



**GALENA ROAD INDUSTRIAL PARK  
TAX INCREMENT FINANCING (TIF) DISTRICT  
REDEVELOPMENT PROJECT PLAN, AREA & PROJECTS**

***“THE NEXT STEP TOWARD ECONOMIC EXPANSION AND GROWTH”***

*Prepared for*

**City of Peoria, Illinois**

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**MAY - 2024**



## **GALENA ROAD INDUSTRIAL PARK TIF DISTRICT REDEVELOPMENT PROJECT PLAN, AREA & PROJECTS**

One of the most effective, locally controlled economic development tools available to municipalities in Illinois is Tax Increment Financing (“TIF”).

The Mayor and City Council of the City of Peoria, Peoria County, Illinois have concluded that it is in the best interest of the City and that the citizens of Peoria will benefit by the establishment of the **Galena Road Industrial Park Tax Increment Financing (TIF) District**.

Pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*), this document sets forth a comprehensive and detailed description of the uses, structure, and potential impacts of implementing this TIF District Redevelopment Plan, Area & Projects in Peoria, Illinois.

The City of Peoria has undertaken an effort to design this Tax Increment Financing (TIF) Redevelopment Plan and Projects (the “Plan”) for the proposed Galena Road Industrial Park Tax Increment Financing (TIF) District Redevelopment Project Area (the “Area” as illustrated in *Exhibit 1* and further described in *Exhibit 2*). The Area includes numerous sites for which TIF may be used to further encourage the redevelopment of underutilized and/or distressed commercial and residential properties, as well as to retain and expand commercial or light industrial employers within the Peoria community.

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Jacob & Klein, Ltd. and The Economic Development Group, Ltd., gratefully acknowledge assistance from Peoria County and the City of Peoria government officials, business leaders and residents who contributed time and assistance to the preparation of the Galena Road Industrial Park TIF District Redevelopment Project Area, Plan and Projects.

Additional information about Tax Increment Financing may be obtained by contacting Jacob & Klein, Ltd. and The Economic Development Group, Ltd., 1701 Clearwater Avenue, Bloomington, IL 61704 (Ph: 309/664-7777). Specific inquiries about the Galena Road Industrial Park TIF District should be directed to Ms. Kimberly Richardson, Assistant City Manager, or Ms. Debbie Van Sickle, Economic Development Manager, 419 Fulton St. Ste 207, Peoria, IL 61602 (Ph: 309-494-8943).

*This document is formatted for duplex printing.*

# CONTENTS

<b>SECTION I. INTRODUCTION .....</b>	<b>1</b>
<b>SECTION II. CURRENT TRENDS &amp; CONDITIONS .....</b>	<b>2</b>
Major Employment Base .....	2
Transportation Hub.....	2
Population Trends .....	3
Major Commercial-Retail Trade Center .....	8
Unemployment.....	10
City of Peoria Accepts the Challenge .....	13
Anticipated Anchor Project .....	14
<b>SECTION III. REDEVELOPMENT GOALS AND OBJECTIVES.....</b>	<b>15</b>
Redevelopment Goals and Objectives .....	15
Planning Process and Calendar.....	17
<b>SECTION IV. QUALIFYING CHARACTERISTICS OF PROPOSED REDEVELOPMENT PROJECT AREA.....</b>	<b>19</b>
Description of Proposed Redevelopment Project Area .....	19
Qualifying Characteristics of Proposed Redevelopment Project Area .....	19
Improved Parcels .....	20
Vacant Parcels.....	21
Equalized Assessed Valuation of Proposed Redevelopment Project Area .....	22
Summary of Qualification Findings .....	23
<b>SECTION V. ANTICIPATED PUBLIC AND PRIVATE PROJECTS FOR PROPOSED REDEVELOPMENT PROJECT AREA.....</b>	<b>31</b>
Public Redevelopment Projects .....	31
Private Redevelopment Projects.....	33
<b>SECTION VI. SOURCES OF FUNDS TO PAY TIF ELIGIBLE PROJECT COSTS .....</b>	<b>35</b>
TIF Financing Summary.....	35
Present and Projected Tax Increment .....	36
Policy Guidelines Relating to the Use of Tax Increment Financing Funds.....	36
Assessment of Financial Impact.....	39
Anticipated Measures to Address Financial Impact.....	40
Ongoing Reporting and Accountability .....	40
<b>SECTION VII. OTHER STATUTORY REQUIREMENTS.....</b>	<b>41</b>
<b>SECTION VIII. CONCLUSION .....</b>	<b>42</b>
<b>SECTION IX. EXHIBITS.....</b>	<b>43</b>
<b>Exhibit 1.</b> TIF District Redevelopment Project Area Boundary Map.....	45
<b>Exhibit 2.</b> TIF District Redevelopment Project Area Boundary Description .....	47
<b>Exhibit 3.</b> Engineer’s Opinion of Drainage Conditions on Certain Vacant Tracts.....	51
<b>Exhibit 4.</b> Example TIF District Projections.....	55
<b>SECTION X. APPENDICES.....</b>	<b>61</b>
<b>Appendix A.</b> Tax Increment Financing Terms and Definitions.....	63
<b>Appendix B.</b> Introduction to Tax Increment Financing .....	71

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## CITY OF PEORIA, ILLINOIS

### GALENA ROAD INDUSTRIAL PARK TAX INCREMENT FINANCING (TIF) DISTRICT REDEVELOPMENT PLAN, AREA & PROJECTS

#### SECTION I. INTRODUCTION

The City of Peoria, Illinois (pop. 113,150, the “City”) is an Illinois Home-Rule Municipality and the 3<sup>rd</sup> largest metropolitan area within the State of Illinois (*Figure 1*).

The City is undertaking an effort to design this tax increment financing (TIF) redevelopment plan and projects (the “Plan”) for the proposed *Galena Road Industrial Park Tax Increment Financing (TIF) District Redevelopment Project Area* (the “Area”). The Area is generally located adjacent to N. Galena Road (also IL Rt. 29, and a principal arterial corridor) from about E. Gardner Ln. on the south to E. Koch Dr. on the north and as further illustrated in *Exhibit 1* and described in *Exhibit 2*. This *Galena Road Industrial Park TIF Redevelopment Plan* (the “Plan”) represents an essential part of the City’s continuing efforts to retain and expand commercial and light industrial employers within the Peoria community.



*Figure 1. The Central Illinois City of Peoria has a population of 113,150 and is located along the banks of the Illinois River.*

Without tax increment financing, the City believes economic stagnation is anticipated to occur in the future, the Peoria area will be at a competitive disadvantage for attracting new industry that offers higher wages for a skilled workforce, and further decline of the proposed Redevelopment Project Area with respect to physical infrastructure and property value as a whole is anticipated. Avoiding such further decline and arresting certain socioeconomic trends affecting Peoria’s future economic vitality are among the several goals and objectives for this TIF Redevelopment Plan.

The City has concluded that absent an influx of new private investment throughout the Area, and additional, substantial improvements to local public infrastructure, the deterioration of local properties and related amenities is likely to occur and will impair the value of private investments as well as the sound growth and tax base of all affected taxing districts. Pursuant to the Tax Increment Allocation Act (65 ILCS 11/74.4 *et. seq.*, and the “Act”), this Plan as is with most other TIF Redevelopment Plans within the City of Peoria is intended to promote and protect the health, safety, morals, and welfare of the public, address blighting conditions as defined in the Act, and institute conservation measures that will aid the City’s ongoing efforts to achieve the following long-term outcomes:

- the removal and alleviation of adverse or deteriorated conditions impeding economic growth;
- the restoration and enhancement of the tax base of the overlapping taxing districts by undertaking a series of public and private redevelopment projects within the specified Redevelopment Project Area;
- more effective assistance for retaining and expanding existing industries, further strengthening existing small businesses, and stimulating growth for local employers;
- greater capacity for inviting more private investment to occur that will introduce new commercial and light industrial development to the Area;
- the creation of new employment opportunities to vigorously stimulate expansion of the local workforce; and
- new and expanding commercial retail development that will generate new sales tax revenues for the State of Illinois, Peoria County, the City of Peoria, and area school districts.

## SECTION II. CURRENT TRENDS AND CONDITIONS

### *Major Employment Base*

The Peoria community is host to Bradley University, the National Center for Agricultural Utilization Research, numerous medical facilities, large firms such as Caterpillar (the world’s leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives), Maui Jim (a premiere manufacturer of premium, polarized sunglasses and related products), RLI (a specialty property and casualty insurance and surety bond company), Archer Daniels Midland (ethanol production), OSF Ministry (an integrated health system owned and operated by The Sisters of the Third Order of St. Francis), and others.<sup>1</sup> OSF Saint Francis Medical Center in Peoria, Illinois, is a tertiary care teaching center providing numerous specialty services and extensive residency programs for physicians. The new \$237 million OSF HealthCare Cancer Institute, expected to open in 2024, will annually serve up to 15,000 patients and generate an estimated \$1 billion economic impact on the Peoria region over the following 10 years.

### *Transportation Hub*

Situated along the banks of the Illinois River, Peoria has a long history of being a major transportation hub that is essential to the Central Illinois economy. Extending approximately 273 miles, the Illinois River is a principal tributary of the Mississippi River along which local locks annually accommodate more than 3 million tons of bulk barge-cargo passing through between the Great Lakes and the Gulf of Mexico.

The Peoria area is served by three Interstate highways: I-74, which runs through the downtown area to the northwest and connecting to I-80; I-474, a southern bypass of I-74 around the Peoria metro area; and I-155, which extends south from I-74 at Morton to I-55 at Lincoln, IL (see **Figure 1**). Illinois Rt. 6, which extends northward from I-474 serves as a northwest bypass around the City of Peoria. As of 2021, the average annual daily traffic count reported by the Illinois Department of Transportation on Galena Road/Illinois Rt. 29 within the TIF Area was approximately 9,900 vehicles.

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<sup>1</sup> For more information online, visit <http://growpeoria.com/about-peoria/>.

The 3,500-acre Peoria International Airport hosts the longest runway and a 24-hour FAA control tower in Illinois outside of Chicago and offers a dozen non-stop destinations on three airlines. In 2019, Peoria International Airport set an all-time record high passenger count of 689,416 individuals who boards or exited an aircraft in Peoria.

Peoria's public transportation provider, Greater Peoria Mass Transit District/CityLink, celebrated its 50<sup>th</sup> Anniversary in 2020. CityLink currently operates more than 20 bus routes and over 1,000 bus stops throughout portions of Peoria County and Tazewell County, Illinois, including one "intercity" route between the main network and the nearby Pekin, Illinois network.

The Toledo, Peoria & Western Railway offers heavy industrial freight rail service to the Peoria area and is located within 11 miles of I-74 at Mapleton, IL. The greater Peoria area is an important interchange point for coal trains and has developed into a major rail-to-barge and barge-to-rail transfer point for bulk commodities. Peoria is however the largest metropolitan area in the state that currently does not have passenger rail access. The last time passenger trains passed through Peoria was an experimental Amtrak route in 1981. Amtrak passenger service is available in nearby Illinois communities of Normal, Galesburg, Princeton, and Lincoln. As of late 2021, a multimillion-dollar "pre-feasibility study" was included in the state's capital construction bill to further study potential solutions for re-establishing passenger rail service in Peoria. Re-establishing active rail freight service within the proposed Area to serve new and expanding manufacturing and other light industrial firms is a significant objective of this Redevelopment Plan.

### *Population Trends*

Rural Partners-Illinois, the State's federally designated rural development council, recently published a report relating to current trends occurring throughout rural areas.<sup>2</sup> The paper indicates several conditions that rural communities should be aware of, such as:

*"Population projections show that rural Illinois will face serious issues in the next decade and beyond, with population declines, shrinking young population cohorts, and increasing proportions of elderly that may retire and/or move out of Illinois, closing many small businesses that have provided essential services for many years. This may result in loss of tax revenues needed to support infrastructure, education, and other services important to maintaining local quality of life in some areas."*

The Rural Partners Report suggests that most rural Illinois counties can expect population declines in the next 10 to 15 years. These trends appear to be evident within the Peoria and Peoria County area.

As reported by the U.S. Census Bureau, the City of Peoria's population in 2020 was 113,150 residents. The City's 2020 population represents a **-10.9%** decline from Peoria's highest population of 126,963 in 1970 and a decline of residents (**-1.6%**) since 2010 when the total population was 115,007 (**Figure 2**). Likewise, Peoria County has experienced substantial population decline since 1970. As of the 2020 Census, Peoria County posted a total population of 181,830. This represents a loss of 18,636 residents or a decline of **-9.3%** of the County's population over the last 50 years. Most recently, the County appears to have lost 4,664 residents, a decline of **-2.5%** of its population, since the previous Census in 2010 (**Figure 3**).

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<sup>2</sup> Source: *A Briefing: Promise & Programs in Rural Illinois*, Rural Partners-Illinois, 2020 as found online at: <https://ruralpartners.org/current-activities/>

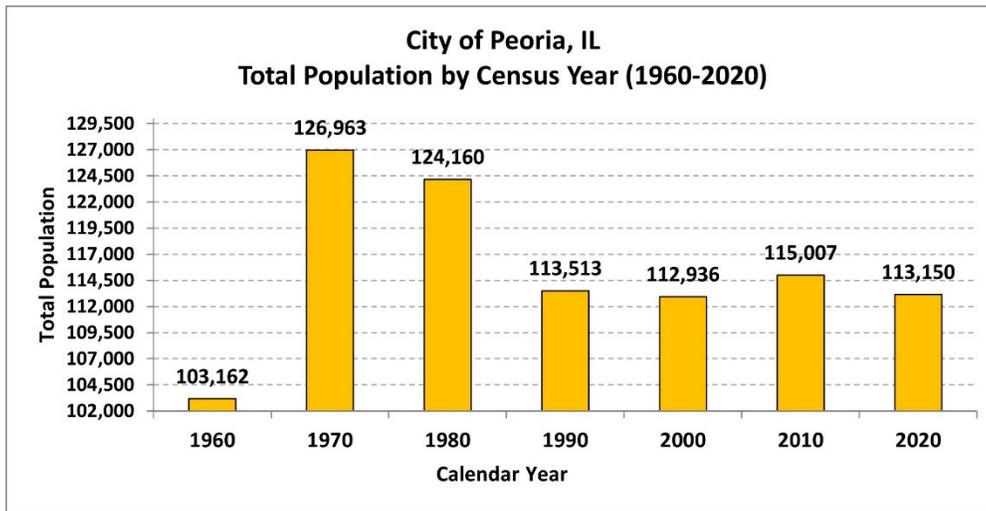


Figure 2. City of Peoria, Illinois – Total Population by Census Year 1960-2020 (Source: U.S. Census Bureau).

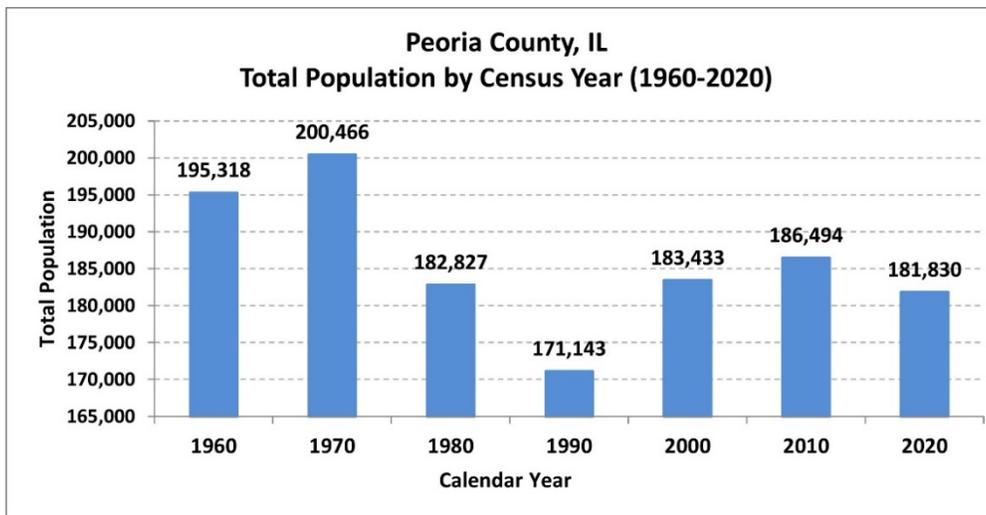


Figure 3. Peoria County, Illinois – Total Population by Census Year 1960-2020 (Source: U.S. Census Bureau).

While the overall population loss is a concern, the City of Peoria has continued to represent more than half of the County’s total population. As a percentage share of the Peoria County population, the City of Peoria accounted for 63% of the County’s population in 1970; and still accounted for 62% of the County’s population in 2020.

The median age of Peoria and Peoria County residents as of the 2021 American Community Survey 1-Year Census Estimate was 33.3 years and 38.6 years, respectively (**Figure 4**). The median age for Illinois (39.0 years) and the U.S. (38.8 years) were higher than both the City of Peoria and Peoria County. An increasing median age – the point at which half the population is older and half younger – signifies an aging population that is often attributable to outmigration of younger residents, declining fertility rates and/or rising life expectancies. Although the total population within the City of Peoria has been in decline, a decline in the median age may offer some useful insight for planning future economic development. Median age is useful in summarizing whether a population is

	Median Age		
	2010	2021	Change
U.S.	37.2	38.8	1.6
Illinois	36.6	39.0	2.4
Peoria County	36.7	38.6	1.9
City of Peoria	37.5	33.3	-4.2

Figure 4. Median Age Statistics (Source: U.S. Census Bureau, American Community Survey, 2010 and 2021).

aging. However, it is important to note that there is more to understand with regard to the “age structure” than what the median age statistic alone can provide, and the City of Peoria’s age profile warrants closer examination.

The City’s population structures as shown below for 2010 and 2021 illustrate the size of the age groups and how they have changed over the last decade (*Figure 5*).

