

TAX INCREMENT FINANCING REDEVELOPMENT PLAN & PROJECT

South Route 45 Redevelopment Project Area

Prepared for:

City of Mattoon, Illinois

January 25, 2007

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SECTION I

INTRODUCTION

On September 5, 2006 the City of Mattoon passed Resolution 2006-2662 initiating a feasibility study to determine the eligibility of establishing a tax increment finance (TIF) redevelopment project area for a portion of the City. (See **Attachment A** in the Appendix for a copy of this Resolution). This was done in accordance with the provisions of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. Seq. (the Act).

The area being considered for designation as a TIF District, legally defined as a "Redevelopment Project Area" (Area), generally includes the intersection of Interstate 57 and Illinois Route 45. The Area is referred to herein as South Route 45 Redevelopment Project Area (the "Area"). The Area includes a mixture of commercial, residential, and vacant land uses, as well as some industrial uses. The boundaries of the Area are as shown on **Exhibit 1 - Redevelopment Project Area Boundary Map** in **Attachment B** in the **Appendix**. Refer also to the **Boundary Description** contained in the **Appendix** as **Attachment C**.

The Area contains approximately 130 acres, inclusive of public rights-of-way. There are a total of 20 parcels of real property, of which 65% have improvements thereon (e.g., buildings, parking areas, etc). Much of the built environment in this Area, including improvements in public rights-of-way, suffers from advanced age and physical deterioration. Of the parcels, 35% (7) in the Area are classified as "vacant land," as defined in the Act. These vacant tracts of land are located next to properties having deteriorated structures or site improvements, exhibit obsolete platting, or have chronic flooding and surface water discharge issues.

Not all properties have conditions that would cause them to qualify individually under the definitions contained in the Act. However, the area "as a whole" clearly meets the eligibility requirements of the Act. Thus, the Area meets the definition of a combination "Conservation Area" and "Blighted Area" as the terms are defined within the Act.

The City may consider the use of tax increment financing, as well as other economic development resources, as available, to facilitate private redevelopment of the Area. The City is also evaluating the designation of an Illinois Business District (65 ILCS 5/11-74.3-1 et. seq.) for portions of the Area. The aforementioned Act permits the use of Tax Increment Finance to address the presence of blight or the conditions that lead to blight. It is the intent of the City to induce the investment of significant private capital in the Area, which will also induce spillover investment in neighboring areas. Furthermore, in accordance with Section 11-74.4-3(n)(5) of the Act, a housing impact study need not be performed since the City has expressly stated in

this Plan that it is not reasonably expected that the proposed redevelopment plan will result in the displacement of ten (10) or more inhabited housing units.

The Act sets forth the requirements and procedures for establishing a Redevelopment Project Area and a Redevelopment Plan. The following sections of this report present the findings of eligibility and the Redevelopment Plan and Project for the Area, as well as other findings, evidence and documentation required by the Act.

SECTION II

STATUTORY BASIS FOR TAX INCREMENT FINANCING AND SUMMARY OF FINDINGS

A. Introduction

Tax increment financing (TIF) is a local funding mechanism created by the "Tax Increment Allocation Redevelopment Act." The Act is found at 65 ILCS 5/11-74.4-1 et. seq.

As used, herein, the term **redevelopment project** means any public and private development project in furtherance of the objectives of a redevelopment plan. The term **redevelopment project area** means an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas. **Redevelopment Plan** means 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.

The concept behind the tax increment law is straightforward and allows a municipality to carry out redevelopment activities on a local basis. Redevelopment that occurs in a designated redevelopment project area results in an increase in the equalized assessed valuation (EAV) of the property and, thus, generates increased real property tax revenues. This increase or "increment" can be used to finance "redevelopment project costs" such as land acquisition, site clearance, building rehabilitation, interest subsidy, construction of public infrastructure, and other redevelopment project costs as permitted by the Act.

The Illinois General Assembly made various findings in adopting the Tax Increment Allocation Redevelopment Act, among them were:

1. That there exists in many municipalities within the State blighted and conservation areas; and

2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest and welfare.

These findings were made on the basis that the presence of blight, or conditions that lead to blight, is detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment plan. One of these requirements is that the municipality must demonstrate that a redevelopment project area qualifies under the provisions of the Act. With the definitions set forth in the Act, a redevelopment project area may qualify either as a blighted area, a conservation area, or a combination of both blighted area and conservation area, or an industrial park conservation area.

B. Summary of Findings

The following findings and evidentiary documentation is made with respect to the proposed Redevelopment Project Area:

1. The Area as a whole meets the statutory requirements as a combination **conservation area** and **blighted area**. Furthermore, the factors necessary to make this finding are present to a meaningful extent and are reasonably distributed throughout the Area.
2. The Redevelopment Project Area encompasses 130 acres of land and, therefore, exceeds the statutory minimum size of 1-1/2 acres.
3. The Redevelopment Project Area contains contiguous parcels of real property.
4. If a Redevelopment Plan and Redevelopment Project are adopted and implemented by the City, it is reasonable to say that all properties included in the Redevelopment Project Area would substantially benefit from being included in the Area.
5. 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 occur without public assistance. Further evidence of this is presented herein.

SECTION III

BASIS FOR ELIGIBILITY OF THE AREA AND FINDINGS

A. Introduction

A Redevelopment Project Area according to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. seq. (the Act), is that area designated by a municipality in which the finding is made that there exist conditions that cause the area to be classified as a blighted area, conservation area, combination of blighted and conservation areas, or an industrial park conservation area. The criteria and the individual factors defining each of these categories of eligibility are defined in the Act.

This Report documents the relevant statutory requirements and how the subject Area meets the eligibility criteria.

B. Statutory Qualifications

The Act defines the factors that must be present in order for an area to qualify for TIF. The following provides the statutory definitions of the qualifying factors relating to a blighted area and a conservation area:

1. **Eligibility of a Blighted Area**

“**Blighted area**” means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

- a. **If improved**, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of five (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:

- (1) 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 repair is required or the defects are so serious and so extensive that the buildings must be removed.

- (2) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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 refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

- (8) 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.
- (9) 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.
- (10) 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.
- (11) Environmental clean-up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

- (12) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan, or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.
- (13) The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (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 three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.
- b. **If vacant**, the sound growth of the redevelopment project area is impaired by a combination of two (2) 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:
- (1) 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.

- (2) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
 - (3) Tax and special assessment delinquencies exist, or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.
 - (4) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
 - (5) 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.
 - (6) The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (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 three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.
- c. **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:
- (1) The area consists of one or more unused quarries, mines, or strip mine ponds.

- (2) The area consists of unused rail yards, rail tracks, or railroad rights-of-way.
- (3) The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.
- (4) The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.
- (5) Prior to the effective date of this amendatory Act of the 91st General Assembly, the area is not less than 50, nor more than 100 acres, and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (a) of this subsection, the area has been designated as a town or City center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.
- (6) The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

2. Eligibility of a Conservation Area

“Conservation area” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three (3) or more of the 13 factors applicable to the improved area is detrimental to the public safety, health, morals or welfare, and such an area may become a blighted area.

C. Investigation and Analysis of Blighting Factors

In determining whether or not the proposed Redevelopment Project Area meets the eligibility requirements of the Act, certain information was obtained or examined. These included:

- Contacts with City and Coles County officials knowledgeable as to Area conditions and history, age of buildings and site improvements, conditions of related items, as well as examination of existing information related to the Area.
- On-site field examination of conditions within the proposed Redevelopment Project Area by experienced staff of PGAV. These personnel are trained in techniques and procedures of determining conditions of real property, streets, etc. and determination of eligibility of designated areas for tax increment financing.
- Use of definitions contained in the Act.
- Adherence to basic findings of need as established by the Illinois General Assembly in establishing tax increment financing which became effective on January 10, 1977.
- Examination of Coles County real property tax assessment records.
- Examination by a professional engineer that surface water that discharges from all or a part of the Area contributes to flooding within the same watershed.

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these is that the municipality must demonstrate that the Redevelopment Project Area qualifies. An analysis of the physical conditions and presence of blighting factors was commissioned by the City. The result and documentation of this effort is summarized below.

D. Analysis of Conditions in the Area

On August 8 and October 24-25 2006, PGAV staff conducted field investigations to document existing conditions in the Area. This field work was supplemented with subsequent field work and property assessment research by City and Coles County Regional Planning officials. One of the outcomes of this survey was an inventory of existing land uses, which are illustrated on **Exhibit 2 - Existing Land Use Map** in **Attachment B** in the **Appendix**. Additional outcomes of the survey are the Photo Appendix documenting the existing conditions found in **Attachment D** as well as a map of existing conditions found in the Area (**Exhibit 3 – Existing Conditions Map**) in **Attachment B**, both in the **Appendix**.

