

HOSPITALITY IMPROVEMENT ZONE TIF
REDEVELOPMENT PLAN AND PROJECT

Prepared for:
City of Peoria, Illinois

By:
Camiros, Ltd.

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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 Hospitality Improvement Zone 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 Main, Monroe, Fayette, Adams, Hamilton, Madison, Fulton, Monroe, William Kumpf and M.L. King Drive. 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 49 tax parcels and is approximately 26 acres in size, including rights-of-way. Approximately 6 acres of land are dedicated to streets, alleys and other public rights-of-way, leaving 20 acres of net land area. The Project Area consists of improved property.

The land use pattern is predominately commercial. A total of 32 buildings were identified in the Project Area, of which 27 or 84% 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 hotel and mixed-use development that builds upon the presence of the Peoria Civic Center which is immediately adjacent to the Project Area and serves as the functional anchor for Peoria's hospitality district. Certain public investments related to infrastructure and streetscape improvements are needed to prevent the Project Area from becoming blighted and enhance the Project Area potential as a hospitality center.

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 Hospitality Improvement Zone 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 26 acres in size and includes 49 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 32 buildings, 27 of which were built in 1973 or earlier, representing 84% 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 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 Southtown TIF district as shown in *Figure 2: Adjacent TIF Districts in Appendix A*. The Warehouse District TIF is contiguous to the Southtown TIF and the Central Business District TIF is contiguous to the Warehouse TIF. However, the Warehouse District TIF and Central Business District TIF do not immediately abut the Project Area. 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 in the southwest quadrant of Peoria's Central Business District. It includes several major hotels that form the core of Peoria's hospitality district. While the Civic Center recently completed a major upgrade and expansion, the condition of the three existing hotels located in the Project Area and the number of available rooms in these facilities are impediments to the ability of the Civic Center to successfully compete with other facilities in the region.

The land use mix found in the Project Area includes hotels, institutional uses, parking, offices, entertainment and miscellaneous commercial uses. These commercial uses include two drive-thru bank facilities, car repair, car rental and a used car lot. What is striking is the lack of any general or convenience retail in the Project Area. Only three buildings were identified that contain occupied residential units. One of these buildings houses a work-release program. A fourth mixed use building with one residential is vacant.

The Project Area includes a large number of old, and in many cases, architecturally significant buildings that vary from one to twelve stories in height. Many of these buildings are vacant or underutilized. Bars and restaurants dominate the ground floor commercial land use mix, often with unoccupied second floors. While residential units are occupied, much of the ground floor commercial space in the largest mixed use building in the Project Area is vacant or used for storage. The Project Area also includes a number of surface parking lots and several older parking decks that accommodate event and hotel parking.

The Project Area is within walking distance to downtown employment centers and cultural resources including the Civic Center, Riverfront, O'Brien Baseball Stadium and the planned Peoria Riverfront Museum and Caterpillar Visitors' Center. The Peoria Civic Center was recently expanded and currently contains more than 110,000 square feet of exhibit space, 27,000 square feet of meeting space and 18,000 square feet of pre-function space.

According to a 2002 study that analyzed the Civic Center's master plan, there is a need for additional hotels in the vicinity of the Civic Center to support its convention functions. Several of the existing hotels are older properties and improvements are needed to allow them to successfully compete with facilities in other communities. A second study of Peoria's hospitality industry was undertaken in 2006. This study documented the need for more and better hotels to support the Civic Center and documented the difficulties that older existing hotels were having in maintaining adequate occupancy levels.

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. In June 2008, 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 84% having been built in 1973 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, six 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
- Inadequate utilities
- Excessive land coverage and overcrowding of structures and community facilities
- Lack of community planning
- Lagging or declining equalized assessed value

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

- Structures below minimum code standards
- Excessive vacancies
- 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

Downtown Peoria faces competition from other conference and convention centers in the region. Normal is completing a major new conference center and hotel with substantial governmental assistance. East Peoria has established a strong convention presence. The

addition of the Lincoln Museum has also greatly enhanced Springfield's attractiveness of conferences.

The three major hotels in the Study Area were built in three different decades as stand alone facilities to serve specific target markets with support facilities including restaurants, meeting rooms and other amenities to meet the requirements of their customer base. The Pere Marquette, Mark Twain and Holiday Inn have all made substantial investments in their hotels in an effort to bring their facilities closer to the expectations of the current hotel market. However, despite these investments and improvements made by other property owners in the Project Area to rehabilitate existing office buildings, the taxable value of the Project Area has consistently lagged the economic growth of the rest of Peoria. Between 2002 and 2007 the annual growth in taxable value for all of Peoria averaged 6.2%. In contrast the annual growth in taxable value was only 2.0% for the Project Area.

The Civic Center recently completed a major expansion, but lacks an attached hotel that would improve its ability to attract major events. In addition, the current land use mix includes facilities such as a work-release center and late-night adult entertainment uses in the immediate vicinity of the Civic Center and major hotels that detract from the desired image of Peoria's emerging hospitality district. While the land use mix that has evolved meets a variety of community needs, the lack of effective community land use planning threatens the progress and investments that have been made to upgrade the image of the Study Area. Repositioning the Project Area to make it a more competitive urban place will require significant public and private investment.

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 level of private investment currently being made is likely to exacerbate deterioration and other blighting conditions within the Project Area including obsolescence, excessive vacancies and deterioration.

4. REDEVELOPMENT PLAN GOALS AND OBJECTIVES

Peoria's Comprehensive Plan designates the Project Area as "CBD - Central Business District." As described in the Comprehensive Plan, the CBD serves as a regional employment center and is an intensive mixture of commercial uses including office, retail, wholesale, entertainment and residential. The construction of the Civic Center and the presence of hotels that provide lodging for business, tourist and Civic Center events are also important elements of the CBD land use mix. Making the downtown a "viable business, tourism and entertainment center" is a key land use goal of the Comprehensive Plan.

The proposed Plan is intended to improve Peoria's ability to compete as a regional conference and convention center by expanding and upgrading existing support facilities. Accordingly, the Plan conforms to the City of Peoria's Comprehensive Plan. The following goals and objectives are provided to guide development in the Project Area.

General Goals

- Make the downtown a viable business, tourism and entertainment center. (Comprehensive Plan, Land Use, Goal B)
- Provide an economic environment that supports existing and new businesses. (Comprehensive Plan, Economics, Goal A)
- 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 hotel and other hospitality-oriented uses.
- Increase 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.

Redevelopment Objectives

- Create a strong, cohesive and competitive regional meeting and convention center.
- Create additional financial incentives and loan programs to encourage the development and redevelopment of the Central Business District. (Comprehensive Plan, Land Use B.1.2)
- 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 rehabilitation, preservation and reuse of existing buildings when possible.