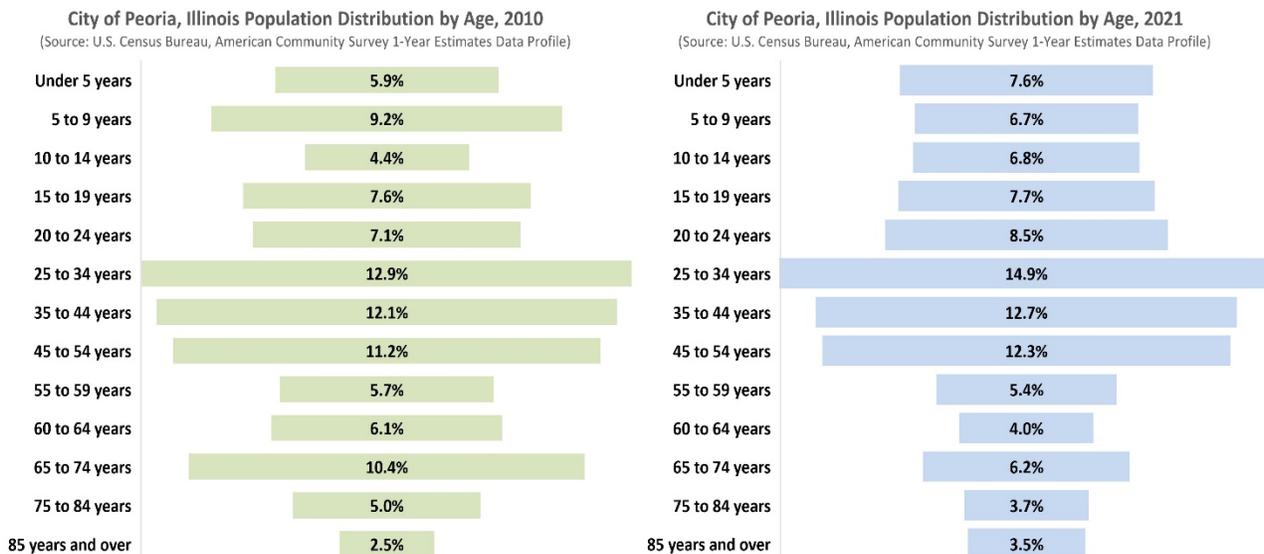


Figure 5. City of Peoria, Illinois Population Distribution by Age, 2010 and 2021 (Source: U. S. Census Bureau, American Community Survey 1-Year Estimates Data Profiles).

For this analysis, the working age population is defined as those aged 15 to 64. This indicator measures the share of the working age population within the total population. The change in the working age population between 2010 and 2021 as illustrated above, suggests the City of Peoria has experienced a fragile improvement in the number of working age population it may be able to rely on for attracting and staffing an expanding commercial and industrial base.

Peoria’s working age population increased from approximately 62.6% of the total population in 2010 to 65.5% in 2021. This may be due to losses of population in smaller, nearby communities, some of which may have shifted from those areas in search of jobs within Peoria’s larger employment base. While this shift may present a brief opportunity for the City of Peoria to intensify and expand its industrial development, the wider outmigration trend of residents leaving Illinois is a long-term challenge for the City to overcome.

As reported by the Chicago Tribune in December of 2016,<sup>3</sup> U.S. Census Bureau data indicated that Illinois had lost more residents than any other state for the third consecutive year, losing **-37,508** people in 2016, which placed its population at the lowest it had been in nearly a decade. Citing recent research undertaken by the Brookings Institution:

*“Illinois is among just eight states to lose residents, putting its population at 12,801,539 people, its lowest since about 2009. Illinois’ population first began to drop in 2014, when the state lost 11,961 people. That number more than doubled in 2015, with a loss of 28,497 people, and further multiplied in 2016.”<sup>4</sup>*

<sup>3</sup> Marwa Eltagouri, Contact Reporter, “Illinois Loses More Residents in 2016 than Any Other State,” *Chicago Tribune*, December 21, 2016 (<http://www.chicagotribune.com/news/local/breaking/ct-illinois-population-decline-met-20161220-story.html>).

<sup>4</sup> Ibid.

In December of 2021, the U.S. Census Bureau reported that the population of the United States grew in the past year by 392,665, or just 0.1%. That was the first time since 1937 that the U.S. population grew by fewer than one million people and was the lowest numeric growth since at least 1900, when the Census Bureau began tracking annual population estimates. This low rate of growth for the U.S. is attributable to decreased net international migration, decreased fertility, and increased mortality due in part to the COVID-19 pandemic. Census demographer Kristie Wilder said in a statement:

*“Population growth has been slowing for years because of lower birth rates and decreasing net international migration, all while mortality rates are rising due to the aging of the nation’s population. Now, with the impact of the COVID-19 pandemic, this combination has resulted in a historically slow pace of growth.”<sup>5</sup>*

According to the same U.S. Census report, the population of Illinois declined by about -113,776 in the year between July 2020 and July 2021. At that time, Illinois was one of just 20 states, plus the District of Columbia, that was reportedly losing residents by domestic migration. Domestic (internal) migration is the movement of people within the United States. The largest net domestic migration gains in the U.S. during that same period were in Florida (+220,890), Texas (+170,307) and Arizona (+93,026). According to an annual survey conducted by United Van Lines, the most popular states where Illinois residents moved to in 2020 included Florida, Texas, California, Arizona, Washington, and North Carolina.<sup>6</sup>

The most common reasons the United Van Lines study cited for why people moved from Illinois in 2020 was to seek a new job, retire, and to be closer to family. The study indicated that most of the people moving out of Illinois were 55 years of age or older and had an annual income of \$100,000 or more. According to Michael A. Stoll, an economist and professor in the Department of Public Policy at the University of California:

*“We’re seeing that the COVID-19 pandemic has without a doubt accelerated broader moving trends, including retirement driving top inbound regions as the Baby Boomer generation continues to reach that next phase of life.”*

## Was Illinois Population Undercounted in 2020?

The official 2020 Decennial Census estimated Illinois’ population to be 12,812,508 as of April 1, 2020.

According to a Post Enumeration Survey, which is always conducted after each decennial census, Illinois’ household population was undercounted by 1.97%, thereby suggesting the accuracy of the 2020 Census missed 250,000 residents and the total population of the state actually exceeded 13 million.

Despite the conclusions of the Post Enumeration Survey, Illinoisans are still leaving the state. The U.S. Census annually estimates state populations through the Population Estimates Program which uses head count and other federal data on births, deaths and moves to estimate the population each year. The 2021 estimate showed the largest population decline in Illinois history.

<sup>5</sup> U.S. Census Bureau, Release No. CB21-208, “New Vintage 2021 Population Estimates Available for the Nation, States and Puerto Rico: Estimates Show Slowest Growth on Record for the Nation’s Population,” December 21, 2021 (<https://www.census.gov/newsroom/press-releases/2021/2021-population-estimates.html>).

<sup>6</sup> WIFR Newsroom, “Illinois ranks third among ‘Most Moved Out States’ in 2020, study says,” January 7, 2021 (<https://www.wifr.com/2021/01/08/illinois-ranks-third-among-most-moved-out-states-in-2020-study-says/>).

The U.S. Census Bureau's American Community Survey 1-Year Estimate for 2021 most recently marked a population loss for Illinois at **-141,039**, a **-1.1%** decline from the official 2020 Census Count for the State (see **Figure 6**).

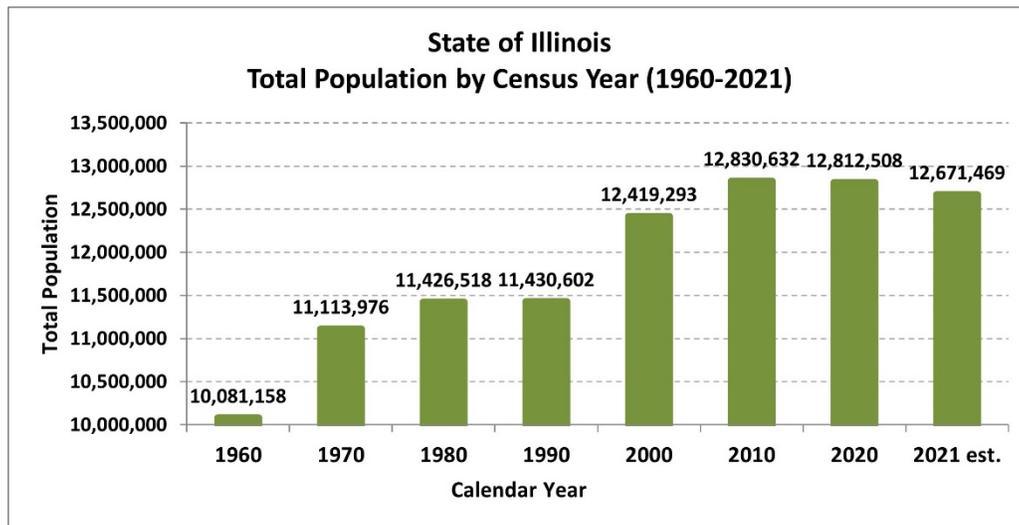


Figure 6. State of Illinois, Total Population by Census Year, 1960-2021 (Source: U.S. Census Bureau).

Despite its recent population statistics, Illinois is still about the fifth most populous state in the country. The economy of Illinois is the fifth largest by GDP in the United States and one of the most diversified economies in the world. There are numerous attributes that make Illinois and Peoria's Central Illinois location an ideal location for new commercial and industrial development:

- ✓ Illinois is literally the logistical crossroads of America with multi-modal logistical access via rail, interstate, rivers, and airports. The centralized location of Illinois made it a key manufacturing hub, especially for farm machinery and specialty motor vehicles.
- ✓ Illinois is a very flat state. With its highest point at 1,235 feet above sea level, about 75% of Illinois is farmland thereby making the state: a leading producer of soybeans, corn, swine; a significant producer of a variety of specialty crops, such as buckwheat, horseradish, wheat, oats, sorghum, hay, fruits, and vegetables; a diverse producer of cattle, sheep, ostriches, fish and Christmas trees; and Illinois is the largest producer of pumpkins in the country. Overall, Illinois markets more than \$19 billion of agricultural commodities annually.
- ✓ The State of Illinois currently ranks second in the Midwest for total installed renewable power capacity and fifth nationally for installed wind power capacity.
- ✓ Many of the United States' largest companies have facilities in Illinois, including Abbott Laboratories, AbbVie Inc., Allstate, Baxter International, Boeing, Caterpillar, Conagra, Crate and Barrel, Kraft Heinz, McDonald's, CNH Industrial, GE Healthcare, Aon PLC, Willis Towers Watson, Mondelez International, Motorola, United Airlines, US Foods, and Walgreens.
- ✓ In 2018 and prior to the COVID-19 pandemic, Illinois set a new tourism record with 117 million tourists who spent about \$42 billion during their visits.

Major Commercial-Retail Trade Center

Commercial growth and retail trade is among Peoria’s many significant contributions to the Central Illinois economy and retail sales tax is a vital source of revenue for the City of Peoria that helps provide high quality public services to residents of the area.

The City of Peoria currently receives \$2.75 in municipal sales tax for every \$100 of retail sales. The total retail sales generated in the City of Peoria during calendar year 2022 amounted to \$2,571,284,771 as reported by the Illinois Department of Revenue. Total annual retail sales expressed in nominal dollars between 2006 and 2022 increased by \$418,877,510 or 19.2% (**Figure 7**). However, in terms of real, inflation-adjusted dollars, the City’s total retail sales actually declined by **-14.1%** over the same fifteen (16) year period.

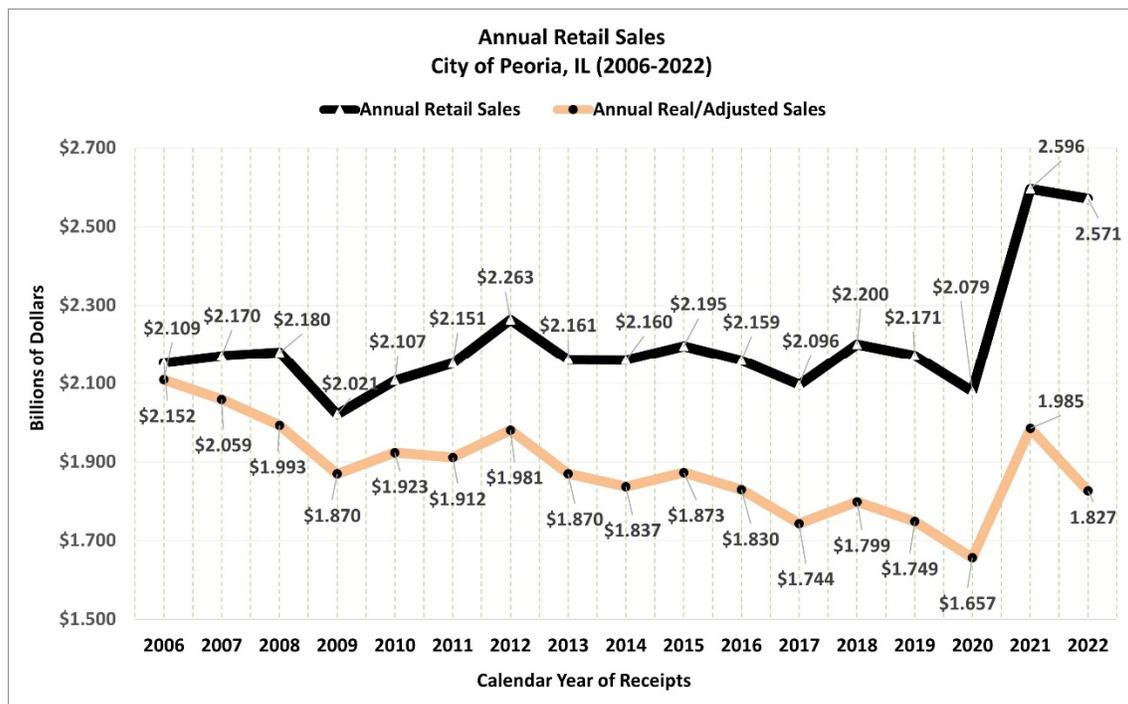


Figure 7. City of Peoria, Illinois – Annual Retail Sales, 2006-2022 (Source: Illinois Department of Revenue).

Peoria’s inflation-adjusted retail sales tax trends in recent years reflect many of the same economic trends and conditions affecting much of the State of Illinois and the Midwest region. The construction of new or expanded (physical) retail space that has occurred in Peoria over the last several years is being challenged by a dramatic shift in consumer behavior. This is especially true during times of restricted access because of public health concerns, such as what was experienced during the COVID-19 pandemic.

Shoppers are increasingly expecting more from retailers in terms of both their online and physical, in-store experiences. The Internet, home shopping and related new technologies are causing changes to occur in how people acquire their everyday goods and services. The growing popularity of online retail shopping is causing retailers to redesign store formats and payment methods, as well as adjust to how technology-driven shopping preferences are affecting the inherent value of physical locations in populated areas, or along busy transportation corridors.

Such shifts in consumer behavior is also evidenced by the number of commercial retail taxpayers. Recent Illinois Department of Revenue data indicates the number of retail taxpayers declined in the City of Peoria by -174 between 2006 and 2020 (*Figure 8*).

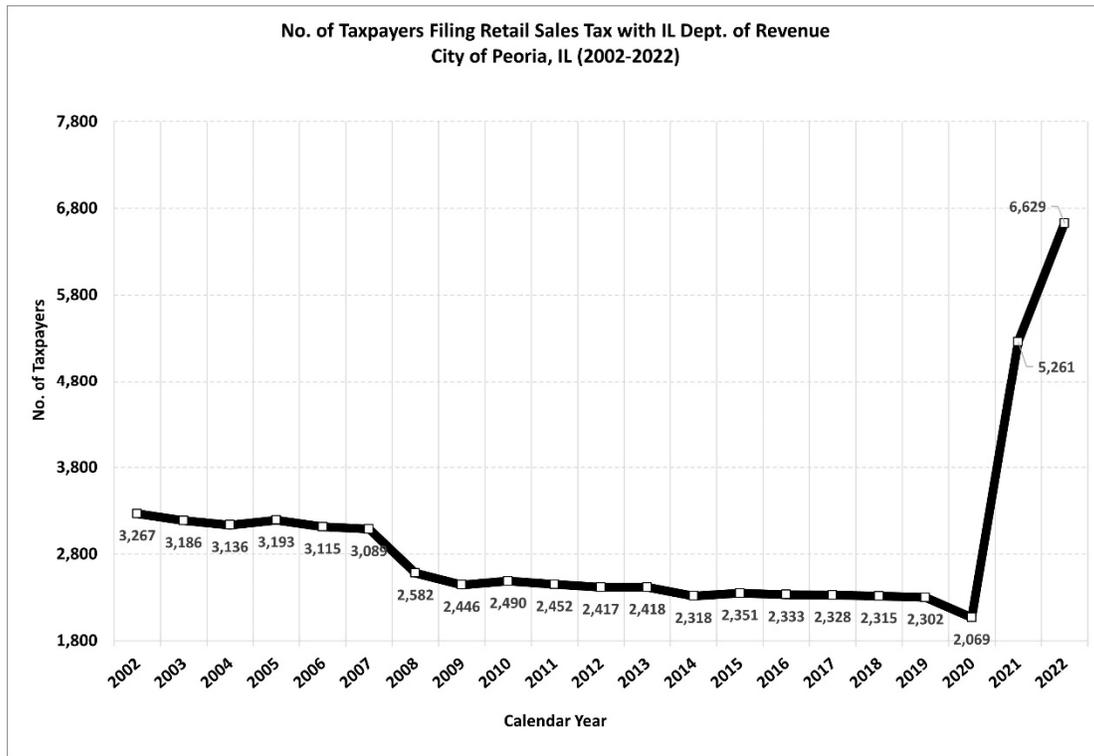


Figure 8. City of Peoria, Illinois – Annual Number of Retail Taxpayers, 2002-2022 (Source: Illinois Department of Revenue).

Why the spike in retail sales and the number of retail taxpayers in 2021 and 2022? The State of Illinois enacted the “*Leveling the Playing Field for Illinois Retail Act*” in 2021 (see sidebar at right).

Absent new, innovative approaches at the local level, ever-evolving online shopping practices may result in a cascade of negative effects on communities like Peoria for future business development, job creation, population growth and the sustainability of high-quality public services for its residents.

*Unemployment*

**Leveling the Playing Field Legislation**

Illinois Public Acts 101-31 and 101-604 amended the Retailers' Occupation Tax and enacted the “*Leveling the Playing Field for Illinois Retail Act*” to implement a series of structural changes to the Illinois sales tax laws to require "remote retailers" to remit State and local retailers' occupation taxes beginning January 1, 2021. The changes are intended to "level the playing field" between Illinois-based retailers and remote retailers by imposing State and local retailers' occupation taxes on Illinois retailers and remote retailers alike. Remote retailers who meet certain thresholds are required to register to collect and remit Illinois Retailers' Occupation Tax (ROT) for sales of tangible personal property made on or after January 1, 2021.

A substantial portion of the City's increased retail sales tax revenues during calendar year 2021 may be attributable to online sales which were subject to the “*Leveling the Playing Field*” legislation.

The unemployment rate is the number of people unemployed which is expressed as a percentage of the total civilian labor force.

With the Great Recession of 2008-2009, the average annual unemployment rate in Peoria County dramatically increased from 4.2% in 2006 to 11.1% in 2009. Although the economic recovery proceeded to occur each year thereafter, the County’s unemployment numbers continued to fluctuate and generally recede back down to 4.9% in 2019. The unemployment rate in Peoria County has remained notably higher than the U.S. average between 2019 and 2022 and higher than the annual average unemployment rate of the State of Illinois since 2013.

During 2020, the unemployment rate for Peoria County substantially increased to 10.5%, largely due to the widespread economic impact of the COVID-19 pandemic. As of 2022, the average annual unemployment rate in Peoria County was reported as 5.0% but continued to exceed the unemployment rate of Illinois and the U.S. at 4.6% and 3.6%, respectively (see *Figure 9*).