Table 1 - Summary of Eligibility Factors, provides a quantitative summary of the conditions that were documented in the proposed S. Route 45 Redevelopment Project Area. In making the determination of eligibility, it is not required that each and every property or building in the Redevelopment Project Area be blighted or otherwise qualify. Rather, it is the area “as a whole” that must be determined to be eligible.

1. Findings on Improved Area

- a. Summary of Findings on Age Of Structures: Age is a prerequisite factor in determining an Area's qualification as a "conservation area". As is clearly set forth in the Act, 50% or more of the structures must have an age of 35 years or greater in order to meet this criteria. The Redevelopment Project Area contains 26 buildings, of which 19 (73%) are 35 years of age or older as determined by field surveys. Thus, more than 50% of the buildings exceed 35 years of age and, therefore, the age threshold is met for qualifying the Area as a conservation area.
- b. Summary of Findings on Dilapidation: Dilapidated conditions were recorded for 9 (35%) of the buildings located within the Project Area. The mere existence of such is detrimental to nearby properties and may lead to further blighting conditions if left unchecked.
- c. Summary of Findings on Deterioration: Deteriorating conditions were recorded on 16 (62%) of the 26 buildings. The field survey of exterior building conditions in the Redevelopment Project Area found structures with major defects in the secondary structural components, including windows, doors, gutters, downspouts, masonry and other fascia materials, etc. These deteriorated buildings are scattered throughout the Area.

Deteriorated site improvements are also found on all 13 of the improved parcels in the Area. Also significant are deteriorated pavement and/or sidewalks located within the street rights-of-way. These conditions are present throughout the Area.

TABLE 1

SUMMARY OF ELIGIBILITY FACTORS
S. Route 45 Redevelopment Project Area
City of Mattoon, Illinois

	Total	%
No. of improved parcels	13	65%
No. of vacant parcels	7	35%
Total parcels ¹	20	100%
No. of buildings ²	26	100%
No. of buildings 35 years or older	19	73%
No. of Housing Units	43	100%
No. of Inhabited Housing Units	33	77%
Block Count	1	100%
IMPROVED LAND FACTORS:		
No. of deteriorated buildings	16	62%
No. of parcels with site improvements that are deteriorated	13	100%
Deteriorated street and/or sidewalk pavement (by block)	1	100%
No. of dilapidated buildings	9	35%
No. of parcels with site improvements that are dilapidated	3	23%
No. of obsolete buildings	2	8%
No. of structures below minimum code	Not Determined	
No. of buildings lacking ventilation, light or sanitation facilities	Not Determined	
No. of building with illegal uses	Not Determined	
No. of buildings with excessive vacancies	10	38%
No. of parcels with excessive land coverage or overcrowding of structures	5	38%
Inadequate utilities	Not Determined	
Deleterious land use or layout (by block)	1	100%
Lack of community planning (by block)	1	100%
Declining or Sub-par EAV Growth	Yes	
VACANT LAND FACTORS (2 or More):		
Obsolete Platting	2	29%
Diversity of Ownership	nd ¹	
Deterioration of Struct. Or Site Improvements in Neighboring Areas	4	57%
Environmental Clean-up	nd ¹	
Declining or Sub-par EAV Growth	Yes	
VACANT LAND FACTORS (1 or More):		
Chronic Flooding	Yes	
Unused quarries, mines, or strip mine ponds	Not Determined	
Unused railyards, rail tracks, or railroad rights-of-way	0	0%
Unused or illegal disposal site	Not Determined	
Blighted before vacant	Not Determined	

¹Based on tax parcel configuration (e.g., one parcel per PIN number)

²Principal buildings only (e.g., not including garages and other accessory buildings)

- d. Summary of Findings on Presence of Structures Below Minimum Code Standards: No definitive finding is made herein with respect to buildings not meeting the City of Mattoon's various building and life safety codes. However, it would be highly probable that the buildings over 35 years old (19 out of the 26 buildings in the Area) would not meet all of the required standards that would apply to new construction. While the buildings over 35 years old may have conditions that are "grandfathered" in terms of having to comply with certain code requirements, they nevertheless would not meet contemporary building and other life safety codes in every respect (e.g., fresh air intake for furnace rooms, electrical circuit grounding, ground fault protection, etc.).
- e. Summary of Findings on Excessive Vacancies: Of the 26 principal buildings in the Area, 10 are fully or partially vacant, for a vacancy rate of approximately 38%. These vacancies are indicative of obsolescence and/or poor building conditions that inhibit marketability.
- f. Summary of Findings Regarding Excessive Land Coverage and Overcrowding of Structures and Community Facilities: A relatively high percentage of the commercial and industrial properties in the Area have excessive land coverage. Excessive land coverage exists because of a large percentage of building and paving coverage on their respective lots. Little or no landscaping is provided, and there is an obvious lack of adequate off-street parking and loading areas. Of the 13 improved parcels in the Area, 5 (38%) revealed evidence of excessive land coverage.
- g. Deleterious Land Use or Layout: It would appear that the Area was constructed with a mix of industrial and residential uses, which generally would not be permitted today. As originally developed, there is practically no buffering between commercial and residential areas. Proximity and lack of screening between these uses detract from both the residential and commercial environment.
- h. Summary of Findings Regarding Lack of Community Planning: The City of Mattoon's Comprehensive Plan dates to 1967 and has been subsequently amended. Much of the Area was developed prior to adoption of the 1967 Comprehensive Plan and was not subject to City development regulations since the Area was later annexed into the City. This has resulted in adverse land use relationships, with residential uses

not adequately screened from industrial uses. This is a contributing factor to the conditions of distress evident throughout the Area and documented in this Plan. Additionally, the properties along Carter Lane are, for the most part, of inadequate size and shape for contemporary development. The Area exhibits a lack of community planning.

- i. Summary of Findings Regarding Declining or Lagging Rate of Growth of Total Equalized Assessed Valuation: This factor is applicable to vacant land as well as improved land. The annual change in the total equalized assessed valuation (EAV) for the Area has lagged behind the balance of the City for three (3) of the last five (5) calendar years. In fact, the total EAV for the Area declined in three (3) of the last five (5) years. A comparison of EAV for the Area and the balance of the City are shown on **Table 2, Comparison of EAV Growth Rates (2000-2005)**.

TABLE 2

Comparison of EAV Growth Rates (2000-2005)

South Route 45 Redevelopment Project Area (RPA) and City of Mattoon

Assessment Year	EAV of RPA ¹	Balance of City ²	Area Growth Rate Less than Balance of City?
2000	\$695,170	\$155,646,420	
2001	\$843,520	\$157,181,493	
Annual Percentage Change	21.34%	0.99%	NO
2002	\$841,830	\$163,502,630	
Annual Percentage Change	-0.20%	4.02%	YES
2003	\$837,510	\$165,770,817	
Annual Percentage Change	-0.51%	1.39%	YES
2004	\$759,270	\$162,513,213	
Annual Percentage Change	-9.34%	-1.97%	YES
2005	\$777,220	\$163,559,392	
Annual Percentage Change	2.36%	0.64%	NO

¹ Equalized Assessed Valuation (EAV) for the tax parcels located within South Route 45 Redevelopment Project Area
Source: City of Mattoon and Coles County

² EAV for the entire City, including TIF EAV, less the EAV of South Route 45 Redevelopment Project Area
Source: City of Mattoon and Coles County

2. Findings on Vacant Area

In order for vacant land to qualify as blighted, it must first be found to be “vacant” as defined in the Act. Vacant land is “any parcel or combination of parcels of real property without industrial, commercial and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment area, unless the parcel is included in an industrial park conservation area **or the parcel has been subdivided;...**”. (65 ILCS 5/11-74.4-3(v)).

As vacant land, the property may qualify as blighted if the “sound growth of the taxing districts is impaired by **one of the following factors:** (1) the area consists of one or more unused quarries, mines, or strip mine ponds; (2) the area consists of unused rail yards, rail tracks, or railroad rights-of-way; (3) the area, prior to its designation, is (i) subject to chronic flooding that adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory agency **or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides from facilities or improvements to contribute to the alleviation of all or part of the flooding;** (4) the area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites; (5) prior to the effective date of this amendatory Act of the 93rd General Assembly, the area is not less than 50, nor more than 100 acres, and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (a) of this subsection, the area has been designated as a town or Village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose; or (6) the area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

Of the 20 parcels within the Area, 7 (35%) are considered vacant land, as defined in the Act. As a result, the factors in the TIF Act pertaining to improved areas and the presence of deterioration, dilapidation, obsolescence, excessive vacancies, etc. are not applied herein. The Act recognizes that situations exist where vacant property may need assistance in order to be developed, and provides for that to occur.