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.
- Encourage pedestrian-friendly design, while also improving vehicular movement and ensuring that parking is adequate to meet current and future development needs.
- Enhance visual and physical linkages between the Civic Center and supportive hospitality uses.

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 commercial district that enhances the image of the Project Area as the center of Peoria's hospitality industry. The Plan recognizes that new investment in hotel, commercial and mixed-use facilities 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 existing hotels and commercial buildings within the Project Area; 2) encourage development of large surface parking lots into appropriate commercial and mixed-use development, consistent with the intent of the Heart of Peoria Plan; and 3) provide public and private infrastructure, 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.

Hotel Rehabilitation and Development

The primary focus of this Plan is the rehabilitation of existing hotels and the development of additional hotel rooms in the Project Area to support recent Civic Center investment.

Commercial Mixed Use Development

There are several large surface parking lots in the Project Area that represent potential mixed use development sites. As development projects are considered, it will be important to ensure that sufficient parking continues to be available to meet the Civic Center's peak period parking demands. However, much of this parking could be provided in parking structures rather than surface lots. While ground floor restaurant and hospitality related commercial uses should be emphasized, upper floors could contain a variety of office, residential or civic uses.

Public Improvements

Improvements to public infrastructure and facilities will be needed to complement and attract private sector investment. These improvements may include:

- Assembly and consolidation of smaller lots to provide appropriate development sites;
- Streetscape enhancements to support redevelopment; and
- Public infrastructure and utility improvements needed 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 category planned for the Project Area is hospitality mixed use. 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.

Hospitality Mixed Use

The primary focus of this Plan is the rehabilitation of existing hotels and the development of additional hotel rooms in the Project Area to support the investment in the Civic Center. The land use plan is designed to facilitate the transition of the land use pattern that evolved during the 1950's through the 1980's into the urban development patterns envisioned in the Heart of Peoria Plan. The intent is to develop a vibrant mix of hospitality-oriented facilities that are integrated into the broader fabric of the downtown land use pattern. Within this framework, residential, commercial and institutional uses are appropriate as complementary uses in establishing a vibrant urban core.

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: \$1,000,000)*
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: \$20,000,000)*
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: \$40,000,000)*
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: \$40,000,000)*
5. Relocation costs, as judged by the City to be appropriate or required to further implementation of the Plan. *(Estimated cost: \$5,000,000)*
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: \$1,000,000)*
7. Interest subsidy or other financing costs associated with redevelopment projects, pursuant to the provisions of the Act. *(Estimated cost: \$13,000,000)*

The estimated gross eligible project cost over the life of the Project Area is \$120 million. All project cost estimates are in 2008 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**

| Eligible Expense | Estimated Cost |
|--|---|
| Analysis, Administration, Studies, Surveys, Legal, Marketing, etc. | <u>\$ 1,000,000</u> |
| Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation | <u>\$ 20,000,000</u> |
| Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost | <u>\$ 40,000,000</u> |
| Public Works and Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) ^[1] | <u>\$ 40,000,000</u> |
| Relocation Costs | <u>\$ 5,000,000</u> |
| Job Training, Retraining, Welfare-to-Work, Day Care Services | <u>\$ 1,000,000</u> |
| Interest Subsidy | <u>\$ 13,000,000</u> |
| TOTAL REDEVELOPMENT PROJECT COSTS ^{[2] [3]} | <u>\$ 120,000,000</u> ⁴ |

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.

¹ This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district’s or public library 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.

² 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.

³ 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.

⁴ 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 2008, by 2032). 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.

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 2007 EAV of all taxable parcels in the Project Area is approximately \$12,250,600. 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 2007 tax year. If the 2008 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 2007 EAV with the 2008 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 \$136 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 average annual rate of EAV and tax levy growth of 5.0%.

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 and commercial expansion and redevelopment occurs on underutilized parking lots. 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 \$40 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 2008, by December 31, 2032).

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 a total of 64 residential units, 63 of which were identified as inhabited as of June 24, 2008, the date of the eligibility condition and housing survey. The Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. As a result, it is possible that by implementation of this Plan, the displacement of residents from 10 or more inhabited residential units could occur.

The results of the housing impact study are described in a separate report which presents certain factual information required by the Act. The report prepared by the Consultant is included in this Plan as *Appendix E: Hospitality Improvement Zone TIF Housing Impact Study*.

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.

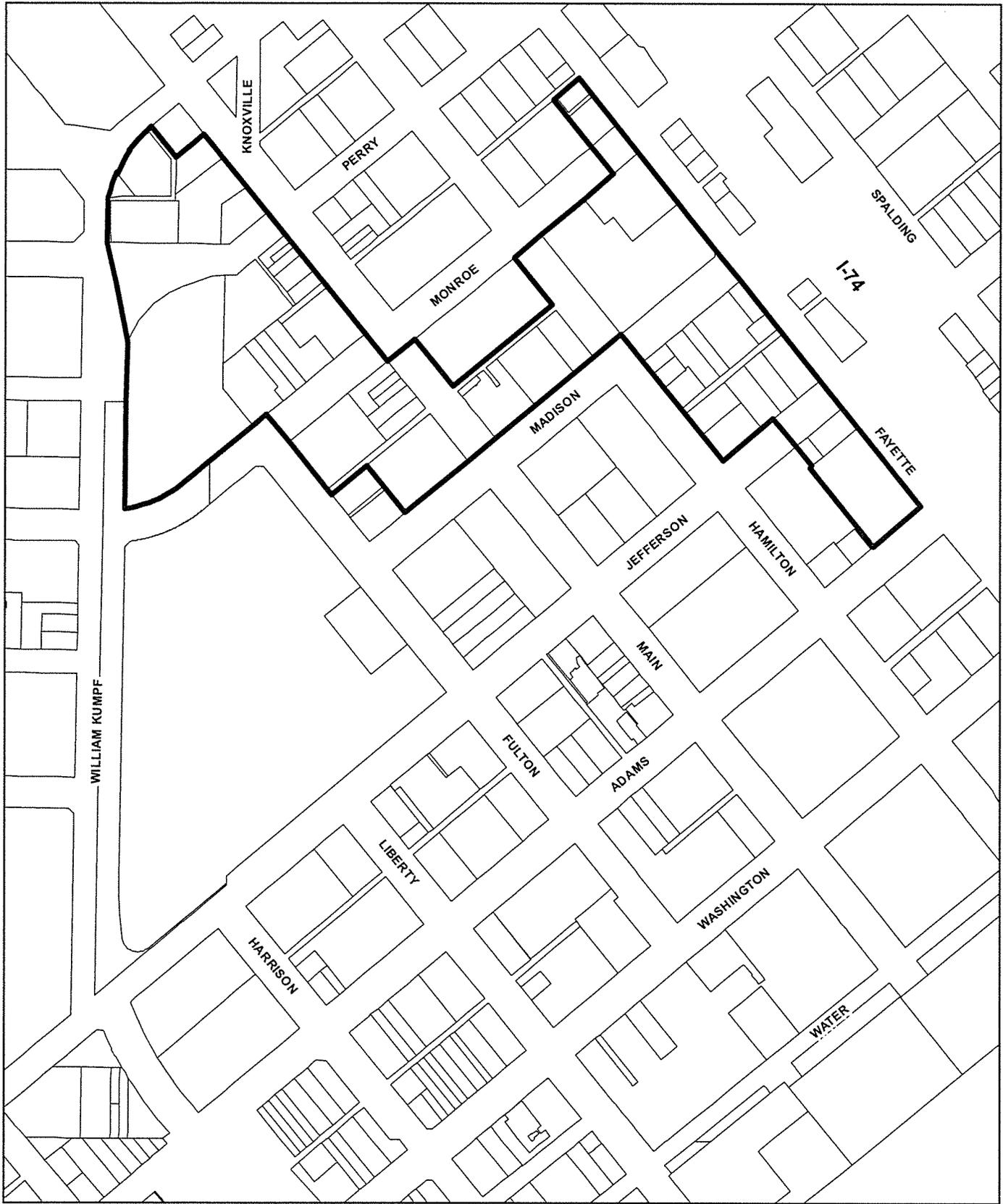
Developers or redevelopers conducting business with the City of Peoria shall comply with the fair employment and affirmative action provisions of Chapter 17, Article III, Division 4 of the municipal code. Anyone involved with employment or contracting for this Plan will be responsible for conformance 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
HOSPITALITY IMPROVEMENT ZONE TIF
REDEVELOPMENT PROJECT AREA