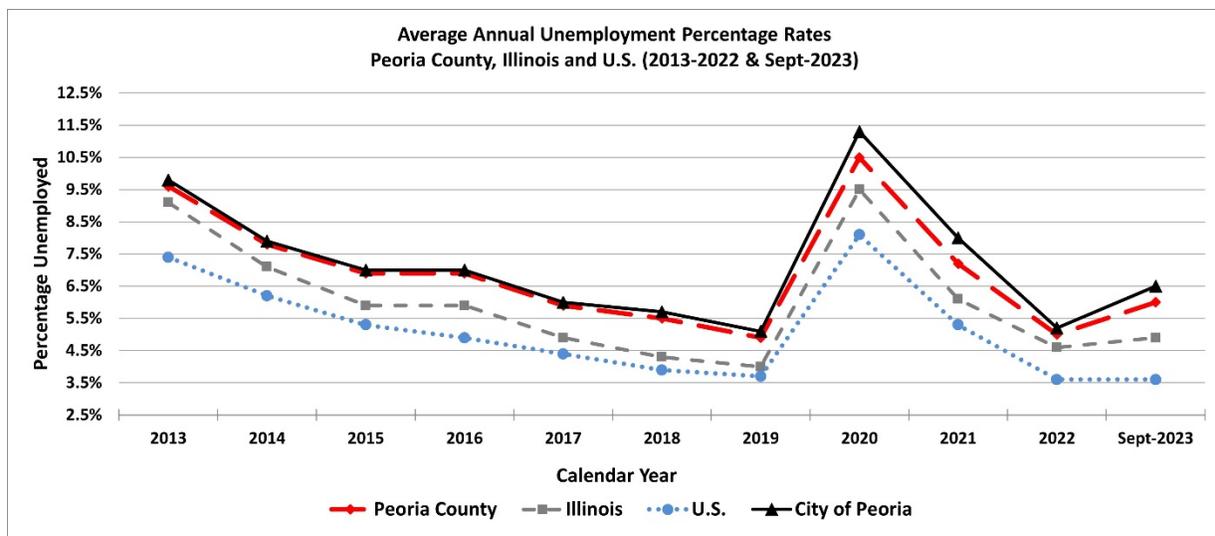


Figure 9. Average Annual Unemployment Rates for Peoria County, State of Illinois, and U.S., 2013-2022 and Sept-2023 (Source: Illinois Department of Employment Security).

Many analysts agree that the official definition of the “unemployed” omits many workers who were deprived of pay amid the pandemic. While unemployment rates jumped in April 2020 throughout the U.S. to levels not seen since the 1930’s, more recent official unemployment rates are believed to be substantially understated, because they too omit workers who exited the labor force in the previous 12-24 months and who are either absent or no longer looking for work. The majority of jobs lost in the pandemic crisis were in industries that typically paid low average wages. The lowest-paying industries accounted for 30 percent of all job losses and 56 percent of the jobs lost from February 2020 to September 2021.

**The proposed Galena Road Industrial Park TIF District includes an Industrial Park Conservation Area.** The Industrial Park Conservation Area:

- is an area within the boundaries of the proposed redevelopment project area;
- is located within the territorial limits of the City, which is also a “labor surplus municipality”;

- is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area; and
- includes both vacant land suitable for use as an industrial park and a blighted area or conservation area that is contiguous to such vacant land.

As of September-2023, the Illinois Department of Employment Security (IDES) reported an unemployment rate within the City of Peoria as being **6.5%** and the U.S. rate for that same month was **3.6%**. As of January-2024, IDES reported City of Peoria unemployment rate as **6.8%** and the U.S. rate for that month as being **4.1%**. Pursuant to the TIF Act, if at any time during the six (6) months before the City designates an industrial park conservation area within a proposed TIF redevelopment project area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication, then the City is defined as a Labor Surplus Municipality.

Therefore, the City of Peoria is defined as a Labor Surplus Municipality and **thirty-one (31) vacant parcels** zoned for industrial use that are within the **Galena Road Industrial Park TIF District Redevelopment Project Area** qualify as an *Industrial Park Conservation Area* as provided in the Act (see *Appendix A* for definitions).

In addition to reduced population counts in the Peoria area, chronic outmigration from Illinois, the pandemic-accelerated retirement statistics, and the City’s status as a Labor Surplus Municipality, it is also important to note that the Peoria County labor force had already been declining for several years. As evidenced by data obtained from the Illinois Department of Employment Security, the total labor force count in Peoria County peaked in 2011 at 96,158 workers (*Figure 10*). The government only counts people as “unemployed” if they are actively looking for work. Everyone else who is not working is considered out of the labor force entirely, which could of course help explain the additional drop shown for 2020 if more workers stopped looking for jobs as a result of the COVID-19 crisis. In any case, by 2022 the Peoria County labor force declined to 82,158, a decline of **-14.6%** since 2011.

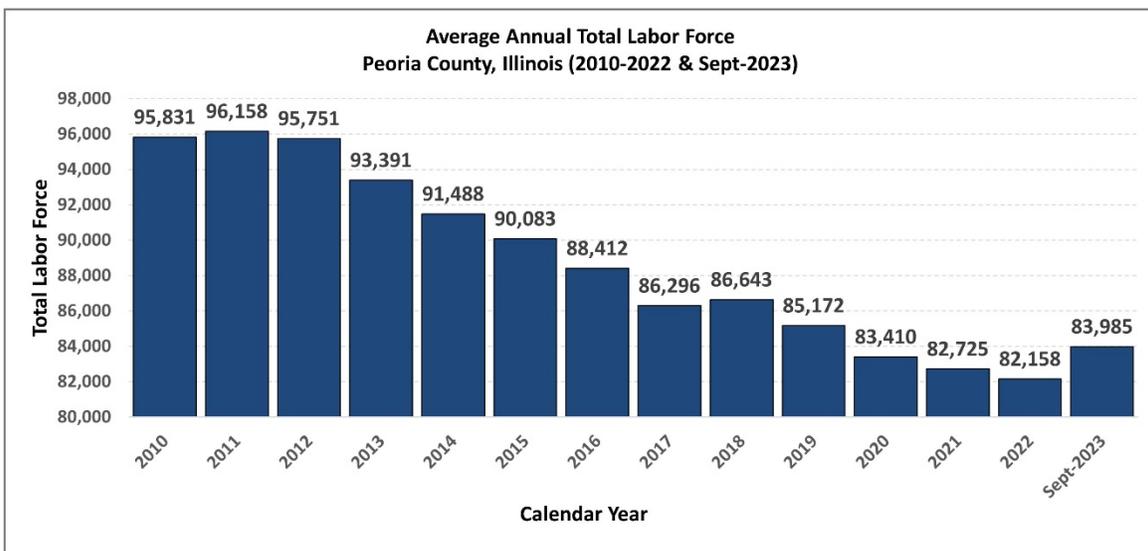


Figure 10. Average Annual Total Labor Force in Peoria County, 2010-2022 and Sept-2023. (Source: Illinois Department of Employment Security).

The total labor force in Peoria County as of September-2023 reflected a higher figure, though encouraging, may simply be attributable to seasonal variability in the statistics. As a percentage of the total labor force within Peoria County, the City of Peoria has consistently accounted for nearly 60% (see **Figure 11**). As of Sept-2023, the Peoria labor force was 50,694, which represented 60.4% of the total labor force within Peoria County.

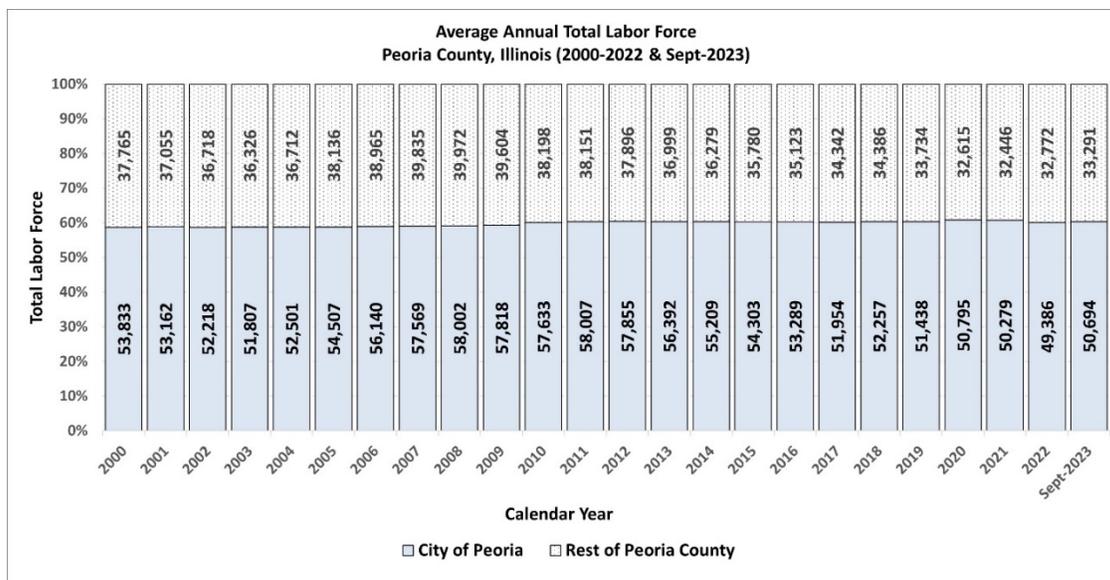


Figure 11. Average Annual Total Labor Force in City of Peoria and Remainder of Peoria County, 2000-2022 and Sept-2023. (Source: Illinois Department of Employment Security).

The Illinois Department of Employment Security recently documented an inverse relationship between unemployment rates and educational attainment; the higher the level of educational attainment, the lower the unemployment rate.<sup>7</sup> The National Center for Educational Attainment reported that in 2022, that the employment rate was higher for those with higher levels of educational attainment about 80 percent of 25 to 34-year-olds in the U.S. were employed and the employment rate was higher for those with higher levels of educational attainment (i.e., highest for those with a bachelor’s or higher degree and lowest for those who had not completed high school).<sup>8</sup>

Although Illinois will likely continue to face shrinking workforce numbers during the next 10 years, thereby making efforts to improve Peoria’s job base an increasingly more complicated and difficult challenge, the urgency for the City of Peoria to partner with educational resources to assist potential workers with attaining the educational background and skills necessary to fill those positions has perhaps never been greater. Peoria hosts multiple public and private schools, as well as several post-secondary educational resources, such as Bradley University, Illinois Central College, and University of Illinois College of Medicine-Peoria. Therefore, this Redevelopment Plan purposefully encourages the creation of good-paying jobs, along with the education and training opportunities needed to increase the supply of well-skilled workers to fill them.

<sup>7</sup> Illinois Department of Employment Security. (2018). *The Relationship Between Educational Attainment and Labor Force Status in Illinois*. Retrieved 12/4/2023, from <https://ides.illinois.gov/>.

<sup>8</sup> National Center for Education Statistics. (2023). *Employment and Unemployment Rates by Educational Attainment. Condition of Education*. U.S. Department of Education, Institute of Education Sciences. Retrieved 12/4/2023, from <https://nces.ed.gov/programs/coe/indicator/cbc>.

## *City of Peoria Accepts the Challenge*

New private investment in light industrial facilities, commercial businesses, and related amenities within the proposed **Galena Road Industrial Park TIF District Redevelopment Project Area** will help create a more effective path for the Peoria employment base to expand. New tax revenues resulting from such economic growth will also further enable the City of Peoria and other taxing bodies to fund high-quality public services for their residents.

As part of an ongoing effort to encourage new economic vitality throughout the community, the City of Peoria proposes to use tax increment financing to establish itself as a stronger retail center and further stimulate commercial/retail and industrial development within the proposed Galena Road Industrial Park TIF District Redevelopment Project Area. By using TIF to attract new private investment and improve public infrastructure within the designated Redevelopment Project Area, the City intends to:

- create new employment opportunities;
- expand the real estate tax assessment base within the Redevelopment Project Area;
- generate new sales tax revenues for the City, School Districts, and the County;
- expand and update public infrastructure and related services; and
- improve pedestrian access between residential areas, parks, and industrial and commercial areas, thereby improving the overall quality of life for its residents.



The City of Peoria has prepared this TIF Redevelopment Plan to especially support its ongoing commitment to expanding the community's business and manufacturing capabilities. According to the Illinois Manufacturers' Association<sup>9</sup>:

- more than 650,000 women and men work on factory floors producing more than \$600 billion in annual economic output, the single largest share of Illinois' economy; and Peoria County is the eighth largest county for hosting manufacturing jobs in the state of Illinois which generates \$12.4 billion in total annual economic output;
- the Peoria County manufacturing industry maintains an employment multiplier of 2.1. This implies that for every 10 jobs that are supported directly by the manufacturing industry, an additional 11 jobs are created elsewhere in in the county; and
- in general, every manufacturing job leads to an additional 1.8 jobs and every dollar invested in manufacturing generates approximately \$1.89 in additional economic activity.

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*"The City has prepared this TIF Redevelopment Plan to especially support its ongoing commitment to expanding the community's business and manufacturing capabilities."*

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<sup>9</sup> Source: Illinois Manufacturers' Association publications, *The Economic Impact of Manufacturing on Illinois and Manufacturing Matters 2022* found online at: <https://ima-net.org/2022economicanalysis/>.

### *Anticipated Anchor Project*

The City of Peoria is negotiating with numerous commercial and industrial parties relating to the potential redevelopment of a site within the proposed TIF Area for a state-of-the-art \$40 million± light manufacturing/office complex (**Figure 12**). As currently proposed, this facility would be constructed in multiple phases over several years and is currently known as the “Galena Road Innovation Business Campus.”

By constructing the buildings on a semicircular/S-shape architectural design, such careful positioning of the openings and effective sun shading will feature a facade design that contributes to low terminal heating/cooling requirements while also incorporating solar and other alternative energy amenities. This “single spline” layout is intended to allow for multiple buildings to appear as a single cohesive development and campus environment.



Figure 12. Aerial rendering of proposed “Galena Road Innovation Business Campus,” courtesy of Farnsworth Group (<https://www.f-w.com/>).

Building heights peak at the center point of the spline, thereby presenting a tapered roofline to mimic the topography of the hills in the background.

Breaks between buildings would be positioned at primary existing drainage swales to create integrated bioswales and storm water retention requirements that are incorporated as water features. The spaces between buildings would be covered with canopies to also serve as all-weather entries and circulation through the site as relates to adjacent forest and greenspace recreational areas. Walking paths throughout the site tie the campus together and vehicular traffic is limited to just two sides of the area.

The total cost of construction of the site and related infrastructure, such as land clearing, demolition, roadways, sanitary service, storm sewers, water mains, electric, gas and other utilities is estimated to amount to \$11,688,000 in 2024 dollars. The earliest the first building would begin construction is late 2025 with an anticipated occupancy in late 2026. The first two industrial buildings are projected to be 100,000 sq. ft. each and cost approximately \$130 per sq. ft. to complete.

### SECTION III. REDEVELOPMENT GOALS AND OBJECTIVES

#### *Redevelopment Goals and Objectives*

The City intends to use the **Galena Road Industrial Park TIF District Redevelopment Plan, Area, and Projects** to redevelop property that is currently underutilized for light industry, commercial space, and retail businesses development. Such redevelopment is necessary for improving employment opportunities, expanding, and diversifying the local real estate tax base, managing growth, and increasing the overall quality of life for the greater Peoria area and nearby communities. This Redevelopment Plan will allow the City to: alleviate and/or remove blighting conditions such as the lack of adequate public infrastructure; increase Peoria's overall competitiveness within the Midwest region; and institute public policies that are more conducive to industrial and commercial business development.

Absent an influx of new private investment throughout the Area, and additional, substantial improvements to local public infrastructure, deterioration of local properties and related amenities is likely to occur and will impair the value of private investments as well as the sound growth and tax base of all affected taxing districts. Pursuant to the TIF Act, this Redevelopment Plan is intended to promote and protect the health, safety, morals, and welfare of the public, address blighted conditions as defined in the Act, and institute conservation measures that will:

- remove and alleviate adverse or deteriorated conditions impeding economic growth;
- encourage new private investment; and
- restore and enhance the tax base of the overlapping taxing districts by undertaking a series of public and private redevelopment projects within the specified Redevelopment Project Area.

The property within the Redevelopment Project Area will substantially benefit by a series of public and private redevelopment projects made possible with tax increment financing. The Redevelopment Project Area is not otherwise reasonably expected to be substantially improved or be further developed without the use of tax increment financing.

The Galena Road Industrial Park TIF District Redevelopment Plan includes, but is not limited to, the following general long-term goals and objectives:

1. Eliminate or reduce those conditions which qualify the Redevelopment Project Area as a Combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* Areas;
2. Facilitate the construction, improvement and maintenance of public infrastructure, environmental remediation, and other capital projects which the City finds is in furtherance of this Redevelopment Plan and necessary to encourage new industrial, and commercial development;
3. Construct, improve, upgrade, and maintain storm water drainage and sanitary sewer lines and related infrastructure throughout the Redevelopment Project Area;
4. Construct, improve, upgrade, and maintain antiquated and/or inadequate water lines and mains, as well as water storage facilities and related distribution systems;



## ***Planning Process and Calendar***

A variety of policies, programs, and strategies are often used to promote economic development in a community. This Redevelopment Plan provides a preliminary review of the uses and application of tax increment financing (TIF) as well as the extent to which certain properties within the City of Peoria qualify for designation as a TIF Redevelopment Project Area (the “Area”).

The Tax Increment Allocation Redevelopment Act of 65 ILCS 5/11-74.4 *et. seq.* (the “Act”) requires a municipality to follow certain procedures in establishing a TIF District. The proposed TIF District must contain several specific statutory characteristics which qualify the Area for tax increment financing. These characteristics and definitions as set forth below determine whether the Area is *Blighted*, *Conservation*, a combination of both *Blighted and Conservation* areas, as well as an *Industrial Park Conservation Area* (see ***Appendix A***).

The process to establish a TIF District pursuant to the Act is initiated by a municipality (see ***Appendix B***). This process includes:

- creating an Interested Parties Registry;
- determining the qualifications of the redevelopment project area;
- preparing a Redevelopment Plan;
- establishing a date, place, and time for a Public Hearing;
- sending notification of the Public Hearing to all taxing districts, registrants of the interested parties registry and the Illinois Department of Commerce and Economic Opportunity (DCEO) with an invitation to attend and provide comments;
- convening a Joint Review Board consisting of a representative selected by each community college district, local elementary school district, high school district or each local community unit school district, park district, library district, township, fire protection district, the county, a representative of the municipality and a public member;
- publishing a notice twice before the Public Hearing in a newspaper of general circulation in the community;
- mailing of the notice of the Public Hearing to all taxpayers and residents in the proposed Area;
- mailing of the notice of the Public Hearing to residential addresses within 750 feet of the proposed Area; and
- approving final ordinances: (1) approving the Redevelopment Plan and Projects; (2) designating the Redevelopment Project Area; and (3) adopting Tax Increment Allocation Financing for the Area.

