed in *Sec. 11-74.4-3 (q)(2)* of the Act.

Rehabilitation of Existing Buildings

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

Public Works Improvements

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

Financing Costs

These costs include but are not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto. “Obligations” are defined within the Act under *Sec. 11-74.4-3 (l)* as such, “bonds, loans, debentures, notes, special certificates or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations”. All costs are subject to certain limitations as identified in *Sec. 11-74.4-3 (q)(6)* of the Act.

None of the redevelopment costs described above are eligible if they provide direct financial support to a retail entity initiating operation in the proposed Redevelopment Project Area, while terminating operations at another Illinois facility location within 10 miles of the Redevelopment Project Area but outside the boundaries of the Redevelopment Project Area of the municipality. Further description and limitations to this cost eligibility condition are identified in *Sec. 11-74.4-3 (q)(13)* of the Act.

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

1. Most Recent Estimated Equalized Assessed Valuation

The most recent total equalized assessed valuation for the Redevelopment Project Area is estimated to be approximately \$15,318,893.20 based upon data derived from Effingham County online GIS and parcel tax and assessment system as well as historical data and future projection analysis.

2. Estimated Redevelopment Valuation

Contingent upon the adoption of the proposed Central Redevelopment Area Project and Plan, the commitment by the Village to the Redevelopment Plan, and barring unforeseen Federal, State or local circumstances which may cause undue harm to the Redevelopment Plan and Project Area, it is anticipated that private investment, development and improvements will occur in the Project

Area. This anticipation allows the Village to project an increase in the total equalized assessed valuation for the Redevelopment Project Area, after redevelopment, of approximately \$27 to \$29 million (2017 dollars).

3. **Source of Funds**

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

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

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

4. **Nature and Term of Obligations**

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

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

Any revenues received in excess of 100% of funds necessary for the payment of principal and interest on bonds or payment of other obligations and not needed for any other applicable redevelopment projects or early bond retirement shall be declared as surplus and become available

for distribution to the taxing bodies to the extent that this distribution of surplus funds does not impair the financial viability of any redevelopment projects. One or more bond issues or other obligations may be sold at any time in order to implement this Redevelopment Plan.

5. **Fair Employment Affirmation**

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

6. **Redevelopment Plan Amendments**

The Central Redevelopment Area Plan and Project may be amended in accordance with the provisions of the Act.

7. **Redevelopment Plan and Project Reporting and Meeting Requirements**

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

Section IV– Contact Information

If you have questions or would like further information regarding the proposed Central Redevelopment Project Area and Plan please contact Luke Eastin of the South Central Illinois Regional Planning and Development Commission by phone, email, or mail:

Luke Eastin

Economic Development Planner
SCIRPDC
120 S. Delmar Ave., Suite A
Salem, Illinois 62881

Phone: (618) 548-4234

Email: leastin@scirpdc.com

If you believe your question or comment should be provided to the Village of Teutopolis directly please use the following information:

Village of Teutopolis

106 W. Main Street
PO Box 776
Teutopolis, Illinois 62467

Phone: (217) 857-3543

Email: village@teutopolis.com

Appendix – Parcel Identification

| | | |
|---------------|---------------|---------------|
| 12-12-023-004 | 12-18-005-059 | 12-18-001-008 |
| 12-12-023-008 | 12-18-005-063 | 12-18-001-009 |
| 12-12-023-010 | 12-18-005-107 | 12-18-001-010 |
| 12-12-023-011 | 12-18-004-001 | 12-18-001-077 |
| 12-12-023-012 | 12-18-004-003 | 12-18-001-062 |
| 12-12-023-013 | 12-18-004-058 | 12-18-001-063 |
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| 12-12-023-019 | 12-18-004-060 | 12-18-001-083 |
| 12-12-023-021 | 12-18-004-061 | 12-12-013-004 |
| 12-12-023-023 | 12-18-004-062 | 12-18-002-021 |
| 12-12-023-024 | 12-18-004-006 | 12-18-002-036 |
| 12-12-023-025 | 12-18-004-009 | 12-18-002-038 |
| 12-12-023-026 | 12-18-004-012 | 12-18-006-009 |
| 12-12-023-047 | 12-18-004-014 | 12-18-006-011 |
| 12-12-023-048 | 12-18-003-001 | 12-18-006-013 |
| 12-12-023-049 | 12-18-003-002 | 12-18-006-014 |
| 12-12-023-050 | 12-18-003-003 | 12-18-006-023 |
| 12-12-023-052 | 12-18-003-004 | 12-18-006-049 |
| 12-12-023-053 | 12-18-003-008 | 12-18-006-032 |
| 12-12-023-055 | 12-18-003-010 | 12-18-006-033 |
| 12-12-023-056 | 12-18-003-011 | 12-18-006-034 |
| 12-12-023-057 | 12-18-003-012 | 12-18-006-037 |
| 12-12-023-081 | 12-18-003-015 | 12-18-006-039 |
| 12-12-023-082 | 12-18-003-016 | 12-18-006-040 |
| 12-12-023-086 | 12-18-003-086 | 12-18-006-042 |
| 12-12-023-093 | 12-18-003-087 | 12-18-006-043 |
| 12-18-005-110 | 12-18-003-104 | 12-18-006-045 |
| 12-18-006-001 | 12-18-003-020 | 12-18-006-048 |
| 12-18-006-004 | 12-18-003-021 | 12-18-006-050 |
| 12-18-006-007 | 12-18-003-023 | 12-18-006-051 |
| 12-18-005-065 | 12-18-003-024 | 12-18-006-052 |
| 12-18-005-066 | 12-18-003-026 | 12-18-006-053 |
| 12-18-005-067 | 12-18-003-027 | 12-18-006-054 |
| 12-18-005-069 | 12-18-003-028 | 12-18-010-031 |
| 12-18-005-071 | 12-18-003-030 | 12-18-010-033 |
| 12-18-005-072 | 12-18-003-031 | 12-18-010-036 |
| 12-18-005-080 | 12-18-003-033 | 12-18-010-050 |
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| 12-18-005-053 | 12-18-001-001 | 12-18-010-053 |
| 12-18-005-057 | 12-18-001-002 | 12-18-010-014 |
| 12-18-005-058 | 12-18-001-003 | 12-18-010-018 |

| | | |
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| 12-18-010-021 | 10-15-181-010 | 12-18-007-060 |
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| 12-18-011-002 | 10-15-018-054 | 12-18-011-020 |
| 12-18-011-003 | 10-15-018-055 | 12-18-011-033 |
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| 12-18-011-025 | 12-18-007-023 | 12-18-011-018 |
| 10-15-018-018 | 12-18-007-025 | 12-12-024-007 |
| 10-15-018-019 | 12-18-007-027 | |
| 10-15-018-021 | 12-18-007-031 | |