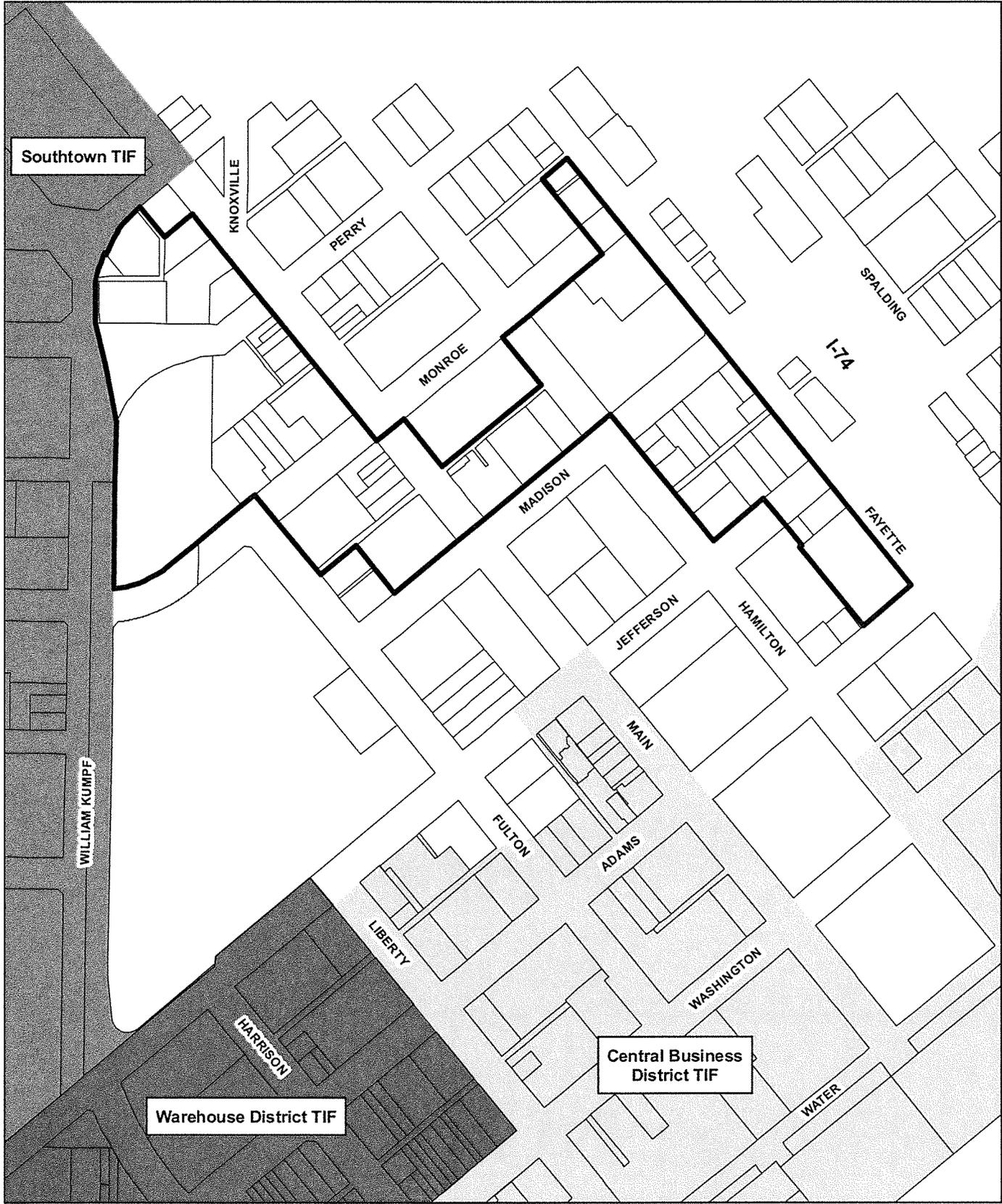
FIGURES 1-3



August 2008

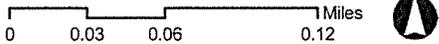
Figure 1:
Redevelopment Project Area Boundary





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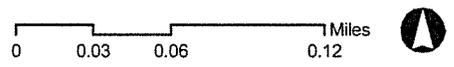
Figure 2:
Adjacent TIF Districts