The City of Peoria initially engaged Jacob & Klein, Ltd. and The Economic Development Group, Ltd. on April 3, 2023, to assist the City with undertaking this process for establishing the Galena Road Industrial Park TIF District.

A review of the qualifications of the proposed Area was subsequently undertaken to evaluate the potential use of tax increment financing within the proposed Area based upon statutory requirements. This Plan hereby presents sufficient evidence for the **Galena Road Industrial Park TIF District** to be classified as a combination of *Blighted* (improved/vacant), *Conservation* (improved), and *Industrial Park Conservation* areas.

Upon reviewing the proposed Redevelopment Plan and accepting the findings herein, the City Council may move forward with the process for establishing the **Galena Road Industrial Park TIF District**.



The City’s schedule for the planning and completing the statutorily required activities relating to the establishment of the **Galena Road Industrial Park TIF District** is as follows:

- Initiate Planning and Research to Document TIF Qualifying Characteristics.....4/3/2023
- Submit Draft Redevelopment Plan to City ..... 12/22/2023
- Establish Interested Parties Registry by Ordinance .....1/9/2024
- Set date for Public Hearing by Ordinance.....1/9/2024
- Publish Availability of Interested Parties Registries .....1/11/2024
- Certified Mailings of Public Hearing Notice to Taxing Districts.....1/11/2024
- Certified Mailings of Public Hearing Notice to Taxpayers & Residents.....1/25/2024
- Mail Public Hearing Notice to Residential Addresses within 750 ft. & IPR.....1/31/2024
- Convene Joint Review Board (JRB) Meeting.....2/1/2024
- First Publication of Notice of Public Hearing .....2/8/2024
- Second Publication of Notice of Public Hearing .....2/15/2024
- Public Hearing .....2/27/2024
- Approve Final Ordinances to Establish TIF District.....5/14/2024

**SECTION IV.**

**QUALIFYING CHARACTERISTICS OF THE REDEVELOPMENT PROJECT AREA**

*Description of Proposed Redevelopment Project Area*

The proposed TIF Area predominately includes commercial and industrial properties, which are generally located along the shoreline of the Illinois River and adjacent to North Galena Road/IL Rt. 29 between E. Gardner Ln., and E. Koch Dr. The Redevelopment Project Area is configured to encourage a combination of commercial and industrial redevelopment projects; and is more specifically illustrated on the attached Proposed Boundary Map (*Exhibit 1*) and legally described in the attached Proposed Legal Description (*Exhibit 2*).

Pursuant to the Act, the proposed **Galena Road Industrial Park TIF District Redevelopment Project Area** (the “Area”) includes only those contiguous parcels of real property and improvements thereon which would be substantially benefitted by a redevelopment project. Also, pursuant to the Act, the Area is not less in the aggregate than 1½ acres and further constitutes a contiguous Area pursuant to Section 11-74.4-4 of the TIF Act as amended by Public Act 102-0818.

The Area includes properties within the City which have been neglected and have not benefitted from coordinated planning efforts by either the public or private sectors. As evidenced by the qualifying characteristics presented in this Section, both vacant and improved properties within the proposed Redevelopment Project Area would substantially benefit by a series of proposed public and/or private redevelopment projects. Therefore, the City finds that the Redevelopment Project Area *as-a-whole* has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan.

*Qualifying Characteristics of Proposed Redevelopment Project Area*

The Galena Road Industrial Park TIF District Area as-a-whole includes characteristics which qualify the Area as a combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* areas, as defined in the Tax Increment Allocation Redevelopment Act [TIF Act] (65 ILCS 5/11-74.4 *et. seq.*). **The terms *Blighted*, *Conservation*, and *Industrial Park Conservation* areas when applied to improved or vacant properties are statutory definitions, not common ideas of those terms.** The statutory definitions which have been applied and used in this section are presented in *Appendix A*. A summary of the City’s findings is presented as follows:

Total Number of Parcels (improved and vacant) .....	70
Total Number of Qualifying Parcels (improved and vacant) .....	67
<b>Total Percentage of Parcels (improved and vacant)</b>	
<b>which Qualify under the Act .....</b>	<b>95.7%</b>

**CONCLUSION:** Within the proposed Galena Road Industrial Park TIF District there are seventy (70) vacant and improved parcels that were surveyed, 95.7% of which qualify under the TIF Act as a combination of Blighted and Conservation Areas.

**Qualifying Characteristics of Improved Parcels**

Total Number of Improved Parcels.....	35
Total Number of Improved Parcels which Qualify under the Act .....	32
<b>Total Percentage of <u>Improved</u> Parcels which Qualify under the Act .....</b>	<b>91.4%</b>
Of All Improved Parcels:	
Total “Blighted” (5 qualifying characteristics) .....	2
Total Number of Structures and Site Improvements .....	57
Number of Structures over 35 Years of Age .....	46
<b>Total Percentage of Structures over 35 Years of Age.....</b>	<b>80.7%</b>
Total “Conservation” .....	32
Total Number Conservation, but Not Blighted .....	30

The following qualifying characteristics are present in the **structures** and **site improvements** within the improved portion of the proposed TIF District (Note: If a parcel of property exhibits an individual characteristic more than once, it is counted only once in the summary below):

Number showing signs of Dilapidation .....	1
Number showing signs of Obsolescence.....	1
Number showing signs of Deterioration .....	30
Number showing signs of Code Violations .....	0
Number showing signs of Illegal Uses.....	0
Number showing signs Excessive Vacancy.....	1
Number which Lack Sanitary Facilities.....	0
Number with Inadequate Utilities <sup>10</sup> .....	32
Number subject to Overcrowding.....	0
Number used for Deleterious Uses .....	0
Number with EPA Issues .....	0
Number showing Lack of Planning <sup>11</sup> .....	35
Number subject to Declining/Static EAV .....	35

**CONCLUSION: The applicable characteristics of Blight and Conservation were found reasonably distributed throughout the thirty-five (35) improved parcels, 91.4% of which qualify as a Combination Blighted and Conservation Area within the proposed Galena Road Industrial Park TIF District Redevelopment Project Area. Two (2) of the improved parcels also qualify as a Blighted Area.**

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<sup>10</sup> The improved parcels exhibiting deteriorated or inadequate utilities (32) represents visible inadequacies relating to the lack of appropriate storm water facilities and in some instances the lack of adequate sanitary sewer infrastructure. Though not thoroughly documented as of this TIF Plan, the City noted that substantial other public infrastructure inadequacies exist throughout the TIF Area, not the least of which is the lack of adequate sidewalks and roadway extensions to serve underutilized sites.

<sup>11</sup> Most of the improved parcels shown to evidence a lack of adequate planning (35) reflect a visible absence of street access, sidewalks, curbs, or access to alleys. Parcels of inadequate shape and size to meet contemporary development standards were found to be present within the TIF area as well.

**Qualifying Characteristics of Vacant Parcels**

Total Number of Vacant Parcels .....35  
Total Number of Vacant Parcels which Qualify under the Act.....35  
**Total Percentage of Vacant Parcels which Qualify under the Act..... 100.0%**

Of All Vacant Parcels:

*The first set of characteristics which apply to vacant land require any **two** of the following for qualification as a blighted area:*

Number subject to Obsolete Platting ..... 1  
Number subject to Diversity of Ownership ..... 0  
Number subject to Tax Delinquencies ..... 0  
Number subject to Deterioration of Adjacent Properties ..... 21  
Number subject to EPA Issues ..... 0  
Number subject to Declining/Static EAV..... 35

*An additional list of characteristics applied to vacant land requires only **one** of the following for qualification as a blighted area:*

Number containing an Unused Quarry, Mine or Strip Mine Pond..... 0  
Number containing an Unused Railroad or Railroad Right-of-way..... 0  
Number subject to Chronic/Contribute to Flooding within same watershed (see **Exhibit 3**) ..... 35  
Number with Disposal Site ..... 1  
Number found to have been Blighted before becoming Vacant..... 1  
Number of vacant parcels which qualify as an Industrial Park Conservation Area<sup>12</sup> ..... 31

Within this Area there are vacant tracts that have been used for commercial agricultural purposes within five (5) years prior to the designation of the Redevelopment Project Area. Pursuant to Section 11-74.4-3(v), the City has made a finding that such parcels have been previously subdivided; subdivided pursuant to the Plat Act; or divided into three (3) or more smaller tracts between 1950 and 1990. Pursuant to the Act and prior to designation of the Area, **thirty-five (35)** of the vacant parcels have been subject to surface water that discharges from the TIF Area and contributes to flooding within the same watershed and such parcels are believed to be subject to chronic flooding adversely impacting the real property in the area (see **Exhibit 3**). The redevelopment projects proposed in this Plan will provide for facilities or improvements to contribute to the alleviation of all or part of this flooding. The City has developed comprehensive ordinances and design criteria requiring redevelopment projects to provide facilities and improvements to alleviate the risk of flooding within the same watershed, not the least of which is a requirement for hydrological studies to be completed in advance of any redevelopment project that will include the construction of impervious surfaces on the site. The creation of a TIF District is therefore essential for providing a means by which the City and Private Developers may feasibly address normal/routine infrastructure requirements, as well as also comply with additional storm water control requirements throughout the Area.

**CONCLUSION: Of the thirty-five (35) vacant parcels surveyed within the proposed Galena Road Industrial Park TIF District, 100.0% qualify as a Blighted Area. These vacant parcels will contribute to the effectiveness of the TIF District as a whole and are necessary either as potential development locations or to ensure contiguity within the TIF District.**

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<sup>12</sup> “Industrial park conservation area” means an area within the boundaries of a redevelopment project area located within the territorial limits of the City that is a labor surplus municipality, is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

## Equalized Assessed Valuation (EAV) of the Redevelopment Project Area

One of the qualifying characteristics for both “Blighted” and “Conservation” parcels is the declining and or stagnant value of properties included within the Redevelopment Project Area.

The total equalized assessed valuation (“EAV” before exemptions) of the City of Peoria for tax year 2022 payable 2023 was **\$2,319,970,404**. The total EAV (before exemptions) of parcels studied for the entire proposed TIF District Redevelopment Project Area for tax year 2022 payable 2023 was **\$4,455,420** and accounted for **0.2%** of the City’s total EAV (see *Figure 13*). The total estimated EAV of the balance of the City (outside of the proposed TIF Redevelopment Project Area) was **\$2,315,514,984**.

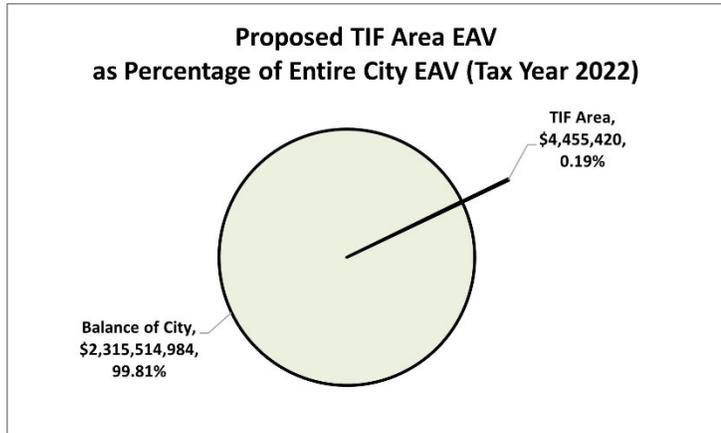


Figure 13. Proposed Galena Road Industrial Park TIF District EAV as a Percentage of Entire City of Peoria EAV, Tax Year 2022. (Source: Office of the Peoria County Supervisor of Assessments data available online at <https://gis.peoriacounty.gov/PeoriaCountyGIS/#>.)

The EAV characteristics in this instance contribute to the qualification of the Area pursuant to the TIF Act because the total equalized assessed valuation of the proposed redevelopment project area declined in four (4) of the last (5) years; and declined or increased at an annual rate which was less than the annual Consumer Price Index (CPI) for All Urban Consumers for four (5) of the last five (5) years (see *Figure 14*).

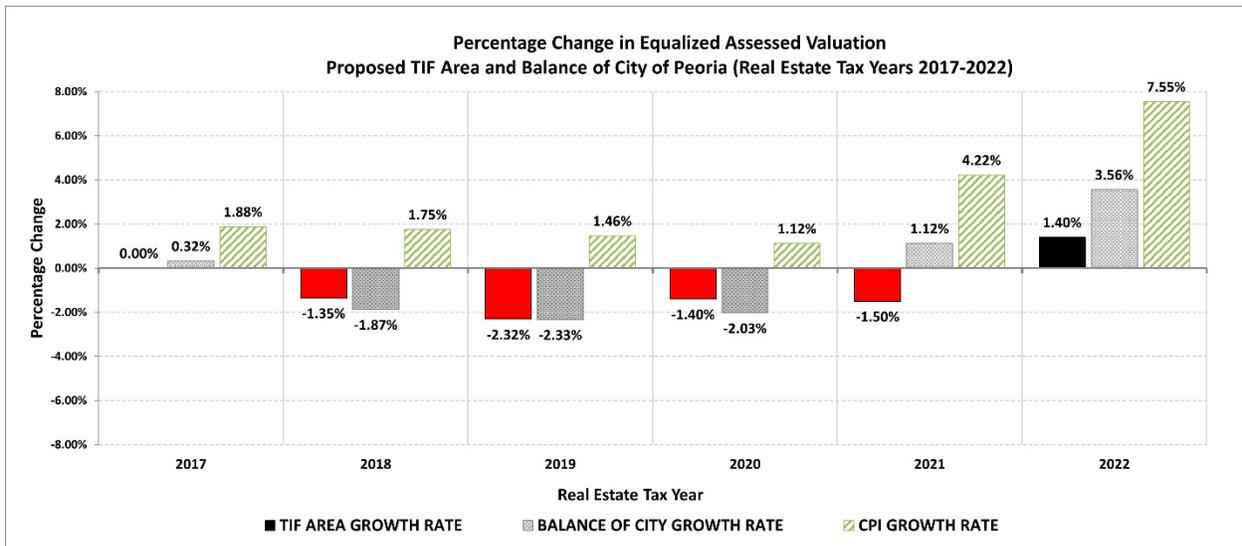


Figure 14. Proposed Galena Road Industrial Park TIF District, Percentage Change in Equalized Assessed Valuation, 2017-2022 (Source: Office of the Peoria County Supervisor of Assessments data available online at <https://gis.peoriacounty.gov/PeoriaCountyGIS/#>.)

**CONCLUSION:** Pursuant to the Act, the equalized assessed valuation of the proposed Area assists in qualifying the proposed Galena Road Industrial Park TIF District as a combination of “Blighted” and “Conservation” Areas.

## Summary of TIF Qualification Characteristics

The following is a summary of relevant qualification findings as it relates to the potential designation of the proposed Redevelopment Project Area (Area) by the City as a Tax Increment Financing (TIF) District. The findings herein pertain to the proposed Redevelopment Project Area:

1. Pursuant to the Act, the proposed Redevelopment Project Area (Area) includes only those contiguous parcels of real property and improvements thereon which would be substantially benefitted by a redevelopment project; and the Area is greater than 1½ acres in size. The proposed Area includes easements and rights-of-way which are not annexed into the City, however pursuant to Section 11-74.4-4 of the TIF Act as amended by Public Act 102-0818, the **seventy (70) improved and vacant parcels** included within the proposed TIF Area are contiguous since they meet the criteria for annexation to a municipality under Section 7-1-1 of the Municipal Code.
2. The Redevelopment Project Area qualifies as a combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* areas. The qualifying characteristics as documented herein are present throughout the Redevelopment Project Area, are present to a meaningful extent and are evenly distributed throughout the Redevelopment Project Area as follows:
  - a. Within the **Galena Road Industrial Park TIF District** there are **seventy (70)** individual parcels that were surveyed as vacant or improved, 95.7% of which qualify under the TIF Act as a combination of *Blighted* [improved/vacant] and *Conservation* [improved], and *Industrial Park Conservation* areas.
  - b. The applicable characteristics of *Blight* and *Conservation* were found reasonably distributed throughout the proposed TIF District as-a-whole. Of the **thirty-five (35) improved parcels**, 91.4% qualify as a Combination of Blighted and Conservation Areas. Two (2) of the improved parcels also qualify as a Blighted Area.
  - c. Of the **thirty-five (35) vacant parcels**, 100.0% qualify as a *Blighted* area. Thirty-five (35) of the vacant parcels are found to be subject to chronic flooding or contribute to flooding within the same watershed (see **Exhibit 3**). Thirty-five (35) of the vacant parcels qualify as an *Industrial Park Conservation Area*. The public and private improvements provided for in this Redevelopment Plan will help to alleviate all or part of these drainage conditions.
  - d. The lack of growth in equalized assessed valuation of the proposed Area assists in qualifying the TIF District as a combination of Blighted and Conservation Areas.
3. The proposed Redevelopment Project Area has not benefitted from coordinated planning efforts by either the public or private sectors. There is a need to focus on redevelopment efforts relating to infrastructure, property reuse, and the improvement of existing buildings.
4. The proposed Redevelopment Project Area would not be subject to redevelopment without the investment of public funds, including tax increments.
5. All property in the proposed Redevelopment Project Area would substantially benefit by a series of proposed redevelopment projects (public and private).

6. Portions of the proposed Redevelopment Project Area may be suitable for redevelopment (public and private) for modern and more intensive mixed use if funding can be established to acquire and clear necessary properties, and to put in place appropriate incentives to overcome market impediments.
7. Indications of deterioration and blighting conditions were found to be present and distributed throughout the Redevelopment Project Area to a meaningful extent on both vacant and improved parcels, thereby qualifying the Area as a combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* areas, as defined in the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*). Therefore, based on the information provided herein: **the City concludes that the Galena Road Industrial Park TIF District Redevelopment Project Area qualifies pursuant to the requirements of the TIF Act.**

*As illustrated by the examples below, deterioration, underutilized spaces, and blighting conditions were found to be present to a meaningful extent and distributed throughout the Redevelopment Project Area.*















**SECTION V.**

**DESIGNATED AND ANTICIPATED PUBLIC AND PRIVATE PROJECTS  
FOR PROPOSED REDEVELOPMENT PROJECT AREA**

***Public Redevelopment Projects***

The City intends to address the conditions which, pursuant to the TIF Act, qualify the Redevelopment Project Area as a combination of *Blighted, Conservation, and Industrial Park Conservation* areas. The Redevelopment Project Area has infrastructure inadequacies and will require additional improvements throughout the life of the TIF District as projected below. The implementation of the public projects provided herein will help address current impediments to growth and attract new private investment within the Redevelopment Project Area.

To the extent possible, the City will also encourage the private sector to incur the costs of constructing public infrastructure that is necessary for completing private redevelopment projects. Such costs may then be reimbursed to private developers from real estate tax increment generated by the private redevelopment projects.

The City intends to pay for public improvements using a portion of any Real Estate Tax Increment generated within the TIF District, as well as Municipal Sales Taxes and any other sources of funds it may lawfully pledge.