The following narrative summarizes the qualifying factors present that apply to four (4) of the seven (7) properties identified as vacant land:

- a. Summary of Findings on Deteriorated Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land: Deteriorated structures and/or site improvements are present in neighboring areas adjacent to 4 (57%) of the vacant parcels included in the Area. This is consistent with the fact that many of the vacant lots are located in close proximity to the older commercial property fronting US Route 45 that exhibits a relatively high incidence of deterioration of buildings and site improvements.
- b. Summary of Findings on Obsolete Platting of Vacant Land: Two (29%) of the vacant parcels in the Area exhibited obsolete platting. Multiple parcels were land locked or not provided direct access to a public street or right-of-way. Some parcels were identified as being extremely narrow or small to accommodate any proper use.

The following narrative summarizes the qualifying factor present that applies to three properties identified as vacant land:

- c. Summary of Findings on Chronic Flooding and Surface Water Discharge: Three parcels of vacant land meet the definition of blight in accordance with the chronic flooding and surface water discharge provision of the blight definition. HDC Engineering has certified that these parcels are subject to chronic flooding or contribute to flooding problems in the Bush Creek watershed. With the proper site and storm water detention improvements to be made within said properties as they are developed, the flooding problems will be alleviated. Located in the **Appendix** as **Attachment E** is a copy of a memorandum provided to PGAV by HDC Engineering describing these conditions.

The following narrative applies to all vacant property in the Area:

- d. Summary of Findings Regarding Declining or Lagging Rate of Growth of Total Equalized Assessed Valuation: As discussed previously, this factor is applicable to vacant land as well as improved land. The annual change in the total equalized assessed valuation (EAV) for the Area has lagged behind the balance of the City for three (3) of the last five (5) calendar years. In fact, the total EAV for the Area declined in three (3) these years. A comparison of EAV for the Area and the balance of the City are shown in **Table 2**.

- e. Summary of Findings in Subdivision of Properties. Property records and tax maps indicate that parcels of property in the Area have been subdivided. All of the parcels in the Area were part of larger tracts of property, which were subdivided into smaller parcels.

E. Summary of Eligibility Factors for the Area

It is found that the Area contains conditions that qualify it as a combination **blighted area** and **conservation area**. The number of buildings that are 35 years old or older exceeds the statutory threshold of 50% (prerequisite for a “conservation area”). The developed (improved) portion of the Area contains a relatively high incidence of at least three blighting factors, which causes the improved properties to qualify as a conservation area. Additionally, two or more factors are present with respect to the majority of the smaller vacant parcels of property within the northern portion of the Area. The vacant tracts qualify as chronic flooding or conditions that contribute to chronic flooding under the condition of flooding/drainage issues to be alleviated by a new development project. The presence of these factors qualifies the vacant land as blighted, as this term is applied to vacant land in the Act. These qualifying factors are present to a meaningful extent and are distributed throughout the Area.

The following summarizes the existence of the most predominant blighting/conservation factors existing within the Area:

- Age – 73% of the buildings are over 35 years of age, thus exceeding the threshold for being considered a “conservation area.”
- Deterioration – 62% of the buildings and 100% of the parcels have building and/or site improvements that exhibit signs of deterioration as defined in the Act. This is a high incidence of deterioration which may increase and spread to adjacent areas if conditions are allowed to continue. Deterioration is also present with respect to the condition of street pavement, sidewalks, curb and gutters located within public rights-of-way.
- Excessive Vacancies – 38% of the buildings appeared to be vacant. The large number of vacancies is exerting a blighting influence on neighboring properties and the Area as a whole.
- Lack of Community Planning – The Area was developed without the benefit of community planning and zoning.

- **Excessive Land Coverage** – Excessive land coverage exists on 38% of the improved parcels located within the Area, which is inconsistent with contemporary development standards and also contributes to lack of off-street parking and loading in the Area.
- **Deleterious Land Use and or Layout** – Conditions of incompatible land uses were recorded in the Area.
- **Vacant Land** – The vacant parcels included in the Area are adversely impacted by several factors. Of the vacant parcels, 57% are in proximity to neighboring areas that have deterioration of structures and site improvements, 29% of the vacant parcels exhibit obsolete platting, and three vacant parcels, including the largest vacant parcel, contribute to flooding problems within the same watershed that would be reduced or alleviated by development projects on such vacant parcels that will correct the storm water back up conditions.
- **Sub-par EAV Growth** – The conditions summarized above help explain, in part, why the Area lags behind the balance of the City in terms of growth in EAV. This has held true for three (3) out of the last five (5) calendar years. In fact between 2000 and 2005, the EAV within the Area declined three (3) of those years.

The various eligibility factors are present to a meaningful extent and reasonably distributed throughout the Area (See **Exhibit 3 – Existing Conditions Map in Attachment B of the Appendix**). In addition, photos of various properties located in the Area are provided in the **Appendix as Attachment D**.

It is found that the Redevelopment Project Area contains conditions that qualify it as a combined conservation and blighted area as these terms are applied to both improved and vacant land, and that these parcels will continue to exhibit blighted conditions or conditions that lead to blight without a program of intervention to induce private and public investment in the Area. This finding can be made when considering the numerous qualifying factors present to a meaningful extent and that are distributed throughout the Area. The conservation and blighting conditions that exist in the Redevelopment Project Area are detrimental to the Area as a whole and the long-term interests of the taxing districts. The Project contemplated in this tax increment program will serve to reduce or eliminate the deficiencies, which cause the Area to qualify under the TIF Act, and are consistent with the community development strategies of the City of Mattoon.

It can be concluded that public intervention is necessary because of the conditions documented herein and that private investment in the Area is lacking. The City Council should review this analysis and, if satisfied with the findings contained herein, proceed with the adoption of these findings in conjunction with the adoption of the Redevelopment Plan and establishment of the Redevelopment Project Area.

SECTION IV

REDEVELOPMENT PLAN

A. Introduction

This section presents the Redevelopment Plan and Project for the South Route 45 Redevelopment Project Area. Pursuant to the Tax Increment Allocation Redevelopment Act, when the finding is made that an area qualifies as either conservation, blighted, combination of conservation and blighted areas, or industrial park conservation area, a Redevelopment Plan must be prepared. A **Redevelopment Plan** is defined in the Act as "the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a blighted area or conservation area or combination thereof or industrial park conservation area, and thereby to enhance the tax bases of the taxing districts which extend into the Redevelopment Project Area".

B. General Land Uses to Apply

The proposed **General Land Use Plan** for the Redevelopment Project Area is presented in **Attachment B** of the **Appendix** as **Exhibit 4**. In general, the Plan proposes a mix of residential, commercial and mixed uses for the Area that are consistent with the Comprehensive Plan, Amended, for the City of Mattoon. More specifically the vacant hotel on the west side of South Route 45 and south of Paradise Road will be redeveloped and reopened.

It is anticipated that selective building demolition and redevelopment may take place along with building rehabilitation. It is the objective of this Plan that development and redevelopment activities will be accomplished in a well-planned manner to mitigate any potential incompatible land uses. Furthermore, all redevelopment projects shall be subject to the provisions of the City of Mattoon's ordinances and other applicable codes as may be in existence and may be amended from time-to-time.

The interest shown to date in private projects is dependent upon development incentives and public infrastructure needs being addressed by the City. The costs for these redevelopment activities cannot be addressed absent tax increment financing.

C. Objectives

The objectives of the Redevelopment Plan are:

1. Reduce or eliminate those conditions that qualify the Redevelopment Project Area as eligible for tax increment financing by carrying out the Redevelopment Plan including; building rehabilitation, property assembly and reconfiguration, provide storm water facilities, and construction and reconstruction of streets and infrastructure. These improvements may include other actions permitted by the Act and infrastructure needs as identified during the implementation of the Redevelopment Plan.
2. Enhance the future real estate tax base for the City and all other taxing districts, which extend into the Redevelopment Project Area through the implementation and completion of the activities identified herein.
3. Encourage and assist private investment, redevelopment and rehabilitation within the Redevelopment Project Area through the provision of financial assistance for new development and rehabilitation as permitted by the Act.
4. Provide for safe and efficient traffic circulation, facilitate effective emergency response time and accessibility, and general access within the Redevelopment Area. To this end, modern principles of site planning and design will be followed in the new development or redevelopment.
5. Complete all public and private actions required in this Redevelopment Plan in an expeditious manner.

D. Program Policies to Accomplish Objectives

The City of Mattoon has determined that it is appropriate to provide limited financial incentives for private investment within the Redevelopment Planning Area. It has been determined through discussions with property owners and developers, that tax increment financing constitutes a key component of leveraging private investment within the Redevelopment Project Area. The City will incorporate appropriate provisions within any redevelopment agreement entered into between the City and others to assure that redevelopment projects make progress towards achieving the objectives stated herein and to achieve the various redevelopment projects described below.

E. Redevelopment Projects

To achieve the Plan objectives and the overall project proposed in the Plan, a number of public and private activities will need to be undertaken. This includes a combination of private developments and public investment in infrastructure improvements. Improvements and activities necessary to implement the Plan may include the following:

1. Private Redevelopment Activities:

Rehabilitation of existing properties and new construction or reconstruction of private buildings at various locations in the Project Area.