August 2008

Figure 3:
General Land Use Plan



APPENDIX B

CITY OF PEORIA HOSPITALITY IMPROVEMENT ZONE TIF REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

Commencing at the corner of Kumpf Blvd. and Main St., said point being the intersection of the easterly line of W.M. Kumpf Blvd. and the southwesterly line of Main St.; thence southeasterly along the southwesterly line of Main St. a distance of 111 feet to the Point of Beginning of the tract to be described; thence southeasterly along said southwesterly line of Main St. to the intersection of the southwesterly line of Main St. and the southeasterly line of Monroe St.; thence northeasterly across main to the intersection of the northeasterly line of Main St. and the southeasterly line of Monroe St.; thence southeasterly along the northeasterly line of Main St. to the intersection with the northwesterly line of an alley in block 16 of the Original Town of Peoria; thence northeasterly along said northwesterly line of the alley to a point on the southwesterly line of Hamilton Blvd.; thence northwesterly along the southwesterly line of Hamilton Blvd. to the southeasterly line of Monroe St.; thence northeasterly along said southeasterly line to a point that is 94 feet southwesterly from the southwesterly line of Fayette St.; thence northwesterly and parallel with Fayette St. a distance of 171 feet to the southeasterly line of the alley in block 37 of Hale's Addition; thence northeasterly along said alley line a distance of 94 feet to the southwesterly line of Fayette St.; thence southeasterly along the southwesterly line of Fayette to the northwesterly line of Adams St.; thence southwesterly along said northwesterly line to the centerline of a vacated alley in block 9 of the Original Town of Peoria; thence northwesterly along said centerline to the northwesterly line of Jefferson Ave.; thence southwesterly along the northwesterly line of Jefferson Ave. to the northeasterly line of Hamilton Blvd.; thence northwesterly along said northeasterly line to the northwesterly line of Madison Ave.; thence southwesterly along said northwesterly line to a point that is 230 feet southwesterly from the southwesterly line of Main St.; thence northwesterly and parallel with Main St. a distance of 171 feet to the southeasterly line of an alley in block 17 of the Original Town of Peoria; thence southwesterly along said southeasterly line to the northeasterly line of Fulton St.; thence northwesterly along the northeasterly line of Fulton St. to the northwesterly line of Monroe St.; thence southwesterly along the northwesterly line of Monroe to the westerly line of Kumpf Blvd.; thence northerly along the easterly line of Kumpf Blvd. to the southerly line of M.L. King Dr.; thence easterly along the southerly line of M.L. King Dr. to a point that is 100 feet southwesterly from the southwesterly line of Main St; thence southeasterly and parallel with Main St. a distance of 111 feet; thence northeasterly and parallel with M.L. King Dr. a distance of 100 feet to the Point of Beginning.

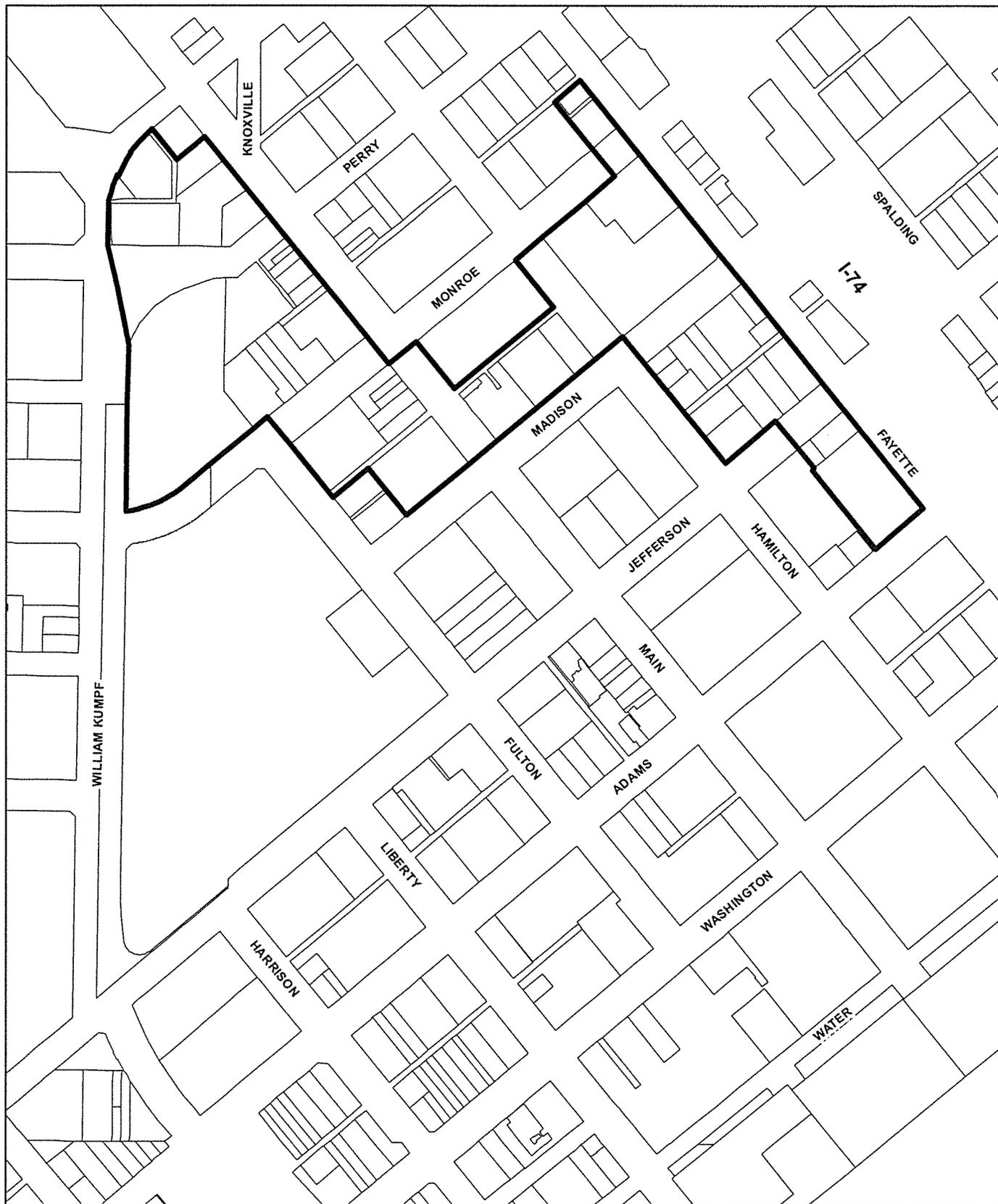
APPENDIX C

HOSPITALITY IMPROVEMENT ZONE 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 Hospitality Improvement Zone 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.