The designated and anticipated TIF eligible Public Redevelopment Project Cost obligations relating to this TIF Redevelopment Plan are as follows:

1. Public infrastructure improvements to support the proposed *Galena Road Innovation Business Campus Project* (see also pg. 14).....\$11,688,000
2. Public works construction, improvements, upgrades, and maintenance or resurfacing of streets, roads, alleys, parking lots and sidewalks, including labor, equipment, parts, and materials throughout the TIF Area.....\$3,250,000
3. Public works construction, improvements, upgrades, and maintenance of sanitary sewer lines, pump and lift stations, treatment plant, lagoons, manholes and related facilities in support of the Area, including labor, equipment, parts, and materials throughout the TIF Area .....\$2,000,000
4. Public works construction, improvements, upgrades, and maintenance of water mains and related lines and hydrants, storage, and treatment facilities including labor, equipment, parts, and materials throughout the TIF Area.....\$1,250,000
5. Storm sewer drainage infrastructure, including the construction, improvements, upgrades and maintenance of retention ponds and detention basins, including labor, equipment, parts, and materials throughout the TIF Area.....\$4,000,000
6. Public works or improvements related to utilities, including, but not limited to, gas, electric, cable and telecommunication infrastructure, including labor, equipment, parts, and materials throughout the TIF Area .....\$1,750,000

7. Public property assembly costs relating to acquisition of land and buildings, demolition, site improvements and clearing and grading of land throughout the TIF Area.....\$1,500,000
8. Rehabilitation, construction, reconstruction, repairs and maintenance of public facilities, including labor, equipment, parts and materials throughout the TIF Area ..... \$500,000
9. Removal and remediation of environmental contaminants and other physical impediments to redevelopment throughout the TIF Area ..... \$350,000
10. TIF District-related marketing of sites throughout the TIF Area, as well as signage, lighting, advertising, and website marketing ..... \$200,000
11. Construction, improvements, upgrades, and maintenance of public parks, trails, walkways, green space, forestry, river front and wetland improvements .....\$2,500,000
12. Staff and professional services including, but not limited to engineering, architectural, community planning, legal, financial, accounting, marketing, training, continued education, economic development services and TIF-related public administration as may be necessary for the implementation of the TIF Redevelopment Plan and Projects .....\$1,200,000
13. Public safety, fire and rescue and other emergency services training, facilities, equipment and personnel necessary to promote and protect the health, safety, and welfare of the public throughout the TIF Area ..... \$500,000
14. Costs relating to job training and retraining, including “welfare to work” programs implemented by businesses located throughout the TIF Area.....\$250,000
15. Public infrastructure within contiguous TIF Redevelopment Project Areas, if any..... \$50,000
16. Day care services for children of employees from low-income families working for businesses located within the redevelopment project area per Section 11-74.4-3(q)(11.5) of the Act..... \$200,000
17. Potential capital cost reimbursements to other taxing districts.....\$4,609,524

**TOTAL DESIGNATED/ANTICIPATED PUBLIC PROJECT COSTS ..... \$35,797,524**



***Private Redevelopment Projects***

As previously stated, the City plans to address the conditions which qualify the Redevelopment Project Area as a combination of *Blighted, Conservation, and Industrial Park Conservation* areas. The City expects the implementation of the TIF District Redevelopment Plan will attract new private investment within the project area.



*The projects described in this Redevelopment Plan represent an ambitious vision for the future. However, absent this type of specificity, the City could be limited in its ability to offer tax increment financing when such opportunities arise.*

The City believes the Redevelopment Project Area will not be developed without the use of tax increment financing. Therefore, the City intends to offer incentives to potential Developers to encourage commitments for new private investment during the life of the proposed TIF District.

The designated and anticipated TIF eligible private redevelopment project cost obligations for the Galena Road Industrial Park Tax Increment Financing District are as follows:

1. **New Industrial Manufacturing Facility I:** approx. 23,000 sq. ft. facility.  
Anticipated TIF Eligible Project Costs .....\$448,500
2. **New Industrial Manufacturing Facility II:** approx. 23,000 sq. ft. facility.  
Anticipated TIF Eligible Project Costs .....\$448,500
3. **New Industrial Manufacturing Facility III:** approx. 30,000 sq. ft. facility.  
Anticipated TIF Eligible Project Costs .....\$585,000
4. **New Industrial Manufacturing Facility IV:** approx. 52,000 sq. ft. facility.  
Anticipated TIF Eligible Project Costs ..... \$1,014,000
5. **New Industrial Manufacturing Facility V:** approx. 47,000 sq. ft. facility.  
Anticipated TIF Eligible Project Costs .....\$916,000
6. **New Industrial Manufacturing Facility VI:** approx. 38,000 sq. ft. facility.  
Anticipated TIF Eligible Project Costs .....\$741,000
7. **New Industrial Manufacturing Facility VII:** approx. 43,000 sq. ft. facility.  
Anticipated TIF Eligible Project Costs .....\$838,000
8. **New Industrial Manufacturing & Warehouse Facility I:** approx. 120,000 sq. ft.  
Anticipated TIF Eligible Project Costs ..... \$1,800,000
9. **New Industrial Manufacturing & Warehouse Facility II:** approx. 75,000 sq. ft.  
Anticipated TIF Eligible Project Costs ..... \$1,125,000
10. **Commercial-Professional Office Building:** a business center containing a series of units used primarily for industrial/commercial office space.  
Anticipated TIF Eligible Project Costs .....\$900,000

- 11. **Commercial-Retail Project:** project consists of the construction of new facility, expansion, or rehabilitation of an existing retail facility.  
Anticipated TIF Eligible Project Costs .....\$49,950
  
- 12. **Retail Convenience Store:** project consists of the construction of new retail facility offering travel-related goods and services for auto and truck traffic.  
Anticipated TIF Eligible Project Costs .....\$250,000
  
- 13. **Commercial-Retail Restaurant I:** a restaurant facility that is anticipated to employ approximately 2 supervisory employees and 30-40 food and food service workers.  
Anticipated TIF Eligible Project Costs .....\$225,000
  
- 14. **Commercial-Retail Restaurant II:** a restaurant facility that is anticipated to employ approximately 2 supervisory employees and 30-40 food and food service workers.  
Anticipated TIF Eligible Project Costs .....\$150,000
  
- 15. **Commercial-Retail Business Plaza:** a business center containing a series of units used primarily for retail and commercial office space.  
Anticipated TIF Eligible Project Costs .....\$250,000
  
- 16. **Large Commercial/Industrial Rehabilitation/Renovation Project(s):**  
This project includes the rehabilitation of a large commercial building or a series of buildings located within the TIF District with an estimated total investment of \$2.5 million, including \$2.5 million of TIF eligible project costs.  
Anticipated TIF Eligible Project Costs ..... \$2,500,000
  
- 17. **Residential Rehabilitation/Renovation Projects:**  
The equivalent of five (5) projects involving exterior siding, roof or other structural repairs to existing residential buildings within the proposed Redevelopment Project Area are anticipated. Each project is valued at approximately \$15,000 and projected to be completed between 2027 and 2031. The cumulative result of these projects will increase the total equalized assessed valuation within the TIF District by more than \$25,000 when completed.  
Anticipated TIF Eligible Project Costs ..... \$75,000
  
- 18. **Residential Townhome/Multi-Family Project:**  
This project consists of a 18-unit townhome or apartment facility on the west side of Galena Road with average fair market values of \$150,000 per unit. Total investment is projected at \$2.7 million.  
Anticipated TIF Eligible Project Costs .....\$540,000



**Total Designated/Anticipated  
Private TIF Eligible Project Costs ..... \$12,855,950**

**SECTION VI.**  
**SOURCES OF FUNDS TO PAY TIF ELIGIBLE PROJECT COSTS**

The City may execute written Redevelopment Agreements with Private Developers to use portions of the TIF Real Estate Tax Increments generated from such projects to reimburse Developers for TIF eligible *private* project costs as provided in the Act per Section 65 ILCS 5/11-74.4-3(q). The City further intends to use some TIF Increment generated by such private projects and other sources of funds it may lawfully pledge for the payment of TIF eligible *public* project costs.

<i>Anticipated and Projected Private Redevelopment Projects<sup>13</sup></i>	<i>Estimated Completion</i>	<i>Total Projected Investment</i>	<i>Projected Cumulative TIF Increment</i>	<i>Anticipated TIF Eligible Project Costs</i>
1. Industrial Manufacturing Facility I	2025	\$2,990,000	\$2,610,631	\$448,500
2. Industrial Manufacturing Facility II	2025	\$2,990,000	\$2,610,631	\$448,500
3. Industrial Manufacturing Facility III	2025	\$3,900,000	\$3,405,171	\$585,000
4. Industrial Manufacturing Facility IV	2025	\$6,760,000	\$5,902,296	\$1,014,000
5. Industrial Manufacturing Facility V	2027	\$6,110,000	\$4,748,192	\$916,000
6. Industrial Manufacturing Facility VI	2029	\$4,940,000	\$3,383,127	\$741,000
7. Industrial Manufacturing Facility VII	2031	\$5,590,000	\$3,332,490	\$838,000
8. Industrial Mfg. & Warehouse Facility I	2030	\$12,000,000	\$7,680,705	\$1,800,000
9. Industrial Mfg. & Warehouse Facility II	2035	\$7,800,000	\$3,345,945	\$1,125,000
10. Commercial-Prof. Office Building	2032	\$6,000,000	\$3,318,638	\$900,000
11. Commercial-Retail Project	2028	\$333,000	\$243,265	\$49,950
12. Retail Convenience Store	2029	\$1,250,000	\$856,054	\$250,000
13. Commercial-Retail Restaurant I	2029	\$1,125,000	\$770,449	\$225,000
14. Commercial-Retail Restaurant II	2033	\$750,000	\$383,178	\$150,000
15. Commercial-Retail Business Plaza	2036	\$1,250,000	\$486,500	\$250,000
16. Comm./Indust. Rehab-Renovations	2030	\$2,500,000	\$1,600,147	\$2,500,000
17. Residential Rehabilitation/Renovations	2027-2031	\$75,000	\$38,380	\$75,000
18. Residential Townhome/Multi-Family	2033	\$2,700,000	\$1,379,442	\$540,000
<b>TOTALS:</b>		<b>\$65,163,000</b>	<b>\$46,095,241</b>	<b>\$12,855,950</b>

*TIF Financing Summary*

Total Designated and Anticipated TIF Eligible Public Project Costs within the Redevelopment Project Area.....	\$35,797,524
Total Designated and Anticipated TIF Eligible Private Project Costs within the Redevelopment Project Area.....	<u>\$12,885,950</u>
<u>Total Designated and Anticipated TIF Eligible Project Costs (Public &amp; Private).....</u>	<u>\$48,683,474</u>

<sup>13</sup> See *Exhibit 4* for examples of TIF District Projections relating to these proposed private projects.

*Present and Projected Tax Increment*

The **Galena Road Industrial Park TIF District Redevelopment Plan** presents the City’s comprehensive program for development or redevelopment that is intended by the payment of redevelopment project costs to reduce or eliminate conditions, the existence of which, qualified the Redevelopment Project Area. The Galena Road Industrial Park TIF District Redevelopment Plan also sets forth the program to be undertaken to accomplish the plan’s objectives and includes the anticipated sources and uses of TIF funds that may be generated within the Redevelopment Project Area. The projected increases in equalized assessed valuation (EAV) and the resulting real estate tax increment for the Galena Road Industrial Park TIF District are estimated as follows:

Total Projected Private Investment.....\$65,163,000

Projected Cumulative Real Estate Tax Increment  
Generated over 23 Year Life of the TIF District.....\$46,095,241

Projected Effect on Equalized Assessed Value  
of TIF Redevelopment Project Area:

1. Base Year (2022) EAV of Redevelopment Project Area *(before exemptions)* ..... \$4,455,420
2. Estimated Potential Increase in EAV ..... \$23,021,000
3. Total Estimated EAV of the Redevelopment Project Area  
after Redevelopment Projects are Completed *(line 3 plus line 4)*..... \$27,476,420

*The City of Peoria intends to use Tax Increment Financing to stimulate new private investment and enhance the tax base of the local taxing districts within the redevelopment project area, which is essential to the public interest.*



*Policy Guidelines Relating to the Use of Tax Increment Financing Funds*

1. All project cost estimates are in year-**2024** dollars. In addition to the public and private project costs listed above, any notes or bonds issued to finance a Project may include an amount sufficient to pay interest, as well as customary and reasonable charges associated with the issuance of such obligations and provide for capitalized interest and reserves as may be reasonably required.
2. Adjustments to the designated and anticipated line item (public and private) costs provided in this Redevelopment Plan are expected. Each individual project cost and the resulting tax revenues will be re-evaluated as each project is considered for public financing under provisions of the Act.
3. The totals of line items set forth in this Redevelopment Plan are not intended to place a total limit on the described expenditures or intended to preclude payment of other eligible

redevelopment project costs related to the redevelopment of the Area, provided the total amount of payment for all eligible redevelopment project costs, public and private, shall not exceed the amount set forth herein or as adjusted in the future. Adjustments may be made to the designated and anticipated line items within the total, either increasing or decreasing line-item costs for redevelopment.

4. Upon adoption of this Redevelopment Plan, the City may, without further formal statutory approval, increase the total limit or any line item by the increase in the Consumer Price Index (currently All Urban Consumers, IL-IN-WI), plus five percent (5%), as permitted by the TIF Act.
5. The proposed Public and Private Redevelopment Projects included herein are not assured to occur but include the types and scopes of projects that represent reasonable expectations. The City's actual reimbursements of TIF funds shall be disbursed in compliance with the Act but may be for other projects and costs not specifically anticipated herein. The types and scopes of projects, investments and eligible project costs may be re-allocated from time to time by the City Council upon adoption of written Redevelopment Agreements with private developers.
6. The City hereby acknowledges it does not intend for the tax increment financing district to generate sufficient funding to pay for all of the estimated public and private TIF eligible costs discussed in this Redevelopment Plan. Other sources of funds that may be used to pay the costs of implementing this TIF Redevelopment Plan may include, but are not limited to, the following:
  - a. Private equity capital which is available to private Developers through their own cash reserves or financing sources;
  - b. Assistance through Business Development District Financing and/or Enterprise Zone incentives, if any;
  - c. Revenue available because of development assessments, purchase and sale agreements, and leases entered between the City and other individuals or entities;
  - d. Improvements by third-party tenants;
  - e. Special Assessments;
  - f. Special Service Areas, if any, that the City may create within the TIF Area and impose additional property taxes upon properties located within such special service areas to pay the costs of providing special services that may be performed from time to time within such special service areas within the TIF Redevelopment Project Area and which are in support of the goals and objectives of this TIF Redevelopment Plan;
  - g. Grants and loans from the United States or the State of Illinois, or any instrumentality of the federal or state government and units of government thereof;
  - h. General revenues of the City, to the extent such revenue is not necessary to fund other operations of the City;





*Assessment of Financial Impact*

Substantial new economic development is not expected to occur within the Redevelopment Project Area without the creation of the Galena Road Industrial Park TIF District. Without tax increment financing, the overlapping taxing districts are not expected to experience any significant increase in real estate tax revenue from the proposed Redevelopment Project Area.

Using real estate tax rates from tax year 2021 payable 2022 and assuming an increase in real estate development of \$300,000, or a \$100,000 increase in equalized assessed valuation, the projected annual financial impact on the taxing bodies which levy taxes in the TIF District are as follows:

Taxing Districts Listed on Tax Bill	2022 Payable 2023 Real Estate Tax Rate	Projected Annual (Perceived) Impact for each \$100,000 Increase in TIF EAV
Peoria Heights C.U.S.D. #325 <sup>14</sup>	5.36762%	\$5,367
Peoria County	0.82410%	\$824
Peoria County Soil & Water	0.00042%	\$0.42
ICCJC #514	0.46814%	\$468
Peoria Library	0.45409%	\$454
Peoria Township	0.08689%	\$87
Greater Metro Airport Authority	0.22610%	\$226
Greater Peoria MTD	0.27038%	\$270
Greater Peoria Sanitary District	0.0000%	\$0
Pleasure Driveway Park District	0.78436%	\$784
City of Peoria	1.11299%	\$1,113

<sup>14</sup> As the Galena Road Industrial Park TIF District relates to Peoria Heights C.U.S.D. #325, the actual impact to the School District is less than the perceived loss, as the TIF Act and the Illinois School Code both contain provisions which require the Illinois State Board of Education to ignore increases in assessed valuation within a TIF District when calculating School funding. An excerpt from the Act (65 ILCS 5/11-74.4-8) indicates the following:

*“No part of the current equalized assessed valuation of each property in the redevelopment project area attributable to any increase above the total initial equalized assessed value, or the total initial equalized assessed value as adjusted, of such properties shall be used in calculating the general State school aid formula, provided for in Section 18-8 of the School Code, until such time as all redevelopment project costs have been paid as provided for in this Section.”*

*Anticipated Measures to Address Financial Impact*

All taxing districts that may be affected by the TIF District continue to receive a proportionate share of real estate tax revenue derived from the initial equalized assessed value of the parcels within the redevelopment project area as provided in Section 65 ILCS 5/11-74.4-8(a) of the Act, which states:

*“That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.”*

The City may approve Intergovernmental Agreements with taxing districts during the life of the TIF District if there are any additional impacts resulting from development within the Redevelopment Project Area. If any portion of the City’s TIF funds are paid as a reimbursement for additional capital costs that a taxing district(s) incurs because of the Galena Road Industrial Park TIF District, the taxing district(s) shall be required to provide the City with an accounting of said capital costs as part of an ongoing impact analysis.

*Ongoing Reporting and Accountability*

The City will notify each of the overlapping taxing districts of any proposed enlargement or future amendments of the Galena Road Industrial Park TIF District Redevelopment Project Area, Plan and Projects as required by the Act.

The City shall file TIF District Annual Reports with the Office of the Illinois Comptroller, in accordance with the requirement of the Act.

Pursuant to Section 5/11-74.4-5 (e) of the Act, the Joint Review Board will review the effectiveness and the status of the redevelopment project area following the end of each of the City’s fiscal years during the life of the Galena Road Industrial Park TIF District. The Joint Review Board includes representatives of the taxing districts that have the authority to directly levy taxes on the property within the redevelopment project area at the time that the TIF District is approved.



*Notes:*

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## SECTION VII.

### OTHER STATUTORY REQUIREMENTS

*General Land Uses.* The general uses of the land within the Galena Road Industrial Park TIF District Redevelopment Project Area shall conform to the existing and future land uses as well as current and future zoning and subdivision codes of the City of Peoria.

*Certification of No Displacement of Residential Units.* The proposed Redevelopment Project Area does not contain more than seventy-five (75) inhabited residential units. Therefore, the City of Peoria hereby certifies that the Redevelopment Plan will not result in the displacement of residents from ten or more inhabited residential units.

*Eminent Domain.* The City of Peoria hereby declares that the qualifying characteristics of blighted and conservation areas as provided herein for establishing the Galena Road Industrial Park TIF District Redevelopment Project Area as a combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* areas pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*) shall not be used by the City for the purpose of exercising its authority under the Eminent Domain Act (735 ILCS 30/1-1-1 *et. seq.*) if such authority is ever exercised.