2. Public Redevelopment Activities:

Public improvements and support activities will be used to induce and complement private investment. These may include, but are not limited to: street and sidewalk improvements, land assembly and site preparation, public utilities, traffic signalization, marketing of properties as well as other programs of financial assistance, as may be provided by the City.

3. Land Assembly, Displacement Certificate & Relocation Assistance:

In order to achieve the objectives of the Plan, land assembly by the City and eventual conveyance to private entities may be necessary in order to attract private development interest. Therefore, any property located within the Redevelopment Project Area may be acquired by the City, as necessary, to assemble various parcels of land to achieve marketable tracts, or if such property is necessary for the implementation of a specific public or private redevelopment project. This may include the displacement of inhabited housing units located in the Area (see below).

Displacement Certificate:

Under Sections 11-74.4-3 (n) (5) and 11-74.4-4.1 (b) of the Tax Increment Allocation Redevelopment Act the City hereby certifies that this Redevelopment Plan will not result in the displacement of more than nine (9) inhabited residential units.

Relocation Assistance:

In the event that households of low-income or very low-income persons inhabit any residential housing units where relocation of the occupants is required, relocation assistance will be provided to such persons. Affordable housing and

relocation assistance shall not be less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria. Affordable housing may be either in existing or newly constructed buildings. For purposes of this requirement in the TIF Act, “low-income households”, “very low-income households” and “affordable housing” have the meanings set forth in the Illinois Affordable Housing Act.

F. Estimated Redevelopment Project Costs

The estimated costs associated with the eligible public redevelopment activities are presented in **Table 3** entitled **Estimated Redevelopment Project Costs**. This estimate includes reasonable or necessary costs incurred, or estimated to be incurred, in the implementation of this Redevelopment Plan. These estimated costs are subject to refinement as specific plans and designs are finalized and experience is gained in implementing this Redevelopment Plan and do not include financing costs or interest payments that may be incurred in conjunction with redevelopment projects.

In addition to the proposed TIF funding, the City may seek the assistance of various State of Illinois Departments (Department of Transportation, Department of Commerce and Economic Opportunity, etc), or appropriate agencies of the Federal Government to assist in funding site preparation, infrastructure, or other required projects or improvements. To the extent additional funds can be secured from the State of Illinois, or any federal program or other public or private sources, the City may use such funding sources in furtherance of the Redevelopment Plan and Projects.

G. Description of Redevelopment Project Costs

Costs that may be incurred by the City in implementing the Redevelopment Plan may include project costs and expenses as itemized in **Table 3**, subject to the definition of “redevelopment project cost” as contained in the TIF Act, and the “Contingency” line item may include any other costs that are eligible under said definition. Itemized below is the statutory listing of “redevelopment project costs” currently permitted by the TIF Act [bold typeface added for emphasis]. Note that some of the narrative below has been paraphrased (see full definitions in the TIF Act).

1. **Costs of studies, surveys, development of plans and specifications**, wetland mitigation plans, implementation and administration of the Redevelopment Plan, including but not limited to staff and professional service costs for architectural, engineering, legal, environmental, financial, planning or other services, subject to certain limitations:

- a. There are limitations on contracts for certain professional services with respect to term, services, etc.
- b. Annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan.
- c. Marketing costs are allowable so long as they relate to marketing sites within the redevelopment project area to prospective businesses, developers, and investors.

TABLE 3
ESTIMATED REDEVELOPMENT PROJECT COSTS
 South Route 45 Redevelopment Project Area
 City of Mattoon

Description	Estimated Cost
A. Public Works or Improvements (Construction of streets, sidewalks, streetscape improvements, utility relocation, and other public improvements)	\$1,100,000
B. Property Assembly (Acquisition of land and other property, building demolition, site preparation and relocation costs)	300,000
C. Building Rehabilitation	500,000
D. Taxing District Capital Costs	100,000
E. Job Training	50,000
F. Interest Costs Incurred by Developers	200,000
G. Planning, Legal, & Professional Services	150,000
H. General Administration	100,000
I. Contingency	100,000
Total Estimated Budget	\$2,600,000

Notes:

1. All costs expressed in 2007 dollars
2. Adjustments may be made among line items within the budget to reflect program implementation experience.
3. Total estimated redevelopment project costs exclude any financing costs such as interest expense, capitalized interest and cost of issuance of obligations. These costs are subject to prevailing market conditions and will be considered part of the total redevelopment project cost if and when such financing costs are incurred.
4. Private redevelopment costs and investment are in addition to the above.
5. The total estimated redevelopment project costs shall not be increased by more than 5% after adjustment for inflation from the date of the Plan adoption per statutory requirements.

2. **Property assembly costs**, including but not limited to acquisition of land and other property, real or personal or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground level environmental contamination, including but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land
3. **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.
4. **Cost of construction of public works or improvements**, except that redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that it is not intended to replace an existing public building as provided for in paragraph 3 above, unless either:
 - a. the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999; or
 - b. the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan.
5. **Cost of job training** and retraining projects, including the cost of “welfare to work” programs **implemented by businesses** located within the redevelopment project area.
6. **Financing costs**, including but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such

obligations are issued and for not exceeding thirty-six (36) months thereafter, and including reasonable reserves related thereto.

7. 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 and project.
 - a. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units), an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvement projects within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, shall be paid by the municipality from the Special Tax Allocation Fund under certain conditions. For specific conditions and formulae used to determine payments due to a school district, see Subsection 11-74.4-3 (q) (7.5) of the TIF Act.
8. **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 Subsection 11-74.4-3 (n) (7) of the TIF Act (re: federal Uniform Relocation Assistance and Real Property Acquisition Policies Act requirements).
9. Payments in lieu of taxes.
10. **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:
 - a. are related to the establishment and maintenance of additional job training, advanced vocational education or career education or career education programs for persons employed or to be employed by employers located in a redevelopment project area: and

- b. 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 programs 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 types of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the terms 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.
11. **Interest costs incurred by a redeveloper** related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
 - b. such payments in any one-year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if 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;
 - d. 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;
 - e. the cost limits set forth in subparagraphs (b) and (d) above shall be modified for the financing of rehabilitation or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d) above;

- f. Instead of the eligible costs provided by subparagraphs (b) and (d) above, as modified in this subparagraph, and notwithstanding any other provision of the TIF Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. For further provisions on financing and eligible costs, see Subsection 11-74.4-3 (q) (11) of the TIF Act.
12. Unless explicitly stated herein, the cost of construction of new privately owned buildings *shall not* be an eligible redevelopment project cost.
13. None of the redevelopment project costs enumerated above shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area, while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area; but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

SECTION V

FINDINGS OF NEED FOR TIF AND OTHER REQUIREMENTS

It was determined that the Redevelopment Project Area, as a whole, qualifies as a combination conservation and blighted area. This section examines other factors that need to be addressed in order to designate an area as a combination conservation and blighted area under the Act. A municipality must provide evidence indicating that the redevelopment project area, on the whole, has not been subject to growth and development through investment by private enterprise.

In addition, this section provides estimates of future growth in equalized assessed valuation (EAV) of real property if redevelopment investment were to take place. The growth in EAV can then be translated into an estimate of future tax increment that could be used to help underwrite eligible redevelopment project costs.

A. Conformance with Comprehensive Plan

The general land uses proposed in this Redevelopment Plan will conform to the Official Comprehensive Plan for the City of Mattoon, as Amended. In addition, all development in the Area will comply with applicable codes and ordinances.

B. Area, on the Whole, not Subject to Growth and Development

Upon examination of equalized assessed valuation data for the Area, the Redevelopment Project Area on the whole has not been subject to growth and investment. The tax base of the Area has not grown significantly in the last five years, reflecting lack of new investment.

The Area, as a whole, has not generated significant growth in real property taxes, beyond reassessment adjustments. There has not been sufficient private investment in the Area that would significantly reduce or eliminate the blighting conditions that exist and enhance the tax base of the City and other affected taxing districts. This fact is evidenced by the trend in the growth of EAV of property in the Area compared to the balance of the City of Mattoon. The total EAV of the Area, between 2000 and 2005, increased in value by approximately \$82,000 or 11.8% (see **Table 4**). During the same period, the EAV for the balance of Mattoon increased by approximately \$7.9 million or 5.1%.

TABLE 4
GROWTH IN EAV (2000-2005)
 South Route 45 Redevelopment Project Area (RPA) and City of Mattoon
EAV

	2000	2005	Change	Percent	Avg. Annual Percent
South Route 45 RPA	\$695,170	\$777,220	\$82,050	11.8%	3.9%
RPA Excluding Top Property	\$574,560	\$586,110	\$11,550	2.0%	0.4%
Balance of City	\$155,646,420	\$163,559,392	\$7,912,972	5.1%	1.02%

Of the increase in EAV recorded in the Area, approximately 86% of it was associated with only one parcel in the Area. Removing the EAV increase associated with this parcel yields an increase in the Area of \$11,550 (2.0%) and an annual average percent increase of 0.4%. In comparison, the average annual increase in EAV for the balance of Mattoon amounts to 1.02%. Thus, the area as a whole lags significantly behind the growth in EAV for the balance of the City.