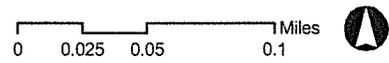
The area proposed for designation as the Hospitality Improvement Zone TIF Redevelopment Project Area is hereinafter referred to as the "Study Area" and is shown in *Figure C-1: Study Area Boundary Map*. The Project Area is irregular in shape but encompasses certain properties in the area generally bounded by Main, Monroe, Fayette, Adams, Hamilton, Madison, Fulton, Monroe, William Kumpf and M.L. King Drive. The Study Area is approximately 26 acres in size and includes 49 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.



August 2008

Figure C-1:
Study Area Boundary Map



1. INTRODUCTION

The Tax Increment Allocation Redevelopment Act (the "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 Section 5/1174.3(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 Camiros and City of Peoria staff in June 2008. 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 84% of buildings being at least 35 years of age and because six of the conditions cited in the Act are meaningfully present and reasonably distributed within the Study Area. Three 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 (limited)
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 32 structures, with 27 of these buildings identified as having been built in 1973 or earlier. Thus, the required age threshold is met with 84% 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, 84% of buildings are more than 35 years old. 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 commercial structures.

Functional obsolescence is further evidenced by a number of commercial buildings in the Study Area that lack reasonably required off-street parking, have inadequate provision for service and loading and that are substantially vacant. In cases such as the vacant theater building interested parties have not been able to identify viable reuse options.

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. Deterioration was identified with respect to 84% of all tax parcels in the Study Area. Of the 32 buildings in the Study Area, major or minor deterioration affected 19, or 59% of these buildings.

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.

Inspections of buildings in the Study Area are usually done on a request basis or coordinated with building upgrades and renovations. Because not all buildings in the Study Area have been inspected recently, the number of structures that are below minimum code standards is most likely understated, given the deterioration that was observed throughout the Study Area and the age of the buildings. In this analysis, only three structures were identified as being below minimum code standards as a result of major deterioration or limitations on use of upper floors related to life safety issues.

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. Thirteen of the 32 buildings in the Study Area were either fully or partially vacant, representing 41% of all buildings.

Conclusion: This condition is reasonably distributed in the Study Area. However, because fewer than half of the buildings in the Study Area contain vacancies, this condition is considered to be present to a limited extent and not used establish eligibility as a conservation area under the Act.

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 and expansion of hotel and other hospitality-oriented uses.

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. The sewers in the Study Area are well over 100 years old, with several large brick main sewers and smaller collection sewers that are generally of clay pipe. The last major maintenance of the system was done in the late 1960's and early 1970's. This work involved providing a concrete lining to address structural deficiencies. The central water system is also very old. 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 buildings that are obsolete and deteriorating, and inadequate provision for off-street loading. During the field survey of building and site conditions, numerous instances of delivery trucks off-loading supplies from public streets were observed.

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.

This condition was found to affect only one block in the northwest portion of the Study Area where an overcrowded car repair shop and used car lot conflict with the commercial and residential character of the remainder of the block.

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 uses found in the Study Area have evolved over the past 100 years with a mix of buildings of various ages and development types. While these uses reflect the types of commercial activity commonly found in central business districts, the current land use pattern evolved under a planning philosophy that is no longer considered desirable for Peoria. In particular, the emphasis on large surface parking lots to serve the various commercial and civic land uses that reflected planning philosophy from the 1950’s through the 1980’s has given way to a focus on compact mixed-use development that energizes activity at the street level. This new planning focus is articulated in the Heart of Peoria Plan.

The three major hotels in the Study Area were built in three different decades as stand alone facilities to serve specific target markets with support facilities including restaurants, meeting rooms and other amenities to meet the requirements of their customer base. The Pere Marquette, Mark Twain and Holiday Inn have all made substantial investments in their hotels in an effort to bring their facilities closer to the expectations of the current hotel market. The Civic Center recently completed a major expansion, but lacks an attached hotel that would improve its ability to attract major events. In addition, the current land use mix includes facilities such as the work-release center and late-night adult entertainment uses in the immediate vicinity of the Civic Center and major hotels that detract from the desired image of Peoria’s emerging hospitality center. While the land use mix that has evolved meets a variety of community needs, the lack of effective community land use planning threatens the progress and investments that have been made to upgrade the image of the Study Area.

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 in two years and lagged the growth in the balance of the City in two other years.

For the two years where the EAV growth lagged that of the rest of Peoria, the percentage increase was less than half that of the balance of the municipality.

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

| | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|----------------------|----------------------|-----------------------|----------------------|-----------------------|
| Study Area – EAV and % Change over Prior Year | \$12,250,600 3.3% | \$11,858,570 2.8% | \$11,530,910 -2.1% | \$11,781,380 7.0% | \$11,011,920 -1.1% |
| Balance of City of Peoria - % Change over Prior Year | 7.7% | 6.2% | 5.3% | 3.6% | 5.3% |

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. Six of these conditions are meaningfully present and reasonably distributed within the Study Area affecting at least 50% of tax parcels or buildings. Three 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 HOSPITALITY IMPROVEMENT ZONE TIF REDEVELOPMENT PROJECT AREA

| PIN | 2007 EAV | PIN | 2007 EAV |
|------------|-------------|------------|--------------|
| 1804377004 | \$30,400 | 1809227004 | \$268,890 |
| 1804377008 | \$52,660 | 1809227005 | \$112,600 |
| 1804377009 | \$153,350 | 1809227006 | \$170,900 |
| 1804459014 | \$81,640 | 1809227007 | \$62,170 |
| 1809128007 | \$0 | 1809227010 | \$210,940 |
| 1809128010 | \$74,760 | 1809227011 | \$23,130 |
| 1809133013 | \$0 | 1809227012 | \$86,620 |
| 1809201001 | \$149,300 | 1809227013 | \$312,420 |
| 1809202001 | \$102,110 | 1809227014 | \$86,050 |
| 1809202002 | \$67,770 | 1809227015 | \$154,950 |
| 1809202003 | \$27,140 | 1809231006 | \$0 |
| 1809202004 | \$25,270 | 1809231007 | \$0 |
| 1809202005 | \$42,100 | 1809231015 | \$1,252,780 |
| 1809202008 | \$34,110 | | |
| 1809202009 | \$67,460 | Total EAV | \$12,250,600 |
| 1809202010 | \$52,110 | | |
| 1809202013 | \$28,540 | | |
| 1809202014 | \$16,890 | | |
| 1809202015 | \$6,580 | | |
| 1809202016 | \$449,100 | | |
| 1809206010 | \$111,840 | | |
| 1809206011 | \$14,280 | | |
| 1809206012 | \$178,700 | | |
| 1809206013 | \$87,580 | | |
| 1809206014 | \$58,780 | | |
| 1809206015 | \$2,520,920 | | |
| 1809206016 | \$626,370 | | |
| 1809207003 | \$124,120 | | |
| 1809207004 | \$62,050 | | |
| 1809207005 | \$53,250 | | |
| 1809207006 | \$259,740 | | |
| 1809208006 | \$1,131,670 | | |
| 1809208007 | \$2,733,320 | | |
| 1809227001 | \$0 | | |
| 1809227002 | \$26,120 | | |
| 1809227003 | \$59,120 | | |

APPENDIX E

HOSPITALITY IMPROVEMENT ZONE TIF HOUSING IMPACT STUDY

A Housing Impact Study has been conducted for the Hospitality Improvement Zone TIF Project Area to determine the potential impact of redevelopment on Project Area residents. As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 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. This Housing Impact Study fulfills this requirement. It is also integral to the formulation of the goals, objectives, and policies of the Plan.