*Commitment to Fair Employment.* The City of Peoria will comply with fair employment practices and an Affirmative Action Plan in the implementation of this Redevelopment Plan and Projects.

*Provisions for Amending the Galena Road Industrial Park TIF District Redevelopment Plan.* The Redevelopment Plan may be amended in accordance with the Tax Increment Allocation Redevelopment Act (65 ILCS 11/74.4 *et. seq.*) and other applicable City Ordinances.

*Additional Changes Relating to Establishment of the Galena Road Industrial Park TIF District.* Pursuant to Section 5/11-74.4-5 of the Act, the City may make changes in the Redevelopment Plan, Projects, and Area any time prior to the adoption by the City of an ordinance approving the Redevelopment Plan. Prior to the adoption of such ordinance, and at any time during the life of the Galena Road Industrial Park TIF District, the City will:

1. complete the annexation of any parcels within the proposed redevelopment project area that are not already within the City of Peoria; and
2. exclude from the redevelopment project area any parcel(s) for which any member of the corporate authority, or an employee or consultant of the City involved in the planning and preparation of the Redevelopment Plan, Area or Project directly or indirectly owns or controls an interest - unless said individual chooses to disclose such an interest and refrain from any further official involvement in regard to the redevelopment plan, projects, and Area pursuant to Section 5/11-74.4-4(n) of the Act.

*Term of the Galena Road Industrial Park TIF District Redevelopment Plan and Projects.* Unless extended by the Illinois Legislature, the Galena Road Industrial Park TIF District Redevelopment Plan and District shall be completed no later than December 31 of the year in which payment is made to the City Treasurer with respect to ad valorem taxes levied in the 23<sup>rd</sup> calendar year after the year in which the ordinances approving the TIF District Redevelopment Plan and Projects are adopted by the City Council. The City intends to utilize the incremental revenues generated in the 23<sup>rd</sup> year of the TIF District and received by the City in the following 24<sup>th</sup> year for those projects included in the Redevelopment Plan.

*Nature and Term of Bonds or Notes.* The City may utilize a “pay-as-you-go” approach to financing private eligible project costs. The City may also issue bonds or other obligations to fund public infrastructure or other eligible project costs. Such obligations would not exceed 20 years in length or the term of the District, whichever is less. The City may also issue revenue bonds, notes, or other obligations to fund private eligible project costs as well, which would also be limited to 20 years in length. The repayment of debt service of these obligations would be limited to the increments generated as permitted by the Act or any other sources of funds the City may lawfully pledge.

*Contiguous Redevelopment Project Areas.* The City may establish other TIF Districts which are contiguous to the Galena Road Industrial Park TIF District. It is hereby anticipated that eligible redevelopment project costs in such contiguous TIF Districts may be paid or reimbursed from increment generated in any adjacent, contiguous redevelopment project areas as provided by the Act.

### SECTION VIII. CONCLUSION

The City of Peoria, Peoria County, Illinois has determined that, to promote the health, safety, morals, and welfare of the public, blighted conditions need to be eradicated, conservation measures instituted, and that redevelopment within the proposed **Galena Road Industrial Park TIF District** should be undertaken. Furthermore, to remove and alleviate adverse conditions, it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts by the development or redevelopment of the Area (see *Appendix B*).

The City finds that the redevelopment project area *as-a-whole* has not been subject to growth and development through investment by private enterprise and that the area would not reasonably be anticipated to be developed without the adoption of the redevelopment plan. Based on the documents and information provided herein, the City hereby concludes that the **Galena Road Industrial Park TIF District Redevelopment Project Area** qualifies pursuant to the requirements of the TIF Act.

The Mayor and City Council hereby conclude that it is in the best interest of the City and that the citizens of Peoria will benefit by the adoption of this Galena Road Industrial Park Tax Increment Financing (TIF) District Redevelopment Project Area, Plan and Projects.

### CITY OF PEORIA, ILLINOIS

By: \_\_\_\_\_  
Mayor

Date \_\_\_\_ / \_\_\_\_ / 2024

Attest: \_\_\_\_\_  
City Clerk

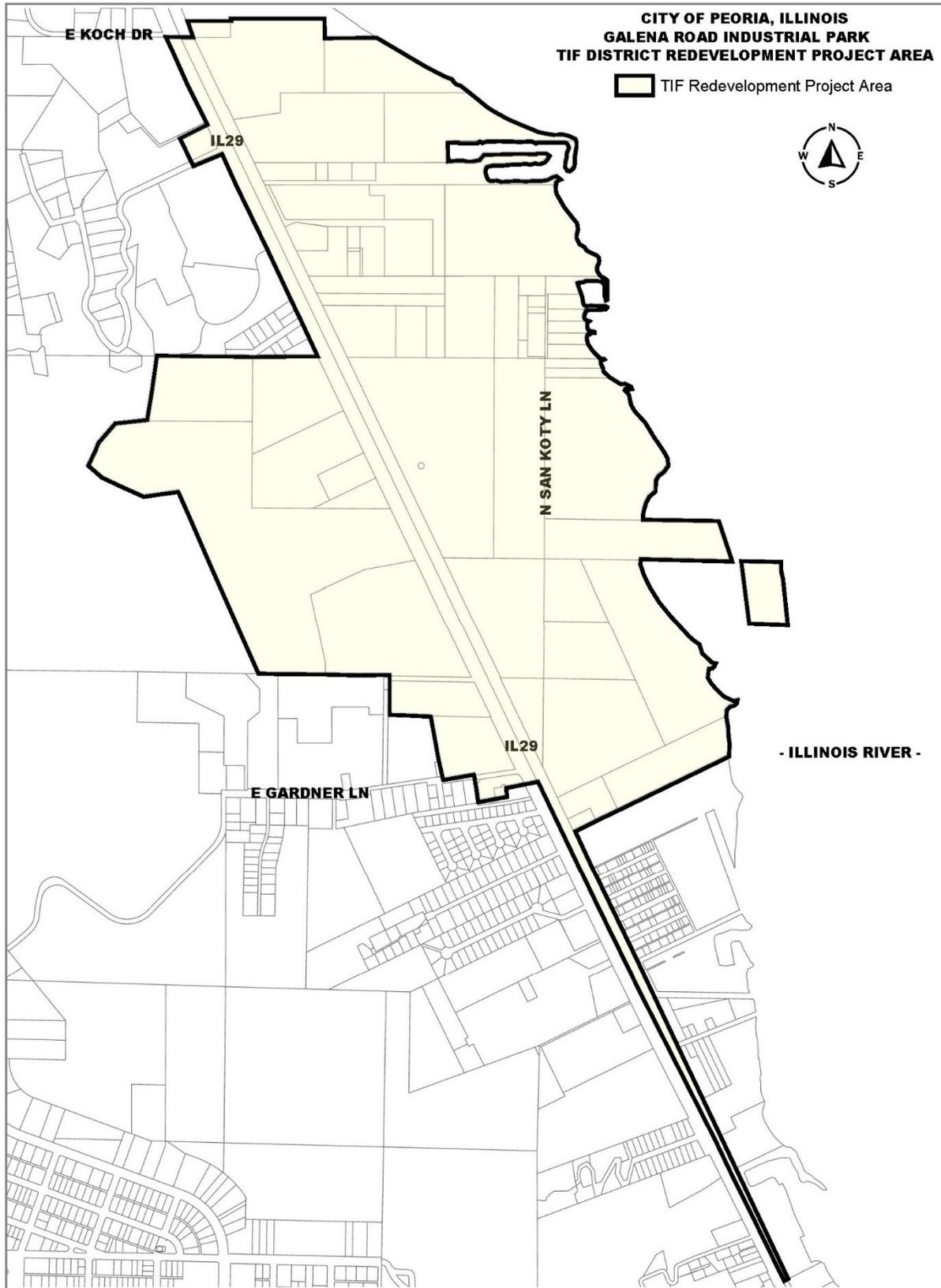
Date \_\_\_\_ / \_\_\_\_ / 2024



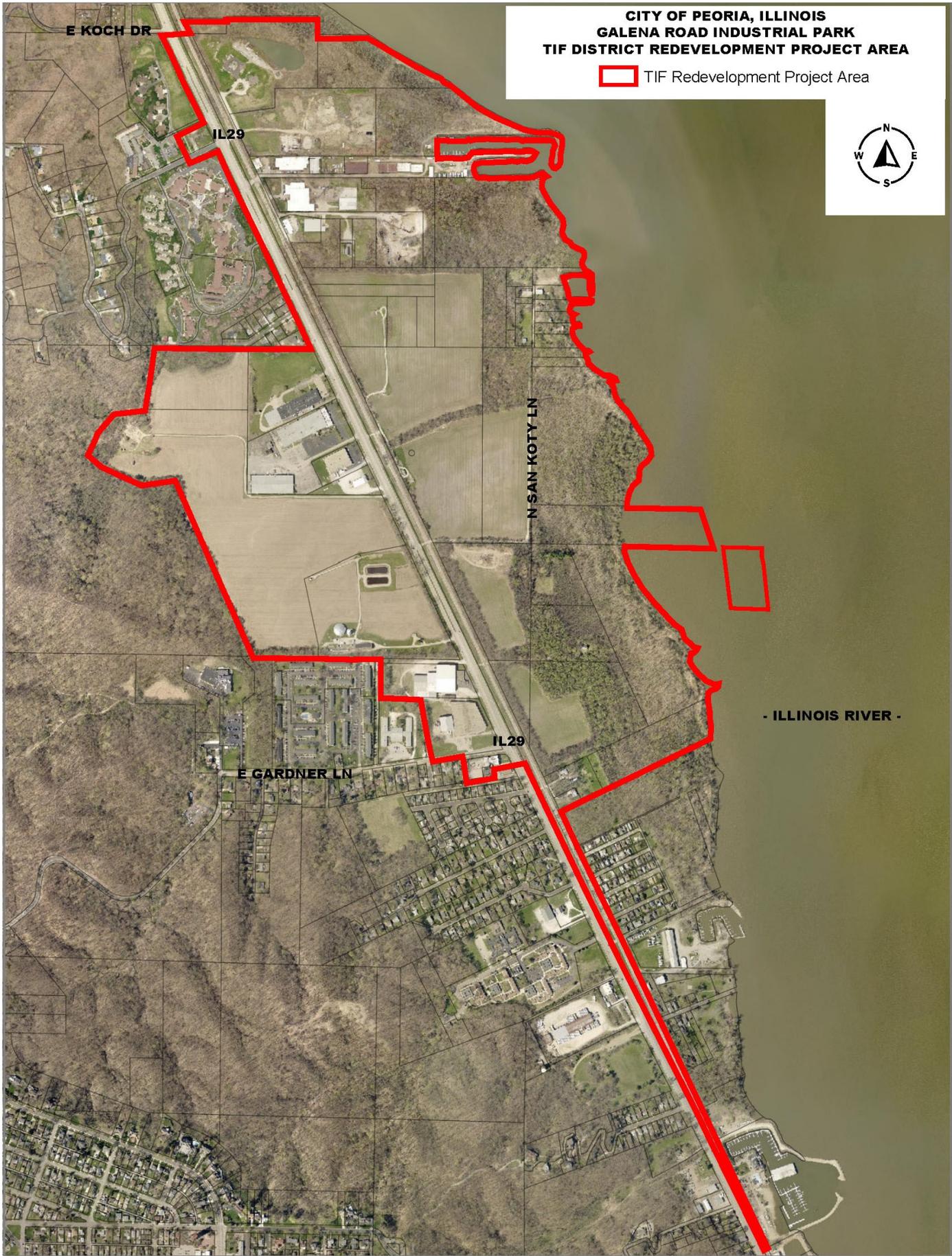
## SECTION IX. EXHIBITS

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**EXHIBIT 1  
GALENA ROAD INDUSTRIAL PARK TIF DISTRICT / REDEVELOPMENT  
PROJECT AREA BOUNDARY MAP**



Prepared for City of Peoria, Illinois by The Economic Development Group, Ltd. / [www.tifillinois.com](http://www.tifillinois.com)



Prepared for City of Peoria, Illinois by The Economic Development Group, Ltd. / [www.tifillinois.com](http://www.tifillinois.com)

## EXHIBIT 2

### GALENA ROAD INDUSTRIAL PARK TIF DISTRICT BOUNDARY DESCRIPTION

A PART OF SECTIONS 10, 11, 14, 15 AND 23 IN TOWNSHIP 9 NORTH, RANGE 8 EAST OF THE 4TH PRINCIPAL MERIDIAN ALL IN PEORIA COUNTY, ILLINOIS AND FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT OF WAY OF THE LINCOLN & SOUTHERN RAILROAD (FORMER CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD) AND THE NORTHWEST CORNER OF A TRACT OF LAND AS DESCRIBED IN DOCUMENT NO. 2001002972; THENCE EAST ALONG THE NORTH LINE OF SAID TRACT IN DOCUMENT NO. 2001002972 TO THE NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 18.7 FEET TO THE NORTHWEST CORNER OF A 15 ACRE(±) TRACT OF LAND IN THE NORTHEAST QUARTER AND SOUTHWEST QUARTER AND SOUTHEAST QUARTER OF SAID SECTION 10; THENCE EAST ALONG THE NORTH LINE OF SAID 15 ACRE(±) TRACT A DISTANCE OF 782.67 FEET TO THE NORTHEAST CORNER OF SAID 15 ACRE(±) TRACT; THENCE SOUTH ALONG THE EAST LINE OF SAID 15 ACRE(±) TRACT TO THE NORTHWEST CORNER OF A 8 ACRE(±) TRACT IN THE SOUTHEAST QUARTER OF SAID SECTION 10; THENCE EAST ALONG THE NORTH LINE OF SAID 8 ACRE(±) TRACT TO THE WEST LINE OF THE ILLINOIS RIVER; THENCE SOUTHEASTERLY ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF A 11.79 ACRE(±) TRACT OF LAND IN THE SOUTHEAST QUARTER OF SAID SECTION 10 AND THE SOUTHWEST QUARTER OF SAID SECTION 11 AND INCLUSIVE OF A PART DESCRIBED IN DOCUMENT NO. 1983021071; THENCE SOUTHEASTERLY AND WESTERLY ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE EAST LINE OF SAID 11.79 ACRE(±) TRACT; THENCE SOUTH 180 FEET TO THE SOUTHEAST CORNER OF SAID 11.79 ACRE(±) TRACT, ALSO BEING ON THE NORTH LINE OF DOCUMENT NO. 1993039131; THENCE EASTERLY AND SOUTHERLY ALONG SAID NORTH AND EAST LINES OF DOCUMENT NO. 1993039131, ALSO BEING ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF A 19.20 ACRE(±) TRACT OF LAND IN THE SOUTHEAST QUARTER OF SAID SECTION 10 AND THE SOUTHWEST QUARTER OF SAID SECTION 11; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID 19.20 ACRE(±) TRACT AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF A 1.22 ACRE(±) TRACT OF LAND IN THE SOUTHWEST QUARTER OF SAID SECTION 11; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID 1.22 ACRE(±) TRACT AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF A 0.91 ACRE(±) TRACT OF LAND IN THE SOUTHWEST QUARTER OF SAID SECTION 11; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID 0.91 ACRE(±) TRACT AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST

CORNER OF DOCUMENT NO. 1998049537, BEING A PART OF THE SOUTHWEST QUARTER OF SAID SECTION 11; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID DOCUMENT NO. 1998049537 AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF DOCUMENT NO. 2023006973, BEING A PART OF THE SOUTHWEST QUARTER OF SAID SECTION 11; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID DOCUMENT NO. 2023006973 AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF DOCUMENT NO. 2001020149, BEING A PART OF THE SOUTHWEST QUARTER OF SAID SECTION 11; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID DOCUMENT NO. 2001020149 AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF DOCUMENT NO. 2014009855, BEING A PART OF THE SOUTHWEST QUARTER OF SAID SECTION 11; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID DOCUMENT NO. 2014009855 AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 11 AND THE NORTHEAST CORNER OF A 0.85 ACRE(±) TRACT OF LAND IN THE NORTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID 0.85 ACRE(±) TRACT AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF A 0.92 ACRE(±) TRACT OF LAND IN THE NORTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID 0.92 ACRE(±) TRACT AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF A 22.56 ACRE(±) TRACT OF LAND IN THE NORTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID 22.56 ACRE(±) TRACT AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTH LINE OF A 11.5 ACRE(±) TRACT IN THE NORTHWEST QUARTER OF SAID SECTION 14; THENCE EAST INTO THE ILLINOIS RIVER ALONG SAID NORTH LINE TO THE EAST LINE OF SAID 11.50 ACRE(±) TRACT; THENCE SOUTHEAST IN THE ILLINOIS RIVER ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID 11.50 ACRE(±) TRACT; THENCE WEST ALONG SAID SOUTH LINE TO SAID WEST LINE OF THE ILLINOIS RIVER AND THE NORTHEAST CORNER OF A 21.10 ACRE(±) TRACT OF LAND IN THE NORTHWEST QUARTER OF SAID SECTION 14 AND THE SOUTHWEST QUARTER OF SAID SECTION 14 WITH SAID 21.10 ACRE(±) TRACT ALSO BEING A PART OF LOTS 2 AND 3 OF WJ MILLER'S SUBDIVISION IN THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID 21.10 ACRE(±) TRACT AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE NORTHEAST CORNER OF A 8.00 ACRE(±) TRACT OF LAND IN THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID 8.00 ACRE(±) TRACT AND ALONG SAID WEST LINE OF THE ILLINOIS RIVER TO THE SOUTH LINE OF SAID 8.00 ACRE(±) TRACT; THENCE SOUTHWESTERLY ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF A 2.44 ACRE(±) TRACT