Another indication that the Area, on the whole, has not been subject to growth or investment is the excessive vacancies evident throughout the Area. The documented excessive vacancies are evidence of poor economic conditions within the Area, which have a negative impact on the City as the whole.

C. Would Not be Developed “but for” TIF

The City has found that the Redevelopment Project Area would not reasonably be developed without the use of tax increment revenues. The City further commits that such incremental revenues will be utilized for the development and revitalization of the Redevelopment Project Area as provided in the Act. Underscoring the economic need for municipal financial assistance in the form of tax increment financing is the fact that without the City’s commitment to provide such municipal financial assistance, there will not be commitments for private development and revitalization.

Furthermore, the eligibility factors documented in this report contribute to the “but for” argument. These conditions are a discouragement to private investment as the potential return on investment is too small relative to the risk or simply does not make economic sense. Many of the commercial buildings would require significant investment to rehabilitate them and allow them to be used or continue to be viable locations for businesses. In addition, the larger vacant tracts require considerable infrastructure improvements, including drainage control measures to help alleviate drainage problems elsewhere in the watersheds.

It is the intent of this TIF Redevelopment Plan to help overcome the economic disincentives, which have caused the Project Area to lag behind the remainder of the City in property value growth. Without financial incentives to overcome these barriers, investment by private enterprise will not take place to the degree necessary to realize significant revitalization and/or redevelopment within the Area. This “but for TIF” position has been expressed by two development entities which submitted proposals to the City in response to a Request for Development Proposal issued by the City. Documentation submitted by these private entities is located in **Attachment F** of the **Appendix**.

D. Assessment of Financial Impact

The City finds that the Plan and Project proposed by this Redevelopment Plan will not place significant additional demands on facilities or services for any local taxing body. On an annual basis in each year after the City recoups its expenses associated with establishment of the South Route 45 Redevelopment Project Area, twenty percent (20%) of any remaining incremental revenues accruing to the Special Tax Allocation Fund shall be distributed on a pro rata basis to all taxing districts based on the percentage which their real property levy amount represents of the total property tax levied within the South Route 45 Redevelopment Project Area.

The City, to the extent that additional surplus revenues become available from the Area beyond the declared 20% “pass-through”, will return these surplus revenues to the County to distribute on a pro-rata basis to local taxing bodies as described in the preceding paragraph, when possible. Every effort will be made to reduce the time frame for completion of the TIF program to something less than the allowable 23-year time frame.

The City and Joint Review Board will monitor the progress of the TIF program and its future impacts on all local taxing bodies. In the event significant adverse impacts are identified that increase demands for facilities or services in the future, the City will consider utilizing tax increment proceeds or other appropriate actions, to the extent possible, to assist in addressing the needs.

E. Estimated Date for Completion of the Redevelopment Projects

The estimated date for completion of the Redevelopment Project or retirement of obligations issued shall not be later than December 31st of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Redevelopment Project Area is adopted.

F. Most Recent Equalized Assessed Valuation

The most recent total equalized assessed valuation (EAV) for the Redevelopment Project Area has been estimated by the City to be approximately \$777,220. A listing of the **parcels of real property located in the Project Area, and the 2005 Assessment Year EAV**, is located in the **Appendix as Attachment G**. The County Clerk of Coles County will verify the base EAV amount of each property after adoption of the City ordinances approving the Redevelopment Plan and establishing the Redevelopment Project Area.

G. Redevelopment Valuation

Contingent on the adoption of this Tax Increment Redevelopment Plan and commitment by the City to the Redevelopment Program, it is anticipated that the private redevelopment investment in this Redevelopment Project Area will cause the equalized assessed valuation to increase by \$2.0 to \$2.5 million (2007 dollars) upon completion of the redevelopment projects.

H. Source of Funds

One of the sources of funds to pay for Redevelopment Project Costs associated with implementing the Redevelopment Plan and Projects shall be funds collected pursuant to tax increment allocation financing to be adopted by the City of Mattoon. Under such financing, tax increment revenue resulting from increases in the EAV of property, in each Redevelopment Project Area shall be allocated to a special fund each year (the "Special Tax Allocation Fund"). The assets of the Special Allocation Fund shall be used to pay Redevelopment Project Costs and retire any obligations incurred to finance Redevelopment Project Costs.

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

The City is also contemplating the adoption of an Illinois Business District for a portion of the Area. Additional sales and hotel taxes may be applied as provided for under the Illinois Business District.

If available, revenues from other economic development funding sources, public or private, will be utilized. These may include State and Federal programs, local retail sales tax, applicable revenues from any adjoining Tax Increment Financing Areas, and land disposition proceeds

from the sale of land in the Redevelopment Project Area, as well as other revenues. The final decision concerning redistribution of yearly tax increment revenues may be made a part of a bond ordinance.

I. Nature and Term of Obligations

Without excluding other methods of City or private financing, the principal source of funding will be those deposits made into the Special Allocation Fund of monies received from the taxes on the increased value (above the initial equalized assessed value) of real property in the Area. These monies may be used to repay private or public sources for the expenditure of funds made as Redevelopment Project Costs for applicable public or private redevelopment activities noted above, or may be used to amortize Tax Increment Revenue obligations, issued pursuant to this Redevelopment Plan and Project, for a term not to exceed 20 years bearing an annual interest rate as permitted by law. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the bonds and not needed for other redevelopment project costs or early bond retirements may be declared as surplus and become available for distribution annually to the taxing bodies to the extent that this distribution of surplus does not impair the financial viability of the project. One or more bond issues may be sold at any time in order to implement this Redevelopment Plan.

J. Fair Employment Practices and Affirmative Action

The City of Mattoon will ensure that all private and public redevelopment activities are constructed in accordance with fair employment practices and affirmative action by any and all recipients of Tax Increment Financing assistance.

K. Reviewing and Amending the TIF Plan

This Redevelopment Plan may be amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. seq. Also, the City shall adhere to all reporting requirements and other statutory provisions.

APPENDIX

ATTACHMENT A

Inducement Resolution

CITY OF MATTOON, ILLINOIS**RESOLUTION NO. 2006-2662****RESOLUTION PROVIDING FOR A FEASIBILITY STUDY ON THE
DESIGNATION OF A PORTION OF THE CITY OF MATTOON AS A
REDEVELOPMENT PROJECT AREA
AND
TO INDUCE DEVELOPMENT INTEREST
WITHIN SUCH AREA**

WHEREAS, the City of Mattoon (the "City") is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, *65 ILCS 11-74.4-1, et seq.* (the "Act"), to finance redevelopment project costs in connection with redevelopment project areas established in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, pursuant to the Act, to implement tax increment financing (TIF), it is necessary for the City to adopt redevelopment plan(s), redevelopment project(s), designate redevelopment project area(s) on the basis of finding that the area(s) qualify pursuant to statutory requirements, and make a finding that the redevelopment project area(s) on the whole have not been subjected to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan, which plan contains a commitment to use public funds; and

WHEREAS, the City desires to undertake a feasibility study to determine whether findings may be made with respect to an area of the City, generally described herein, which may be designated as a redevelopment project area(s), to qualify the area(s) as a blighted area or a conservation area(s) or a combination thereof as defined in the Act, and other research necessary to document the lack of growth and development through private enterprise; and

WHEREAS, the exact extent and boundaries of the redevelopment project area are not precisely defined at this time but the area being considered generally includes commercial and residential uses located along the east and west sides of U.S. Route 45 from its intersection with I-57 on the south extending to the north to abut the boundaries of the City's Midtown TIF area; and

WHEREAS, the City has retained Peckham Guyton Albers & Viets, Inc. of Saint Louis Place, 200 North Broadway, Suite 1000, St. Louis, Missouri 63102, to undertake such feasibility study to determine if all or a portion of the proposed TIF area qualifies under the Act; and

WHEREAS, the City will be expending certain funds to determine eligibility of the proposed redevelopment project area and to prepare the required redevelopment plan if the City decides to implement tax increment financing for all or a portion of the proposed TIF area; and

WHEREAS, the City may expend other funds in furtherance of the objectives of the anticipated redevelopment plan; and

WHEREAS, it is the intent of the City to recover these expenditures from first proceeds of the TIF program, if established; and

WHEREAS, the City wishes to encourage developers and property owners to pursue plans for the redevelopment of the area and make such expenditures as are reasonably necessary in that regard with confidence that said expenditures may be allowable redevelopment project costs under the plan once adopted and subject to a redevelopment agreement between the City and the developer and/or property owner; and

WHEREAS, the purpose of the proposed redevelopment plan and project is to generate private investment in the targeted area, thereby eliminating or reducing blighted conditions or conditions that may lead to blight and provides for the long-term sound growth of the community; and

WHEREAS, tax increment allocation financing utilizes the increase in real estate taxes ("tax increment") resulting from the increase in value of properties located in a redevelopment project area to pay for certain redevelopment projects costs as provided for in the Act; and

WHEREAS, the proposed redevelopment plan or proposed redevelopment project area is not reasonably expected to result in the displacement of residents from ten (10) or more inhabited residential units within the area, therefore, the feasibility study is not required to include the preparation of any housing impact study as described in Section 11-74.4-4.1 (b) of the Act; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mattoon, Illinois as follows:

1. That the City Council has examined the proposed area and circumstances and at this time believe that it is reasonable to believe that a tax increment financing plan can be adopted for said area and expenditures of development costs in furtherance of the plan and potential development should be allowable project costs under the plan, provided that this resolution is not a guarantee that any such plan will be adopted, but rather an expression of the sense of the City at this time.