The Project Area contains 64 residential units, 63 of which were identified as inhabited residential units on June 24, 2008. The Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. As a result, it is possible that by implementation of this Plan, the displacement of residents from 10 or more inhabited residential units could occur.

This Housing Impact Study is organized into two parts. *Part I – Housing Survey* describes the housing survey conducted within the Project Area to determine existing housing characteristics. *Part II – Potential Housing Impact* describes the potential impact of the Plan. Specific elements of the Housing Impact Study include:

Part I - Housing Survey

- i. Type of residential unit, either single-family or multi-family.
- ii. The number and type of rooms within the units, if that information is available.
- iii. Whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 of the Act is passed.
- iv. Data as to the racial and ethnic composition of the residents in the inhabited residential units, which shall be deemed to be fully satisfied if based on data from the most recent federal census.

Part II - Potential Housing Impact

- i. The number and location of those units that will be or may be removed.
- ii. The municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residences are to be removed.
- iii. The availability of replacement housing for those residents whose residences are to be removed, and the identification of the type, location, and cost of the replacement housing.
- iv. The type and extent of relocation assistance to be provided.

PART I - HOUSING SURVEY

Part I of this study provides the number, type and size of residential units within the Project Area, the number of inhabited and uninhabited units, and the racial and ethnic composition of the residents in the inhabited residential units.

Number and Type of Residential Units

The number and type of residential units within the Project Area were identified during the building condition and land use survey conducted as part of the eligibility analysis for the Project Area. This survey, completed on June 24, 2008, revealed that the Project Area contains four residential or mixed-use residential buildings containing a total of 64 units. The number of residential units by building type is outlined in *Table E-1: Number and Type of Residential Units*.

**Table E-1:
NUMBER AND TYPE OF RESIDENTIAL UNITS**

| Building Type | Buildings by Unit Type | Residential Units by Building Type | Inhabited Units by Building Type |
|--|------------------------|------------------------------------|----------------------------------|
| Mixed-Use (Residential Above) | 3 | 38 | 37 |
| Group Quarters – Work Release Facility | 1 | 26 | 26 |
| Total | 4 | 64 | 63 |

Source:

Number and Type of Rooms in Residential Units

The distribution of the residential units within the Project Area by number of rooms and by number of bedrooms is identified in tables within this section. The methodology to determine this information is described below.

Methodology

In order to describe the distribution of residential units by number and type of rooms within the Project Area, the Consultants analyzed 2000 United States Census data by Block Group for those Block Groups encompassed by the Project Area. A Block Group, as defined by the U.S. Census, is a combination of census blocks (a census block is the smallest entity for which the Census Bureau collects and tabulates 100% data). The Block Group is the lowest level of geography for which the Census Bureau tabulates sample, or long-form, data. In this study, the Consultants have relied on 2000 federal census sample data because it is the best available information regarding the housing units within the Project Area. The Block Group data available for the Project Area are based on a sampling of residential units. *(As the Block Group geographies encompass a greater area beyond the Project Area, numbers will be higher than the actual count.)*

There is one facility within the Project Area which contains residential units which are classified as group quarters by the Census Bureau. The facility, the Peoria Adult Transition Center (ATC), is a transitional-security work-release and residential facility that houses up to 200 male offenders in 26 dormitory-style quarters. While persons living in group quarters are counted in the total population of a given Census Block Group, units are not classified a “usual place of residence”, and therefore are not counted in household or housing unit tabulations. Further, because the facility houses individuals in a supervised program, they are defined by the Census as an “institutionalized” population and as such, no income data is tabulated. As a result, the

Housing Impact Study does not include this facility in the following housing and income analysis.

A proportional projection was made of the distribution of remaining 38 residential units within the Block Group encompassing the Project Area by the number of rooms and the number of bedrooms in each unit for the population living in households, excluding group quarters, as discussed above. The results of this analysis are outlined in *Table E-2: Units by Number of Rooms*, and in *Table E-3: Units by Number of Bedrooms*.

**Table E-2:
Units by Number of Rooms ¹**

| Number of Rooms | Percentage (2000) | Current Estimated Units in the Project Area |
|-----------------|-------------------|---|
| 1 Room | 9.3% | 4 |
| 2 Rooms | 15.6% | 6 |
| 3 Rooms | 30.0% | 11 |
| 4 Rooms | 31.4% | 12 |
| 5 Rooms | 5.7% | 2 |
| 6 Rooms | 4.3% | 2 |
| 7+ Rooms | 4.8% | 2 |
| Total | 100% | 38 |

Source: U.S. Census Bureau

¹ As defined by the Census Bureau, for each unit, rooms include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodger's rooms. Excluded are strip or Pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements, or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.

**Table E-3:
Units by Number of Bedrooms ²**

| Number of Bedrooms | Percentage (2000) | Current Estimated Units in the Project Area |
|--------------------|-------------------|---|
| Studio | 12.2% | 5 |
| 1 Bedroom | 49.9% | 19 |
| 2 Bedrooms | 31.0% | 12 |
| 3 Bedrooms | 6.9% | 3 |
| 4 Bedrooms | 0% | 0 |
| 5+ Bedrooms | 0% | 0 |
| Total | 100% | 38 |

Source: U.S. Census Bureau

² As defined by the Census Bureau, number of bedrooms includes all rooms intended for use as bedrooms even if they are currently used for some other purpose. A housing unit consisting of only one room, such as a one-room efficiency apartment, is classified, by definition, as having no bedroom.

Number of Inhabited Units

A survey of inhabited dwelling units within the Project Area was conducted by the Consultant and City of Peoria staff and completed on June 24, 2008. This survey identified 38 residential units that could be occupied by households, of which one was identified as vacant. Therefore,

there are approximately 37 total inhabited residential units within the Project Area. As required by the Act, this information was ascertained as of June 24, 2008, which is a date not less than 45 days prior to the date that the resolution required by subsection (a) of Section 11-74.4-5 of the Act is or will be passed (the resolution setting the public hearing and Joint Review Board meeting dates).