OF LAND IN THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTHWEST ALONG THE SOUTH LINE OF SAID TRACT TO THE SOUTHWEST CORNER OF SAID 2.44 ACRE(±) TRACT, ALSO BEING THE SOUTHEAST CORNER OF DOCUMENT NO. 1998039334; THENCE SOUTHWEST ALONG THE SOUTH LINE OF SAID DOCUMENT NO. 1998039334 TO THE SOUTHWEST CORNER OF SAID DOCUMENT NO. 1998039334 AND TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF THE LINCOLN & SOUTHERN RAILROAD (FORMER CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD); THENCE SOUTHEASTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE TO THE NORTHWEST CORNER OF THE NORTHERLY 185.00 FEET OF THE WESTERLY 112.00 FEET OF LOT 1 OF GAUWITZ SUBDIVISION, A SUBDIVISION IN THE NORTHWEST QUARTER OF SAID SECTION 23 ALSO SHOWN AS TRACT A-1 PER SURVEY DOCUMENT NO. 2022028640; THENCE SOUTHWESTERLY TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF SAID LINCOLN & SOUTHERN RAILROAD (FORMER CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD); THENCE NORTHWESTERLY ALONG SAID WESTERLY RIGHT OF WAY LINE TO A POINT ON THE EASTERLY EXTENSION OF THE NORTH LINE OF DOCUMENT NO. 2018015213; THENCE SOUTHWESTERLY ALONG SAID EASTERLY EXTENSION AND SAID NORTH LINE TO THE NORTHWEST CORNER OF SAID DOCUMENT NO. 2018015213; THENCE SOUTHEASTERLY ALONG A PARCEL LINE OF SAID DOCUMENT NO. 2018015213 A DISTANCE OF 89.27 FEET; THENCE SOUTHWESTERLY ALONG SAID PARCEL LINE A DISTANCE OF 244.00 FEET TO THE SOUTHWEST CORNER OF PARCEL 2 IN DOCUMENT NO. 2020000251; THENCE NORTHWESTERLY ALONG THE WEST LINE OF SAID PARCEL 2 IN DOCUMENT NO. 2020000251 TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF EAST GARDNER LANE; THENCE CONTINUING ALONG THE NORTHERLY EXTENSION OF SAID WEST LINE TO A POINT ON THE SOUTH LINE OF DOCUMENT NO. 2014011128; THENCE SOUTHWESTERLY ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID DOCUMENT NO. 2014011128; THENCE NORTHWESTERLY ALONG THE WEST LINE OF SAID DOCUMENT NO. 2014011128 TO THE SOUTH LINE OF DOCUMENT NO. 2013028625; THENCE WEST ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID DOCUMENT NO. 2013028625; THENCE NORTH ALONG THE WEST LINE OF SAID DOCUMENT NO. 2013028625 AND THE NORTHERLY EXTENSION THEREOF TO A POINT ON THE SOUTH LINE OF A 20.93 ACRE(±) TRACT IN THE NORTHEAST QUARTER OF SAID SECTION 15; THENCE WEST ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID 20.93 ACRE(±) TRACT ALSO BEING THE SOUTHEAST CORNER OF A 53.60 ACRE(±) TRACT IN THE NORTHWEST QUARTER OF SAID SECTION 15 AND THE NORTHEAST QUARTER OF SAID SECTION 15; THENCE WEST ALONG THE SOUTH LINE OF SAID 53.60 ACRE(±) TRACT TO THE SOUTHWEST CORNER OF SAID 53.60 ACRE(±) TRACT; THENCE NORTHWESTERLY, WESTERLY, NORTHWESTERLY, NORTHEASTERLY AND EASTERLY ALONG THE WEST LINE OF SAID 53.60 ACRE(±) TRACT TO THE SOUTHWEST CORNER OF DOCUMENT NO. 2021027187; THENCE NORTHEASTERLY

ALONG THE WEST LINE OF SAID DOCUMENT NO. 2021027187 TO THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 15; THENCE EAST ALONG SAID NORTH LINE TO THE NORTHEAST CORNER OF SAID DOCUMENT NO. 2021027187 ALSO BEING THE NORTHWEST CORNER OF DOCUMENT NO. 2006041257; THENCE EAST ALONG THE NORTH LINE OF SAID DOCUMENT NO. 2006041257 TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 29; THENCE NORTHWESTERLY ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE INTERSECTION OF SAID WESTERLY RIGHT OF WAY LINE WITH THE SOUTHERLY RIGHT OF WAY LINE OF EAST SKYLINE DRIVE; THENCE SOUTHWESTERLY ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO ITS POINT OF INTERSECTION WITH THE SOUTHEASTERLY EXTENSION OF THE WESTERLY LINE OF A 1.24 ACRE(±) TRACT IN THE SOUTHWEST QUARTER OF SAID SECTION 10; THENCE NORTHWESTERLY ALONG SAID SOUTHEASTERLY EXTENSION AND SAID WESTERLY LINE TO A POINT ON THE NORTH LINE OF SAID 1.24 ACRE(±) TRACT; THENCE NORTHEASTERLY ALONG SAID NORTH LINE TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 29; THENCE NORTHWESTERLY ALONG SAID WEST RIGHT OF WAY LINE TO ITS INTERSECTION WITH THE SOUTH RIGHT OF WAY LINE OF EAST KOCH ROAD; THENCE EAST ALONG THE EASTERLY EXTENSION OF SAID SOUTH RIGHT OF WAY LINE TO ITS INTERSECTION WITH THE EAST RIGHT OF WAY OF THE LINCOLN & SOUTHERN RAILROAD (FORMER CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD) AND THE SOUTHWEST CORNER OF A TRACT OF LAND AS DESCRIBED IN DOCUMENT NO. 2001002972; THENCE NORTHWESTERLY ALONG SAID EAST RIGHT OF WAY AND THE WEST LINE OF SAID TRACT OF LAND AS DESCRIBED IN DOCUMENT NO. 2001002972 TO THE POINT OF BEGINNING.

ALSO INCLUDING A TRACT IN THE ILLINOIS RIVER BEING DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LOT 4 IN WJ MILLER'S SUBDIVISION IN THE NORTHWEST QUARTER OF SAID SECTION 14; THENCE EAST TO THE THREAD OF THE ILLINOIS RIVER; THENCE SOUTHWEST ALONG RIVER TO A POINT DUE EAST OF THE SOUTHEAST CORNER OF SAID LOT 4; THENCE WEST TO SAID SOUTHEAST CORNER; THENCE NORTHERLY TO THE POINT OF BEGINNING.

## EXHIBIT 3

### ENGINEER'S OPINION OF SURFACE DRAINAGE CONDITIONS ON CERTAIN VACANT TRACTS WITHIN THE TIF REDEVELOPMENT PROJECT AREA WHICH CONTRIBUTE TO FLOODING WITHIN THE SAME WATERSHED



May 30, 2023

Mr. Rick Powers  
Director of Public Works  
3505 N. Dries Lane  
Peoria, Illinois 61604

**RE: GALENA ROAD INDUSTRIAL PARK TIF**

Dear Mr. Powers,

We are providing this letter to the City of Peoria as a certified opinion that the property within the proposed Galena Road Industrial Park TIF boundary is subject to chronic flooding that adversely impacts real property. If the property is developed for purposes other than agriculture, the stormwater control ordinance of the City of Peoria requires stormwater management facilities and improvements that will alleviate and mitigate flooding conditions within the proposed Galena Road Industrial Park.

Enclosed with this letter are the following exhibits:

- Exhibit 1 – TIF Boundary
- Exhibit 2 – Flood Insurance Rate Map (FIRM)

Our review of the flood zone map and the boundary of the proposed TIF District indicates that most of the properties east of IL Route 29 are inundated during a 100-year flood event of the Illinois River. The FIRM also identifies Zone C areas west of IL Route 29 that are subject to minimal flooding. Inspection of the properties west of IL Route 29 reveals that runoff drains from west to east and must flow through culverts under IL Route 29 and the adjacent active railroad embankments. These culverts have limited capacity and will create flooding of properties west of IL Route 29 during large (typically greater than 50-year) storm events. In addition, any flow restrictions of the culverts due to debris or structural deterioration will also cause flooding of the properties west of IL Route 29.

In conclusion, it is our opinion that the properties in question are “blighted areas” based on the drainage characteristics we have described.

Most Sincerely,

CRAWFORD, MURPHY & TILLY, INC.

A handwritten signature in black ink that reads "Eric J. Hansen".

Eric J. Hansen, P.E.  
IL License No. 062.406120

C: Steve Kline, The Economic Development Group, Ltd.

Crawford, Murphy & Tilly

Centered in Value

203 Harrison Street Peoria, Illinois 61602 PHONE 309.637.1890 FAX 309.637.1891 cmtengr.com Engineers and Consultants

**CITY OF PEORIA, ILLINOIS  
PROPOSED GALENA RD INDUSTRIAL PARK  
TIF DISTRICT REDEVELOPMENT PROJECT AREA**

(For Review and Discussion Purposes Only)



TIF DISTRICT STUDY BOUNDARY AREA  
Revised 06 April 2023



**Exhibit 1**



Prepared for City of Peoria, Illinois by The Economic Development Group, Ltd. / www.illinois.com



Exhibit 2

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## EXHIBIT 4

### EXAMPLE TIF DISTRICT PROJECTIONS

**NOTE:** The following TIF Projections are examples based on estimates and do not represent an offer, financial advice or acceptance of any terms relating to redevelopment projects or agreements.

The information and assumptions contained in this material are based upon information, material and assumptions provided to Jacob & Klein, Ltd. (J&K) and the Economic Development Group, Ltd. (EDG) by outside persons including public officials. J&K and EDG have not undertaken independent investigation to verify any of the information or material contained herein. No warranty, express or implied, as to the accuracy of the materials and information or the results projected in the foregoing presentation is made by J&K or EDG, its officers or employees. J&K and EDG specifically disclaim the accuracy of the formulas and calculations and has no obligation to investigate or update, recalculate, or revise the calculations. The material presented herein is subject to risks, trends and uncertainties that could cause actual events to differ materially from those presented. Those providing information contained in this presentation have represented to J&K and EDG that, as of the date it was provided, the information was accurate to the best of their knowledge. Any person viewing, reviewing, or utilizing this presentation should do so subject to all of the foregoing limitations and shall conduct independent investigation to verify the assumptions and calculations contained herein. By acceptance and use of this presentation, the user accepts all of the foregoing limitations and releases J&K and EDG from any liability in connection therewith. J&K and EDG are not providing financial advice.

All TIF Projections estimated herein assume an annual real estate tax rate of **9.59509%**, therefore actual results will vary depending on the property location within the TIF Redevelopment Project Area and the applicable estate tax code as may be determined.

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**EXHIBIT 4 (A)**  
**CITY OF PEORIA GALENA RD INDUSTRIAL PARK TIF DISTRICT**  
**PROPOSED INDUSTRIAL PROJECTS**

TIF FORMED

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>Calendar Year of Receipts</b>													
Industrial Manufacturing Facility I		Built	Assessed	\$95,631	\$97,544	\$99,495	\$101,484	\$103,514	\$105,584	\$107,696	\$109,850	\$112,047	\$114,288
Industrial Manufacturing Facility II		Built	Assessed	\$95,631	\$97,544	\$99,495	\$101,484	\$103,514	\$105,584	\$107,696	\$109,850	\$112,047	\$114,288
Industrial Manufacturing Facility III		Built	Assessed	\$124,736	\$127,231	\$129,776	\$132,371	\$135,018	\$137,719	\$140,473	\$143,283	\$146,148	\$149,071
Industrial Manufacturing Facility IV		Built	Assessed	\$216,209	\$220,534	\$224,944	\$229,443	\$234,032	\$238,713	\$243,487	\$248,357	\$253,324	\$258,390
Industrial Manufacturing Facility V		Built	Assessed	\$195,420	\$199,328	\$199,328	\$199,328	\$203,315	\$207,381	\$211,529	\$215,759	\$220,075	\$224,476
Industrial Manufacturing Facility VI		Built	Assessed	\$161,159	\$161,159	\$161,159	\$161,159	\$161,159	\$161,159	\$161,159	\$161,159	\$161,159	\$161,159
Industrial Manufacturing Facility VII		Built	Assessed	\$162,364	\$162,364	\$162,364	\$162,364	\$162,364	\$162,364	\$162,364	\$162,364	\$162,364	\$162,364
Industrial Manufacturing/Warehouse I		Built	Assessed	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804
Industrial Manufacturing/Warehouse II		Built	Assessed	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804	\$383,804
<b>Total Real Estate Tax Increment</b>				\$532,208	\$542,852	\$549,429	\$564,111	\$587,393	\$613,399,944	\$642,552	\$672,442	\$707,971	\$749,131
<b>Cumulative R. E. Tax Increment</b>				\$532,208	\$1,075,059	\$1,624,488	\$2,188,600	\$2,875,993	\$3,689,393	\$4,641,945	\$5,734,387	\$6,966,358	\$8,345,489

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	TOTALS
Industrial Manufacturing Facility I	\$116,574	\$118,905	\$121,283	\$123,709	\$126,183	\$128,707	\$131,281	\$133,907	\$136,585	\$139,316	\$142,103	\$144,945	\$2,610,631
Industrial Manufacturing Facility II	\$116,574	\$118,905	\$121,283	\$123,709	\$126,183	\$128,707	\$131,281	\$133,907	\$136,585	\$139,316	\$142,103	\$144,945	\$2,610,631
Industrial Manufacturing Facility III	\$152,053	\$155,094	\$158,196	\$161,360	\$164,587	\$167,878	\$171,236	\$174,661	\$178,154	\$181,717	\$185,351	\$188,058	\$3,405,171
Industrial Manufacturing Facility IV	\$263,558	\$268,829	\$274,206	\$279,690	\$285,284	\$290,989	\$296,809	\$302,745	\$308,800	\$314,976	\$321,276	\$327,701	\$5,902,296
Industrial Manufacturing Facility V	\$228,966	\$233,545	\$238,216	\$242,980	\$247,840	\$252,797	\$257,853	\$263,010	\$268,270	\$273,635	\$279,108	\$284,690	\$4,748,192
Industrial Manufacturing Facility VI	\$177,933	\$181,491	\$185,121	\$188,824	\$192,600	\$196,452	\$200,381	\$204,389	\$208,477	\$212,646	\$216,899	\$221,237	\$3,383,127
Industrial Manufacturing Facility VII	\$169,526	\$173,397	\$177,367	\$181,437	\$185,607	\$189,877	\$194,247	\$198,717	\$203,287	\$207,957	\$212,727	\$216,607	\$3,332,490
Industrial Manufacturing/Warehouse	\$423,750	\$432,225	\$440,870	\$449,687	\$458,681	\$467,854	\$477,212	\$486,756	\$496,491	\$506,421	\$516,549	\$526,880	\$7,680,705
Industrial Manufacturing/Warehouse	\$249,472	\$254,462	\$259,551	\$264,742	\$270,037	\$275,438	\$280,946	\$286,565	\$292,297	\$298,143	\$304,105	\$310,187	\$3,345,945
<b>Total Real Estate Tax Increment</b>	\$1,922,406	\$1,960,854	\$2,000,071	\$2,040,072	\$2,080,874	\$2,122,491	\$2,164,941	\$2,208,240	\$2,252,404	\$2,297,453	\$2,343,402	\$2,390,270	\$37,019,188
<b>Cumulative R. E. Tax Increment</b>	\$13,158,118	\$15,118,972	\$17,119,042	\$19,159,114	\$21,239,988	\$23,362,479	\$25,527,420	\$27,735,659	\$29,988,064	\$32,285,516	\$34,628,918	\$37,019,188	

	Manufac Facility I	Manufac Facility II	Manufac Facility III	Manufac Facility IV	Manufac Facility V	Manufac Facility VI	Manufac Facility VII	Manufac Warehouse I	Manufac Warehouse II	TOTALS
<b>Real Estate Assumptions</b>	\$2,990,000	\$2,990,000	\$3,900,000	\$6,760,000	\$6,110,000	\$4,940,000	\$5,590,000	\$12,000,000	\$7,800,000	\$53,080,000
<b>Total Projected Market Value</b>	\$996,667	\$996,667	\$1,300,000	\$2,253,333	\$2,036,667	\$1,646,667	\$1,863,333	\$4,000,000	\$2,600,000	\$17,689,333
<b>Increase in EAV</b>	\$95,631	\$95,631	\$124,736	\$216,209	\$195,420	\$157,999	\$178,789	\$383,804	\$249,472	\$1,697,691
<b>Real Estate Tax</b>	\$448,500	\$448,500	\$585,000	\$1,014,000	\$916,000	\$741,000	\$838,000	\$1,800,000	\$1,125,000	\$7,916,000
<b>Estimated Eligible Project Costs</b>										
<b>Variables</b>										
<b>Inflation Rate</b>										2.0%
<b>Total Tax Rate</b>										9.59509%

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## EXHIBIT 4 (B)

### CITY OF PEORIA GALENA RD INDUSTRIAL PARK TIF DISTRICT PROPOSED COMMERCIAL PROJECTS

12/8/2023

TIF FORMED

Calendar Year of Receipts	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Professional Office Building								\$10,864	Built	Assessed	\$191,902	\$195,740	\$199,655
Commercial-Retail Project							\$10,651	\$10,864	Built	Assessed	\$11,302	\$11,528	\$11,759
Retail Convenience Store							Assessed	\$39,980	\$40,779	\$41,595	\$42,427	\$43,275	\$44,141
Commercial-Retail Restaurant I							Built	\$35,982	\$36,701	\$37,435	\$38,184	\$38,948	\$39,727
Commercial-Retail Restaurant II							Built			Built	Assessed	\$23,988	\$24,467
Commercial-Retail Business Plaza							Built			Assessed			
Lg. Commercial/Ind. Renovation Project							Built	Assessed	\$79,959	\$81,558	\$83,189	\$84,853	\$86,550
<b>Total Real Estate Tax Increment</b>							<b>\$10,651</b>	<b>\$86,825</b>	<b>\$168,520</b>	<b>\$174,891</b>	<b>\$367,230</b>	<b>\$388,563</b>	<b>\$406,534</b>
<b>Cumulative R. E. Tax Increment</b>							<b>\$10,651</b>	<b>\$97,475</b>	<b>\$265,996</b>	<b>\$437,886</b>	<b>\$805,116</b>	<b>\$1,203,679</b>	<b>\$1,610,213</b>

Calendar Year of Receipts	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	TOTALS
Professional Office Building	\$203,648	\$207,721	\$211,875	\$216,113	\$220,435	\$224,844	\$229,340	\$233,927	\$238,606	\$243,378	\$248,245	\$253,210	\$3,318,638
Commercial-Retail Project	\$12,234	\$12,479	\$12,728	\$12,983	\$13,243	\$13,507	\$13,778	\$14,053	\$14,334	\$14,621	\$14,913	\$15,212	\$243,265
Retail Convenience Store	\$45,023	\$45,924	\$46,842	\$47,779	\$48,735	\$49,710	\$50,704	\$51,718	\$52,752	\$53,807	\$54,883	\$55,981	\$856,054
Commercial-Retail Restaurant I	\$40,521	\$41,332	\$42,158	\$43,001	\$43,861	\$44,739	\$45,633	\$46,546	\$47,477	\$48,426	\$49,395	\$50,383	\$770,449
Commercial-Retail Restaurant II	\$24,957	\$25,456	\$25,965	\$26,484	\$27,014	\$27,554	\$28,105	\$28,668	\$29,241	\$29,826	\$30,422	\$31,031	\$383,178
Commercial-Retail Business Plaza	Assessed	\$39,980	\$40,779	\$41,595	\$42,427	\$43,275	\$44,141	\$45,023	\$45,924	\$46,842	\$47,779	\$48,735	\$486,500
Lg. Commercial/Ind. Renovation Project	\$88,281	\$90,047	\$91,848	\$93,685	\$95,559	\$97,470	\$99,419	\$101,407	\$103,436	\$105,504	\$107,614	\$109,767	\$1,600,147
<b>Total Real Estate Tax Increment</b>	<b>\$414,665</b>	<b>\$462,937</b>	<b>\$472,196</b>	<b>\$481,640</b>	<b>\$491,273</b>	<b>\$501,098</b>	<b>\$511,120</b>	<b>\$521,343</b>	<b>\$531,770</b>	<b>\$542,405</b>	<b>\$553,253</b>	<b>\$564,318</b>	<b>\$7,658,231</b>
<b>Cumulative R. E. Tax Increment</b>	<b>\$2,024,877</b>	<b>\$2,487,815</b>	<b>\$2,960,011</b>	<b>\$3,441,651</b>	<b>\$3,932,924</b>	<b>\$4,434,022</b>	<b>\$4,945,142</b>	<b>\$5,466,485</b>	<b>\$5,998,255</b>	<b>\$6,540,660</b>	<b>\$7,093,913</b>	<b>\$7,658,231</b>	