2. The person to contact for additional information about the proposed redevelopment project area and who should receive all comments and suggestions regarding the redevelopment of the area shall be:

Mr. Alan Gilmore
City Administrator
City of Mattoon
208 N. 19th Street
Mattoon, IL 61938
(217) 235-5511

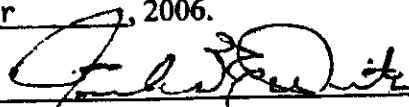
Upon motion by Mayor White, seconded by Commissioner McKenzie,
adopted this 5th day of September, 2006, by a roll call vote, as
follows:

AYES (Names): Commissioner Cline, Commissioner Ervin,
Commissioner McKenzie, Commissioner Schilling,
Mayor White

NAYS (Names): None

ABSENT (Names): None

Approved this 5th day of September, 2006.



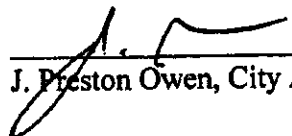
Charles E. White, Mayor
City of Mattoon, Coles County, Illinois

ATTEST:



Susan O'Brien, City Clerk

APPROVED AS TO FORM:




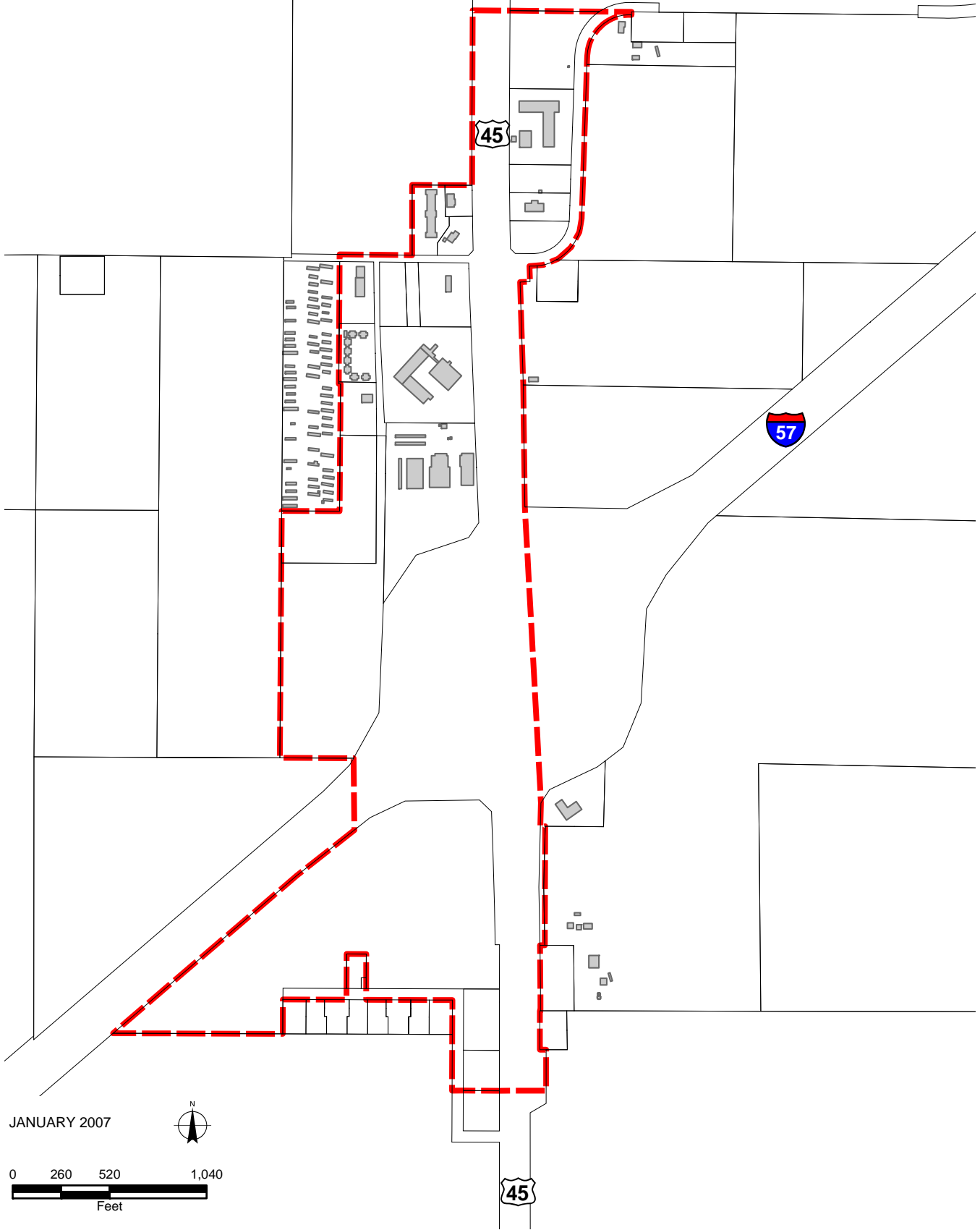
J. Preston Owen, City Attorney

Recorded in the Municipality's Records on 09-06, 2006.