Race and Ethnicity of Residents

The racial and ethnic composition of the residents within the Project Area is identified in *Table E-4: Race and Ethnicity Characteristics*, within this section. The methodology to determine this information is described below.

Methodology

As required by the Act, the racial and ethnic composition of the residents in the inhabited residential units was determined. Population estimates were made based on data from the 2000 United States Census. The Consultants analyzed this data by Census Block Group for those Block Groups encompassed by the Project Area. The Block Group is the lowest level of geography for which race and ethnicity characteristics have been released from the 2000 Census. Therefore, the Consultant has relied on Block Group data because it is the best available information regarding the residents of the Project Area.

The total population for the Project Area was estimated by multiplying the number of households within the Project Area (37) by the average household size (1.77) which totals a population of 66. This number was then added to the total number of persons in the Project Area living in group quarters (195) as of June 24, 2008. Based on the estimated total population, a proportional projection was made of the race and ethnicity characteristics of the residents. According to these projections, there are an estimated 261 residents living within the Project Area. The race and ethnic composition of these residents is indicated in *Table E-4: Race and Ethnicity Characteristics*.

**Table E-4:
RACE AND ETHNICITY CHARACTERISTICS**

| Race | Percentage (2000) | Estimated Residents |
|--|----------------------|---------------------|
| White | 49.2% | 129 |
| Black or African American | 35.0% | 91 |
| American Indian and Alaska Native | 0.1% | 0 |
| Asian | 2.3% | 6 |
| Native Hawaiian and Other Pacific Islander | 0.2% | 0 |
| Some Other Race | 9.8% | 26 |
| Two or More Races | 3.4% | 9 |
| Total | 100% | 261 |

| Hispanic Origin | Percentage (2000) | Estimated Residents |
|-----------------|----------------------|---------------------|
| Hispanic | 14.9% | 39 |
| Non-Hispanic | 85.1% | 222 |
| Total | 100% | 261 |

Source: U.S. Census Bureau

PART II - POTENTIAL HOUSING IMPACT

Part II contains, as required by the Act, information on any acquisition, relocation program, replacement housing, and relocation assistance.

Number and Location of Units That May Be Removed

The primary objectives of the Plan are to reduce deleterious conditions within the Project Area and upgrade public and private infrastructure to stimulate private investment in the area. Although the Plan does not specifically propose redevelopment of current residential uses, some displacement of residential units may occur in the process of redeveloping obsolete buildings that contain a residential component and may also occur through private market development activity.

There is a possibility that over the 23-year life of the Project Area, some inhabited residential units may be removed as a result of implementing the Plan. In order to meet the statutory requirement of defining the number and location of inhabited residential units that may be removed, a methodology was established that would provide a rough, yet reasonable, estimate. This methodology is described below.

Methodology

The methodology used to fulfill the statutory requirements of defining the number and location of inhabited residential units that may be removed involves three steps.

1. Step one counts all inhabited residential units previously identified on any underlying acquisition maps. The number of inhabited residential units that may be removed due to previously identified acquisition is zero.
2. Step two counts the number of inhabited residential units contained on parcels that are dilapidated as defined by the Act. The number of inhabited residential units that may be removed because they are located in dilapidated buildings is zero.
3. Step three counts the number of inhabited residential units that exist where the future land use indicated by the Plan may not include the current types of residential uses. After reviewing the Land Use Plan for the Project Area, we determined that three buildings may be impacted by future land use changes. One mixed-use building is vacant, with one residential unit. A second mixed-use building contains three occupied residential units. A third building is currently used as the Illinois Department of Corrections work-release facility containing a total of 26 inhabited dormitory style rooms that can accommodate up to 200 inmates that would be impacted by changes to existing land use contemplated by the Plan. Therefore, the number of inhabited residential units that may be removed due to future land use change is 29.

Figure E-1: Location of Occupied Residential Units that May be Removed identifies the locations of the two buildings containing inhabited residential units, representing the sum of Steps 1, 2 and 3, that could potentially be removed during the 23-year life of the Hospitality Improvement Zone TIF Redevelopment Project Area. Also identified in the plan are the locations of the two other buildings that contain residential units. As previously noted, one of these buildings is currently vacant. While displacement of inhabited units in the other building is not contemplated as part of this Plan, it may be possible that over the 23 year life of the Project Area, that such displacement may occur.