Real Estate Assumptions	Profess. Office Bldg.	Commercial Retail	Convenience Store	Restaurant Project I	Restaurant Project II	Business Plaza	Lg. Comm/Ind. Renovation	TOTALS
Total Projected Market Value	\$6,000,000	\$333,000	\$1,250,000	\$1,125,000	\$750,000	\$1,250,000	\$2,500,000	\$13,208,000
Increase in EAV	\$2,000,000	\$111,000	\$416,667	\$375,000	\$250,000	\$416,667	\$833,333	\$4,402,667
Real Estate Tax Increment	\$191,902	\$10,651	\$39,980	\$35,982	\$23,988	\$39,980	\$79,959	\$422,440
Estimated Eligible Project Costs	\$900,000	\$49,950	\$250,000	\$225,000	\$150,000	\$250,000	\$2,500,000	\$4,324,950

Variables	
Inflation Rate	2.0%
Total Tax Rate	9.59509%

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## EXHIBIT 4 (C)

### CITY OF PEORIA GALENA RD INDUSTRIAL PARK TIF DISTRICT PROPOSED RESIDENTIAL RENOVATION PROJECTS

12/8/2023 TIF FORMED		TIF FORMED												
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Built in 2027						Built	Assessed	\$0	\$0	\$0	\$0	\$480	\$489	\$509
Built in 2028						Built	Assessed	\$0	\$0	\$0	\$0	\$480	\$489	\$499
Built in 2029						Built	Assessed	\$0	\$0	\$0	\$0	\$0	\$480	\$489
Built in 2030						Built	Assessed	\$0	\$0	\$0	\$0	\$0	\$0	\$480
Built in 2031						Built	Assessed	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Real Estate Tax Increment</b>						\$0	\$0	\$0	\$0	\$0	\$0	\$969	\$1,468	\$1,977
<b>Cumulative R. E. Tax Increment</b>						\$0	\$0	\$0	\$0	\$0	\$0	\$480	\$1,449	\$2,917
														\$4,894

Calendar Year of Receipts	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	TOTALS
Built in 2027	\$519	\$530	\$540	\$551	\$562	\$573	\$585	\$597	\$608	\$621	\$633	\$646	\$8,942
Built in 2028	\$509	\$519	\$530	\$540	\$551	\$562	\$573	\$585	\$597	\$608	\$621	\$633	\$8,297
Built in 2029	\$499	\$509	\$519	\$530	\$540	\$551	\$562	\$573	\$585	\$597	\$608	\$621	\$7,664
Built in 2030	\$489	\$499	\$509	\$519	\$530	\$540	\$551	\$562	\$573	\$585	\$597	\$608	\$7,043
Built in 2031	\$480	\$489	\$499	\$509	\$519	\$530	\$540	\$551	\$562	\$573	\$585	\$597	\$6,435
<b>Total Real Estate Tax Increment</b>	<b>\$2,497</b>	<b>\$2,547</b>	<b>\$2,598</b>	<b>\$2,649</b>	<b>\$2,702</b>	<b>\$2,757</b>	<b>\$2,812</b>	<b>\$2,868</b>	<b>\$2,925</b>	<b>\$2,984</b>	<b>\$3,043</b>	<b>\$3,104</b>	<b>\$38,380</b>
<b>Cumulative R. E. Tax Increment</b>	<b>\$7,391</b>	<b>\$9,938</b>	<b>\$12,535</b>	<b>\$15,185</b>	<b>\$17,887</b>	<b>\$20,644</b>	<b>\$23,455</b>	<b>\$26,323</b>	<b>\$29,248</b>	<b>\$32,232</b>	<b>\$35,276</b>	<b>\$38,380</b>	

Real Estate Assumptions	
Total Projected Market Value	\$75,000
Increase in EAV	\$25,000
Real Estate Tax Increment	\$2,399
Estimated Eligible Project Costs	\$75,000

Variables	
Inflation Rate	2.0%
Total Tax Rate	9.59509%

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## EXHIBIT 4 (D)

### CITY OF PEORIA GALENA RD INDUSTRIAL PARK TIF DISTRICT PROPOSED RESIDENTIAL TOWNHOME/MULTI-FAMILY PROJECTS

12/8/2023	TIF FORMED													
	Calendar Year of Receipts	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Built in 2033														
Total Real Estate Tax Increment													\$86,356	\$88,083
Cumulative R. E. Tax Increment													\$86,356	\$174,439

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	TOTAL
Built in 2033	\$89,845	\$91,641	\$93,474	\$95,344	\$97,251	\$99,196	\$101,180	\$103,203	\$105,267	\$107,373	\$109,520	\$111,710	\$1,379,442
Total Real Estate Tax Increment	\$89,845	\$91,641	\$93,474	\$95,344	\$97,251	\$99,196	\$101,180	\$103,203	\$105,267	\$107,373	\$109,520	\$111,710	\$1,379,442
Cumulative R. E. Tax Increment	\$264,283	\$355,925	\$449,399	\$544,743	\$641,994	\$741,189	\$842,369	\$945,572	\$1,050,839	\$1,158,212	\$1,267,732	\$1,379,442	

Real Estate Assumptions	
Total Projected Market Value	\$2,700,000
Increase in EAV	\$900,000
Real Estate Tax Increment	\$86,356
Estimated Eligible Project Costs	\$540,000

Variables	
Inflation Rate	2.0%
Total Tax Rate	9.59509%

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## **SECTION X. APPENDICES**

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## APPENDIX A.

### TAX INCREMENT FINANCING TERMS AND DEFINITIONS

The City of Peoria is establishing its Galena Road Industrial Park TIF District pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*). Certain terms are used in this Redevelopment Plan which are defined in the Tax Increment Allocation Redevelopment Act. The following terms shall mean:

**Municipality:** An incorporated City, Village or Town in the State of Illinois.

**Redevelopment Project Area:** An area designated by the municipality, which is not less in the aggregate than 1½ 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 a combination of both blighted areas and conservation areas.

**Redevelopment Plan:** The comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area.

**Redevelopment Project:** Any public and private development project in furtherance of the objectives of a redevelopment plan.

**Redevelopment 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 a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:

- A. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after the effective date of this amendatory Act of the 91st General Assembly, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;
- B. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
- C. 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;

- D. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- E. Costs of the construction of public works or improvements;
- F. Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- G. 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 hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
- H. To the extent the municipality 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 within a taxing district in furtherance of the objectives of the redevelopment plan/project;
- I. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law or in order to satisfy subparagraph (7) of subsection (n);
- J. Payment in lieu of taxes are those estimated tax revenues from real property in a redevelopment project area derived from real property that has been acquired by a municipality which according to the redevelopment project or plan is to be used for a private use which taxing districts would have received had a municipality not acquired the real property and adopted tax increment allocation financing and which would result from levies made after the time of the adoption of the tax increment allocation financing to the time the current equalized value of real property in the redevelopment project area exceeds the total initial equalized value of real property in said area;
- K. 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 a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for 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 and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;
- L. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that: 1) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act; 2) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the

redevelopment project during that year; 3) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; 4) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.

**Taxing Districts:** Counties, townships, cities and incorporated towns and Cities, school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservancy, tuberculosis sanitarium and any other municipal corporations or districts with the power to levy taxes.

**Taxing Districts' Capital Costs:** Those costs of taxing districts for capital improvements that are found by the municipal corporate authorities to be necessary and directly result from the redevelopment project.

**Obligations:** Bonds, loans, debentures, notes, special certificates, or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations.

**Labor Surplus Municipality:** A municipality in which, at any time during the 6 months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. If unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate in the principal County in which the municipality is located.

**Industrial Park Conservation Area:** An area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 ½ miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

**Vacant Land:** Any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided; provided that if the parcel was part of a larger tract that has been divided into 3 or more smaller tracts that were accepted for recording during the period from 1950 to 1990, then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designated redevelopment project area or amended redevelopment project area are hereby validated and hereby declared to be legally sufficient for all purposes of this Act.

For purposes of this Section and only for land subject to the subdivision requirements of the Plat Act, land is subdivided when the original plat of the Redevelopment Project Area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Plat Act and a preliminary plat, if any, for any subsequent phases of the

Redevelopment Project Area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality.

**Blighted Area:** Any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where: If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:

- A. Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repairs are required, or the defects are so serious and so extensive that the buildings must be removed.
- B. Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.
- C. Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.
- D. Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.
- E. Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
- F. Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.
- G. Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities 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.

- H. Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.
- I. Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.
- J. Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.
- K. Environmental clean-up. The redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.
- L. Lack of community planning. The redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.
- M. The total equalized assessed value of the redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

**If vacant**, the sound growth of the redevelopment project area is impaired by a combination of two or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

- a. Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.
- b. Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
- c. Tax and special assessment delinquencies exist, or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.
- d. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- e. The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.
- f. The total equalized assessed value of the redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

**If vacant**, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

- a. The area consists of one or more unused quarries, mines, or strip-mine ponds.
- b. The area consists of unused railyards, rail tracks, or railroad rights-of-way.





## APPENDIX B.

### INTRODUCTION TO TAX INCREMENT FINANCING

The search for innovative local financing for economic development is a constant challenge for most cities, towns, and Cities throughout the country. For many communities, particularly those in rural areas, Tax Increment Financing (TIF) is often the only locally controlled mechanism available for stimulating new investment, economic growth, and a better quality of life.

TIF in Illinois establishes a geographic boundary (i.e., a district or redevelopment project area) for which new private investment is encouraged. To facilitate new investment, a City, Town, or City may issue debt instruments to finance specific public-sector improvements that will enable the redevelopment of deteriorated, blighted, or other conservation areas within its corporate limits. By making public improvements, the municipality may invite new private investment so that the expected increase in property tax revenues (i.e., the increment) can be captured to amortize the public facility debt. Sometimes a municipality chooses to use TIF on a pay-as-you-go basis whereby revenue is spent as it is collected. In either case, it is expected that new investment in a designated redevelopment area will stimulate a resurgence of population, employment, and assessed valuation throughout the entire community.

It should be noted that **TIF does not raise property taxes and it does not create a new tax or a new taxing district**. Only an increased assessment or an overall increase in tax rates can raise taxes. TIF is merely used to reallocate increased property tax revenues created by increased assessed valuation that is realized after a TIF District is established. A TIF District may last for up to 23 years unless the municipality chooses a shorter period. The advantage of TIF for the municipality is that it is able to preserve a property tax base during the life of the TIF District that will pay for the basic public services the TIF redevelopment area already receives. New incremental property tax revenue helps pay for the infrastructure necessary for stimulating additional private-sector investment.

In 1977, the Illinois Legislature passed the "Tax Increment Allocation Redevelopment Act," now recorded as 65 ILCS 5/11-74.4 *et. seq.* The TIF Act recognizes that in many municipalities of the State blighted and conservation areas exist which need to be developed or redeveloped to eliminate those conditions or prevent them from occurring. The Act further declares that prevention or eradication of these conditions by private and public redevelopment projects is essential to the public interest.

In City of Canton v. Crouch, 79 Ill. 2d 356 (1980) the Illinois Supreme Court, approving the use of TIF, stated: "*Stimulation of economic growth and removal of economic stagnation are also objectives which enhance the public [good].*"

#### *How Does TIF Work?*

Tax Increment Financing is a powerful tool that enables municipalities to self-finance its redevelopment programs. TIF funds can pay for public improvements and other economic development incentives using the increased property tax revenue the improvements help generate. Everyone pays their taxes within a TIF District. However, a TIF District does not generate tax revenues by increasing tax rates. Rather, TIF generates revenues by allowing the municipality to capture, temporarily, the new tax revenues generated by the enhanced valuation of properties resulting from the various redevelopment projects. The overall process for creating a TIF District includes:

1. The City identifies an economically stagnant or physically declining area and determines that private investment in the area is not likely to occur at a reasonable rate if no public investment is forthcoming.
2. Having completed studies and plans and conducted public hearings as called for by state law, the City creates a new TIF District.
3. The County Clerk certifies the total equalized assessed valuation of property in the redevelopment project area as of the date the TIF District is created. All property taxes arising from this certified initial valuation, or "base value," continue to be paid to existing taxing bodies within the TIF District. Any incremental taxes arising from increases in property values after this point are re-allocated and set aside for "public and private redevelopment project costs" within the designated redevelopment project area.

Within a TIF District, all overlapping taxing districts continue to receive property taxes levied on the base equalized assessed valuation (EAV) of properties within the project area. The City also has the authority to enter into Intergovernmental Agreements to address any additional financial impact the TIF District may pose.

4. The City makes public improvements and provides other assistance intended to spur private development within the TIF District. To defray the cost, the City can sell bonds secured by the incremental taxes the improvements will generate or reimburse certain public and private development costs using a *pay-as-you-go* approach.
5. After 23 years, all obligations must be paid off and the TIF District is dissolved. All taxes then generated on the new assessed valuation are distributed to the taxing bodies. The TIF District may be ended earlier than 23 years if there are no remaining obligations for which real estate tax increment has been previously committed.

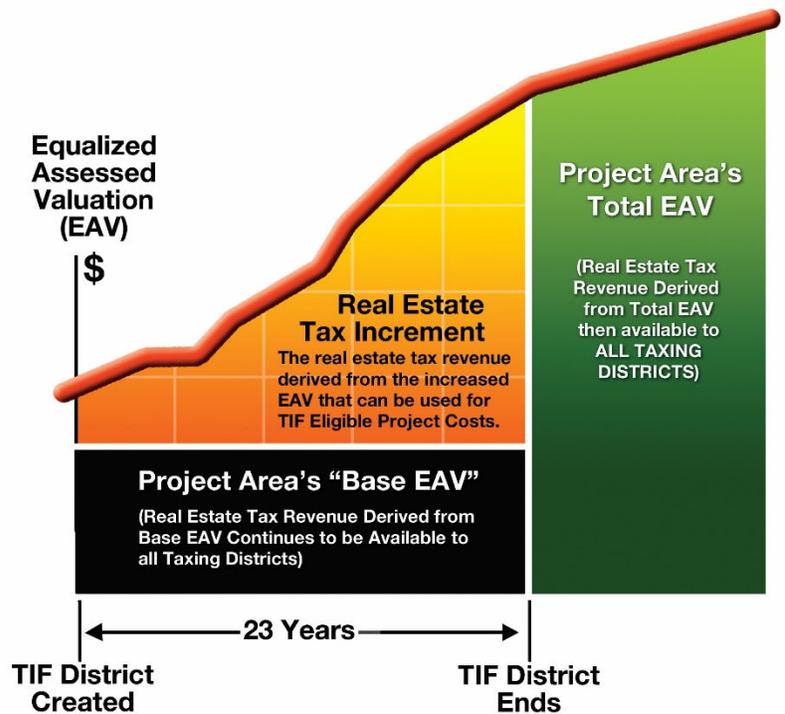
A TIF District's revenues ("tax increment") come from the increased assessed value of property and improvements within the District. Once a TIF District is established, the "base" assessed value is determined. As vacant land and dilapidated properties develop with TIF assistance, the equalized assessed valuation (EAV) of those properties increases. New property taxes resulting from the increased assessed valuation above the base value create an incremental increase in tax revenues generated within the TIF District.

The "tax increment" created between the "baseline" and the new EAV is captured, deposited into a special City TIF account, and used solely for economic development. The real estate tax increment can be used as a source of revenue to reimburse certain costs for public and private projects either by issuing TIF bonds or by reimbursing developers on a "pay-as-you-go" basis. All of the other taxing bodies continue to receive real estate tax revenue from the base assessed valuation, so there is no loss of revenue to those local taxing bodies. For additional information, visit [www.tifillinois.com](http://www.tifillinois.com).

The maximum life of a TIF District is 23 years. When the TIF expires and the town's investments in both public and private redevelopment projects within the TIF redevelopment area are fully repaid, property tax revenues are again shared by all the taxing bodies. All taxing bodies then share the expanded tax base – the growth which would not have been possible without the utilization of Tax Increment Financing.

# How Does Tax Increment Financing (TIF) Work?

- Real Estate Tax Increment (RETI) results from an increase in Equalized Assessed Value (EAV) above the Base EAV that occurs during the life of the TIF District.
- Annual increases in EAV are then multiplied by the total real estate tax rate.
- The County sends RETI to Municipality for deposit to a Special Tax Allocation Fund.



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## How Long Does It Take to Create a TIF District?

Typically, the process for establishing a TIF District requires 6-8 months to complete. The length of time required to create a TIF District depends on several factors such as the municipality's ability to complete necessary annexations and the availability of local property tax data, historical records, maps, and other planning documents. Once the calendar is set for the Public Hearing, statutory guidelines determine the earliest date when the TIF District may be created.

There are many opportunities for public participation during the process of creating and operating a TIF District. A written Redevelopment Plan must be available for public review at least 45 days prior to a Public Hearing. The Public Hearing offers the community a chance to raise questions, voice concerns, and learn about the goals and objectives driving the redevelopment effort before the District is created.

## What Conditions Qualify an Area to be a TIF District?

In addition to being located within the municipal boundaries or annexed to the municipality, the TIF Act includes three sets of conditions for qualifying an area as a TIF District:

- Blighted Conditions – examples include dilapidation, obsolescence, deterioration, inadequate utilities, declining assessed valuations.

- Conservation Conditions – at least 50% of the structures in the proposed redevelopment area are 35 years of age or older.
- Industrial Park Conservation Conditions – based on a relatively high unemployment rate.

*How Can TIF District Funds Be Used?*

When the Illinois General Assembly adopted the Illinois Tax Increment Allocation Redevelopment Act (ILCS 65 5/11-74.4 *et. seq.*) in 1977, it granted municipalities the power and authority to address the adverse conditions of blighted and conservation areas within their jurisdictions by undertaking redevelopment projects that were essential to the public interest. TIF can be used to fund a variety of public improvements and other investments that are indeed essential to a successful redevelopment program, including:

- Area-wide public infrastructure improvements such as road and sidewalk repairs, utility upgrades, water, and sewer projects.
- Acquisition, clearance and other land assembly and site preparation activities.
- Rehabilitation of older, deteriorating, or obsolescent buildings.
- Correction or mitigation of environmental problems and concerns.
- Job training, workforce readiness and other related educational programs.
- Incentives to retain or attract private development.

*Notes:*

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*For more information about Tax Increment Financing, please contact:*

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