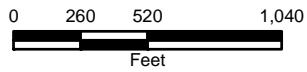
ATTACHMENT B
Supporting Maps

SOUTH ROUTE 45 REDEVELOPMENT PROJECT AREA BOUNDARY MAP








 South Route 45 Redevelopment Project Area Boundary

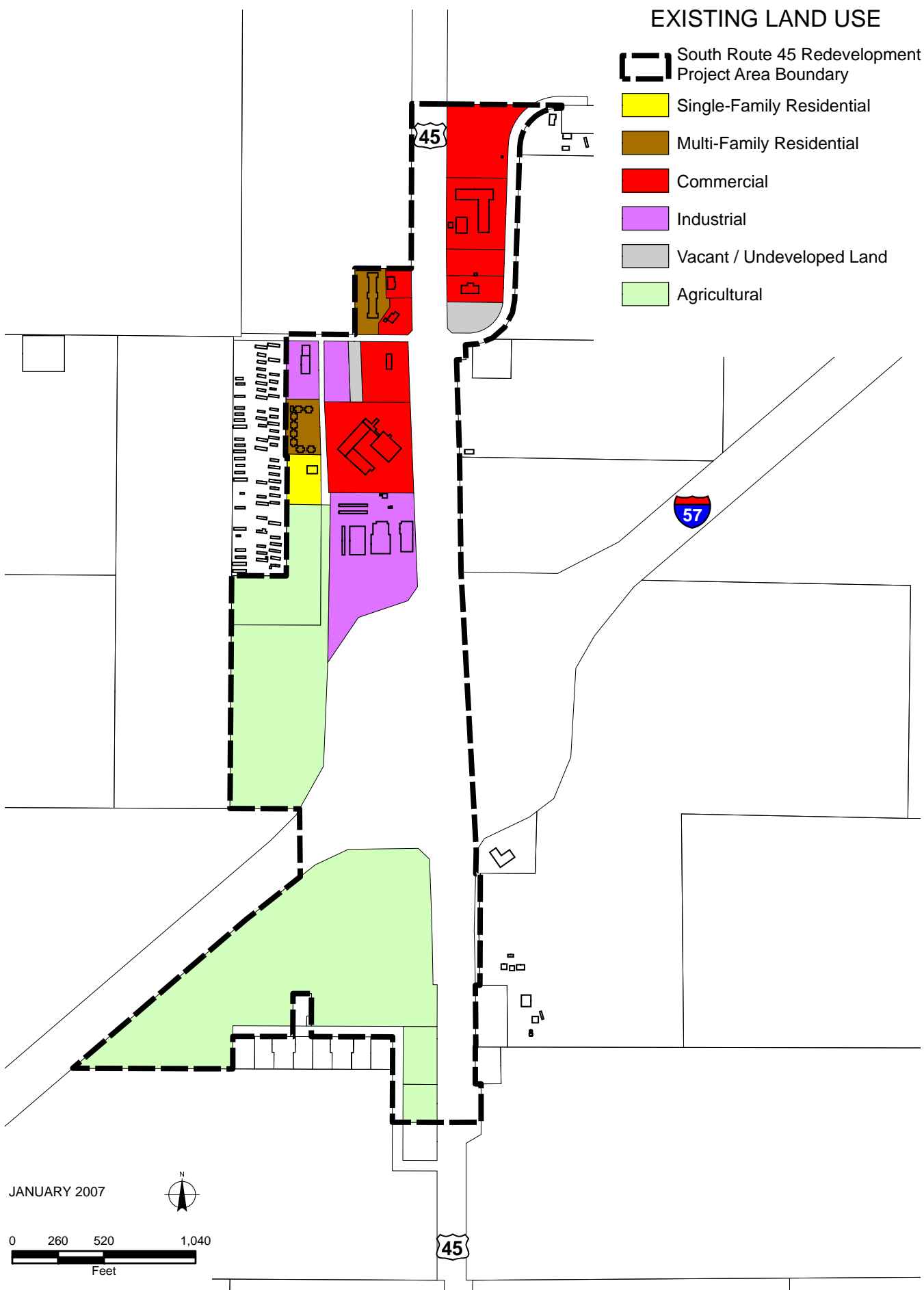


JANUARY 2007



EXISTING LAND USE
















-  South Route 45 Redevelopment Project Area Boundary
-  Single-Family Residential
-  Multi-Family Residential
-  Commercial
-  Industrial
-  Vacant / Undeveloped Land
-  Agricultural

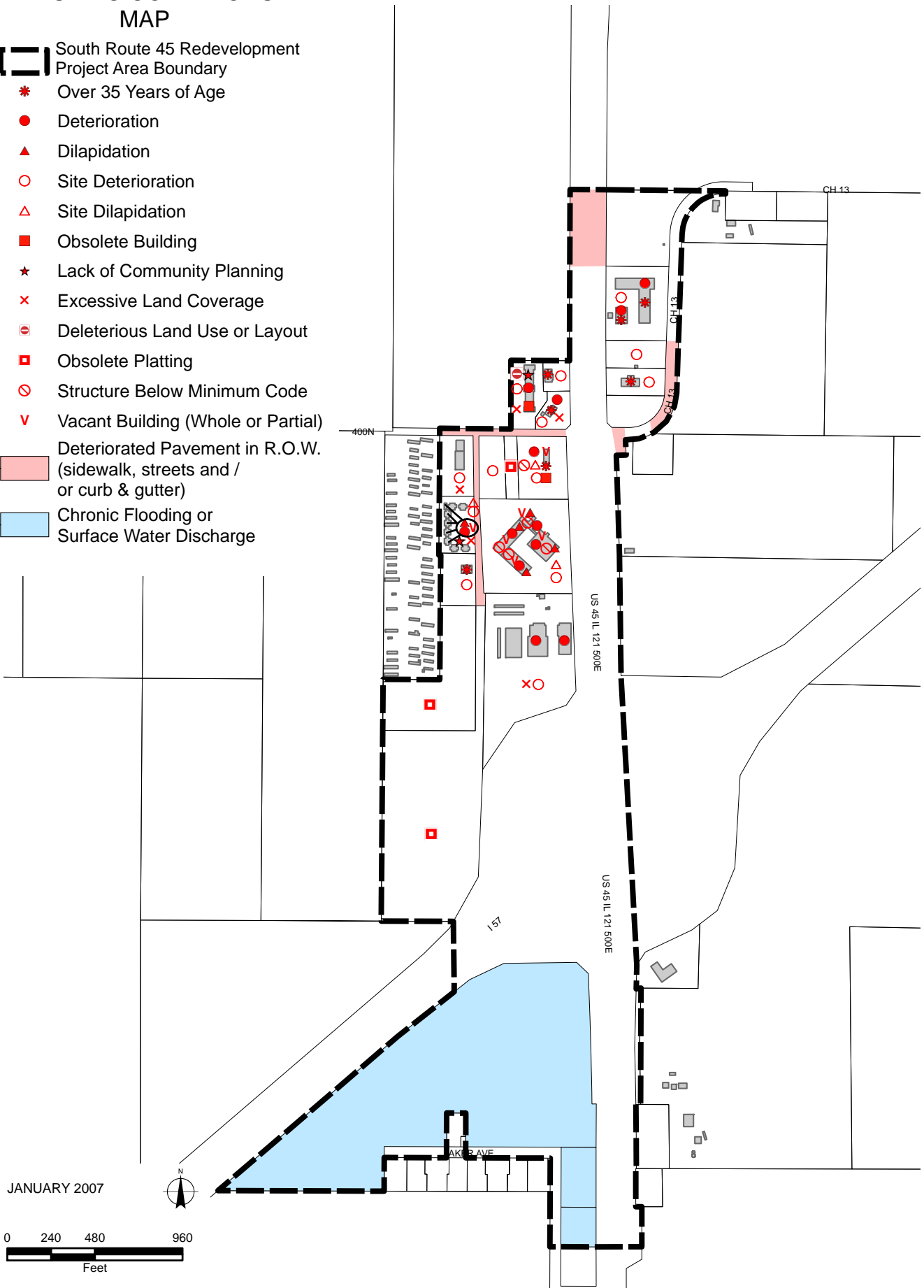


JANUARY 2007



EXISTING CONDITIONS MAP







-  South Route 45 Redevelopment Project Area Boundary
-  Over 35 Years of Age
-  Deterioration
-  Dilapidation
-  Site Deterioration
-  Site Dilapidation
-  Obsolete Building
-  Lack of Community Planning
-  Excessive Land Coverage
-  Deleterious Land Use or Layout
-  Obsolete Platting
-  Structure Below Minimum Code
-  Vacant Building (Whole or Partial)
-  Deteriorated Pavement in R.O.W. (sidewalk, streets and / or curb & gutter)
-  Chronic Flooding or Surface Water Discharge

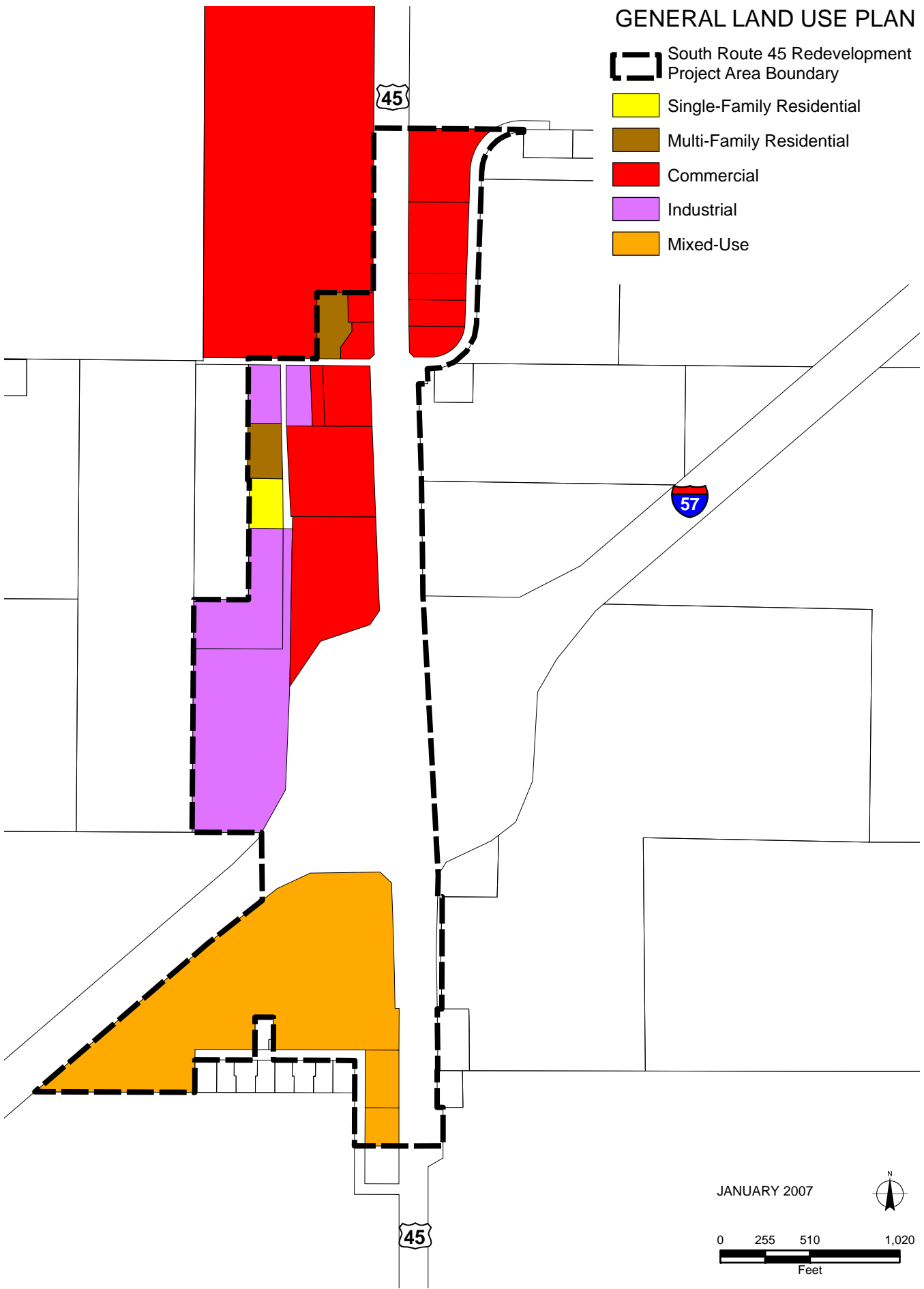


JANUARY 2007



GENERAL LAND USE PLAN

-  South Route 45 Redevelopment Project Area Boundary
-  Single-Family Residential
-  Multi-Family Residential
-  Commercial
-  Industrial
-  Mixed-Use