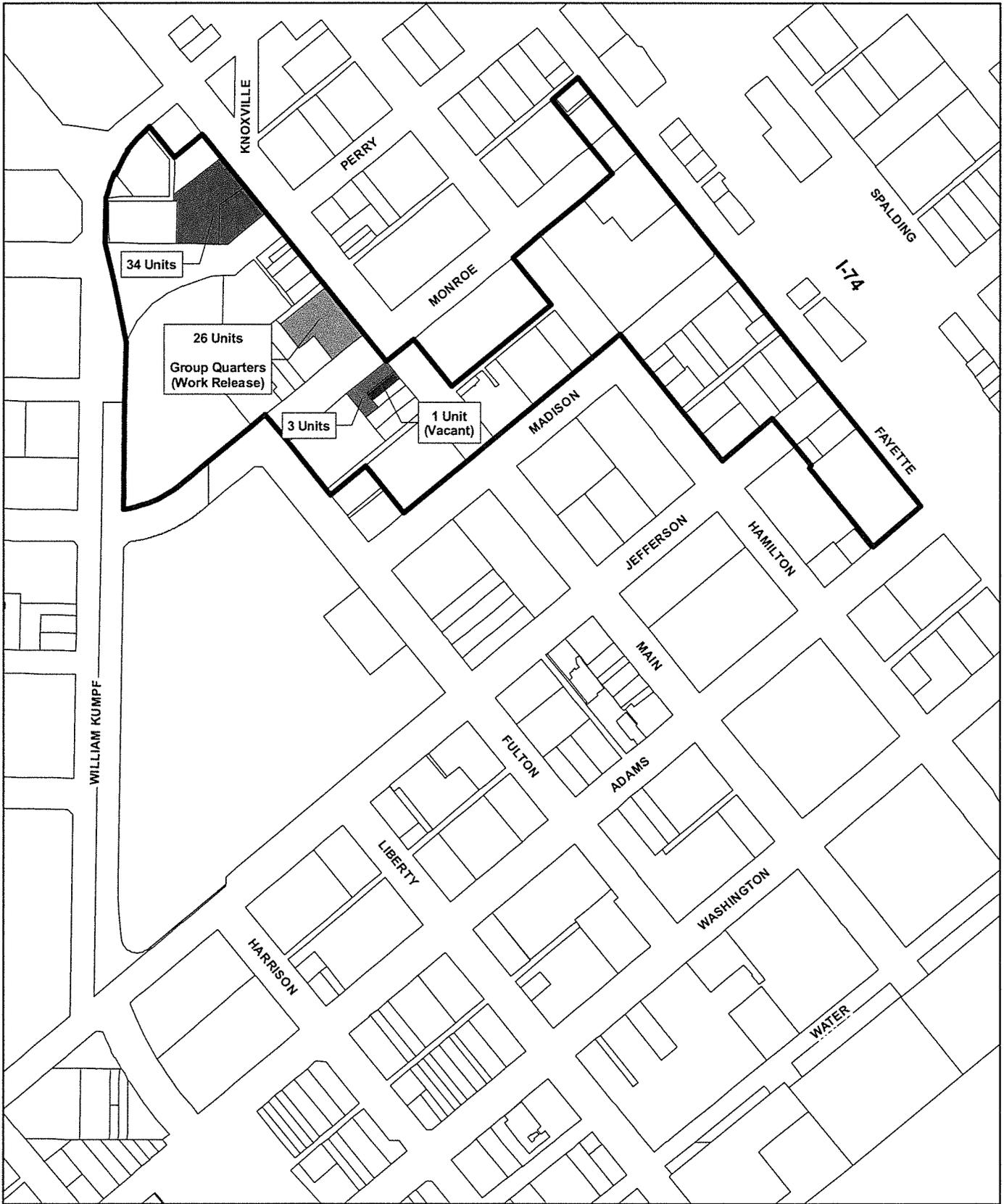


Figure E-1:
**Location of Occupied Residential
 Units that May Be Removed**

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Replacement Housing

In accordance with Section 11-74.4-3 (n)(7) of the Act, the City shall make a good faith effort to ensure that affordable replacement housing for any qualified displaced resident whose residence is removed is located in or near the Project Area. If, during the 23-year life of the Hospitality Improvement Zone TIF Redevelopment Project Area, the acquisition plans change, the City shall make every effort to ensure that appropriate replacement housing will be found in either the Project Area or the surrounding neighborhoods.

The location, type and cost of a sample of possible replacement housing units were determined through classified advertisements from Apartmentfinder.com, Rent.com, and Peoria.com/apartments. The location, type and cost of these units are listed in *Table E-5: Survey of Available Housing Units*.

**Table E-5:
SURVEY OF AVAILABLE RENTAL HOUSING UNITS**

| | Location | # of Bedrooms | Rental Price | Amenities |
|----|----------------------------|---------------|--------------|-------------------------------------|
| 1 | 601 W Romeo B Garrett Ave. | 2 | \$564 | Balcony, pets, laundry facility |
| 2 | 601 W Romeo B Garrett Ave. | 3 | \$640 | Balcony, pets, laundry facility |
| 3 | 4927 N. Knoxville Ave. | 1 | \$450 | Balcony, pets, laundry facility |
| 4 | 4927 N. Knoxville Ave. | 2 | \$510 | Balcony, pets, laundry facility |
| 5 | 1625 W Candletree Dr. | 1 | \$525 | Balcony, pets, laundry facility |
| 6 | 1625 W Candletree Dr. | 2 | \$570 | Balcony, pets, laundry facility |
| 7 | 1625 W Candletree Dr. | 3 | \$769 | Balcony, pets, laundry facility |
| 8 | 15808 N. Peoria Ave. | 1 | \$475 | Pets, laundry facility |
| 9 | 7150 N. Terra Vista Ave. | 1 | \$610 | Laundry facility, fitness center |
| 10 | 6900 N. Summershade Cir. | 2 | \$529 | Balcony, attached garage, clubhouse |

Source: Apartmentfinder.com, Rent.com, Peoria.com/apartments.

It is assumed that any displacement will be caused primarily by private redevelopment occurring outside the recommendations of this Plan. Furthermore, any displacement would occur incrementally over the 23-year life of the Plan as individual development projects occur.

Relocation Assistance

Although the removal or displacement of housing units is not a goal of the Plan, it is possible that inhabited residential units may be removed in the process of implementing the Plan. If the removal or displacement of low-income or very low-income households is required, such residents will be provided with affordable housing and with relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that affordable replacement housing for the aforementioned households is located in or near the Project Area.

As used in the above paragraph, "low-income households," "very low-income households," and "affordable housing" have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Plan, these statutory terms have the following meanings:

- a. "low-income households" means a single-person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development (HUD) for purposes of Section 8 of the United States Housing Act of 1937;
- b. "very low-income households" means a single-person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and
- c. "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

In order to estimate the number of moderate-, low- and very low-income households in the Project Area, the Consultants used data available from the 2000 United States Census. The Consultants have relied on this data because it is the best available information regarding the income characteristics of the Project Area. Because the average household size in the Project Area is 1.77, the following income analysis was based on a 2-person household.

It is estimated that 79.7% of the households within the Project Area may be classified as very low-income; 2.7% may be classified as low-income; and 5.1% may be classified as moderate-income. The remaining 4.6% have incomes above moderate income levels. Applying these percentages to the 37 inhabited residential units (equivalent to households) identified during the survey completed by the Consultant, approximately 30 households within the Project Area may be classified as very low-income; one household may be classified as low-income; and two households may be classified as moderate-income. This information is summarized in *Table E-6: Household Income*.

**Table E-6:
HOUSEHOLD INCOME**

| Income Category | Annual Income Range (2004 estimate) | Percentage of Households | Number of Households |
|------------------------|--|---------------------------------|-----------------------------|
| Very Low- Income | \$0 - \$25,350 | 79.7% | 29.5 |
| Low-Income | \$25,351 - \$30,400 | 2.7% | 1.0 |
| Moderate-Income | \$30,401 - \$40,550 | 5.1% | 1.9 |
| Above Moderate-Income | \$40,551 or more | 4.6% | 4.6 |
| Total | | 100% | 37.0 |

Source: 2000 U.S. Census, City of Peoria

As described above, the estimates of the total number of moderate-, low- and very low-income households within the Project Area collectively represent 87.5% of the total inhabited units, and the number of households in the low-income categories collectively represents 32 of the 37 inhabited units. Therefore, replacement housing for any displaced households over the course of the 23-year life of the Hospitality Improvement Zone TIF Redevelopment Project Area should be affordable at these income levels. It should be noted that these income levels are likely to change over the 23-year life of the Project Area as both median income and income levels within the Project Area change.