JANUARY 2007



ATTACHMENT C

Boundary Description

LEGAL DESCRIPTION
FOR
SOUTH ROUTE 45 TIF DISTRICT
MATTOON, ILLINOIS

A tract of land being a part of the Southwest Quarter of Section 36, Township 12 North, Range 7 East of the Third Principal Meridian; the Northwest Quarter and Southwest Quarter of Section 1, Township 11 North, Range 7 East of the Third Principal Meridian; the Northeast Quarter and Southeast Quarter of Section 2, Township 11 North, Range 7 East of the Third Principal Meridian, and part of the Southeast Quarter of Section 35, Township 12 North, Range 7 East of the Third Principal Meridian, Coles County, Illinois, being described as follows:

Beginning at the Northwest corner of the Southwest Quarter of the Southwest Quarter of said Section 36; thence North $87^{\circ} 47' 27''$ East, 138.40 feet along the North line of Southwest Quarter of the Southwest Quarter of said Section 36 to the Northwest corner of a tract described in Warranty Deed on Document Number 681624 in the Coles County Recorder's Office; thence North $87^{\circ} 47' 27''$ East, 447 feet more or less along the North line of said tract to a point being on the Northwestern Right-of-Way line of S.A. Route 19 Station 67+22.2, 33 feet left; thence Southeasterly 66.00 feet to the Southeastern Right-of-Way line of S.A. Route 19; thence along the Southeastern Right-of-Way line on a curve to the left in a Southwestern direction, concave to the Southeast with a radius of 227.44 feet to a point of tangency; thence South along the Eastern Right-of-Way line of S.A. Route 19, 869.23 feet to a point of curvature at S.A. Route 19 Station 55+72.93, 33 feet right; thence along the Southeastern Right-of-Way line on a curve to the right in a Southwesterly direction, concave to the Northwest with a radius of 263.00 feet to a point of intersection with the Eastern Right-of-Way of S.B.I. Route 25 (US Route 45); thence Southerly along the Eastern Right-of-Way line of S.B.I. Route 25 (US Route 45) as monumented and occupied on the following described courses: Southerly to S.B.I. Route 25 Station 31+63.93, 200.00 feet left; Westerly to S.B.I. Route 25 (U.S. Route 45) Station 31+63.93, 146.22 feet left; Southerly to S.B.I. Route 25 (U.S. Route 45) Station 41+66, 125 feet left; Southerly to S.B.I. Route 25 (U.S. Route 45) Station 57+49.91, 147 feet left; Southerly to S.B.I. Route 25 (U.S. Route 45) Station 62+00, 120 feet left; Southerly to S.B.I. Route 25 (U.S. Route 45) Station 68+55, 120 feet left; Westerly to S.B.I. Route 25 (U.S. Route 45) Station 68+55, 117 feet left; Southerly to S.B.I. Route 25 (U.S. Route 45) Station 70+63, 117 feet left; Easterly to S.B.I. Route 25 (U.S. Route 45) Station 70+63, 150 feet left; Southerly to S.B.I. Route 25 (U.S. Route 45) Station 72+82.51, 150 feet left; thence Westerly to the Southeast corner of Lot 2 of Lakeland Development Phase I as recorded on Document Number 605697 on Plat Book 5 at Page 165, point being on the West Right-of-Way line of S.B.I. Route 25 (U.S. Route 45); thence South $89^{\circ} 39' 03''$ West, 196.07 feet along the South line of said Lot 2 to the East line of Laker Avenue; thence continue South $89^{\circ} 39' 03''$ West, 60.00 feet to the West Right-of-Way line of Laker Avenue; thence North $00^{\circ} 20' 57''$ West, 483.56 feet to the Northeast corner of Lot 4 of said Lakeland Development Phase I, point also being on the South Right-of-Way line of Laker Avenue; thence South $89^{\circ} 39' 03''$ West, 462.5 feet along the South Right-of-Way line of Laker Avenue; thence North $00^{\circ} 20' 57''$ West, 244.00 feet along the East line of Lot 12

and the Southern extension thereof to the Northeast corner of Lot 12 of said Lakeland Development Phase I; thence South 89° 39' 03" West, 105 feet along the North line of said Lot 12 to the Northwest corner of said Lot 12; thence South 00° 20' 57" East, 244.00 feet along the West line of said Lot 12 and Southern extension thereof to the South line of Laker Avenue; thence South 89° 39' 03" West, 340.50 feet along the South line of said Laker Avenue to the Northwest corner of Lot 11 of said Lakeland Development Phase I; thence South 00° 20' 57" East, 184.00 feet along the West line of Lot 11 to the Southwest corner of said Lot 11; thence South 89° 39' 03" West, 910.73 feet along the Westerly extension of the Southern line of Lots 4 through 11 of said Lakeland Development Phase I to an iron pin in the Southeasterly Right-of-Way line of F.A.I. Route 57; thence Northeasterly along the Southeastern Right-of-Way as monumented and occupied to F.A.I. Route 57 Station 490+00, 125 feet right; thence Northeasterly 500.4 feet along the said Southeastern Right-of-Way line to F.A.I. Station 495+00, 145.00 feet right; thence Northeasterly to the Northwestern Right-of-Way line of F.A.I. Route 57 as monumented and occupied at Station 496+45, 156.50 left, point also being on the South line of the Northeast Quarter of said Section 2; thence West along the South line of the Northeast Quarter of said Section 2 to the West line of the East half of the Northeast Quarter of said Section 2; thence North along the West line of the East half of the Northeast Quarter of said Section 2 to the Southwest corner of a tract as described in a Trustee's Deed on Book 874 at Page 300 on Document Number 567599 in the Coles County Recorder's Office; thence Easterly, 310 feet along the South line of said tract on Document Number 567599 to the Southeast corner of said tract; thence Northerly 702.50 feet along the East line of said tract on Document Number 567599 to the Northeast corner of said tract; thence Westerly 10.00 feet along the North line of said tract on Document Number 567599 to the Southeast corner of a tract as described in a Deed labeled Trailer Park Property on Book 788 at Page 303 in the Coles County Recorder's Office; thence Northerly 660 feet along the East line of said Trailer Park Property to the North line of the Northeast Quarter of said Section 2; thence continue North 20 feet to the Northern Right-of-Way line of Lake Paradise Road; thence Easterly along the Northern Right-of-Way of said Lake Paradise Road to the Southwest corner of the L & K Motel Parcel as described in a Trustee's Deed as Tract II on Document Number 593383 in the Coles County Recorder's Office; thence along the boundary of said L & K Motel Parcel on the following described courses: North 00° 04' 13" West, 375.76 feet along the Western boundary line of L & K Motel Parcel to the Northwest corner of said parcel; thence South 89° 43' 50" East, 155.17 feet along the Northern boundary line of L & K Motel Parcel to the Northeast corner of said L & K Motel Parcel, point also being the Northwest corner of L & K Restaurant Parcel as described as Tract I on Document Number 593383 in the Coles County Recorder's Office; thence South 89° 43' 50" East, 145.78 feet more or less to a point on the Westerly Right-of-Way line of S.B.I. Route 25 (U.S. Route 45); thence Northerly 950.13 feet more or less to S.B.I. Route 25 (U.S. Route 45) Station 14+85, 100 feet right; thence Easterly to the Point of Beginning.

Prepared by: HDC Engineering, LLC

201 W. Springfield Ave.
Champaign, IL 61820

Date: January 26, 2007

HDC Project No.: 06491

ATTACHMENT D

Photo Appendix



Broken and leaning light on Mattoon Heating and Air Conditioning parking lot. Note deteriorated parking lot pavement.



Broken window and damaged soffit on Marathon Service Station building at northwest corner of Paradise Road and South Route 45.



Damaged fascia and siding on storage building at Marathon Service Station lot. Note the outside storage of junk.



Broken Marathon Service Station sign. Note the rusted sign poles in the back.



Rear of Marathon Service Station. Note the missing downspouts and deteriorated fascia.



Dilapidated two-family apartment building on Carter Lane. Note deteriorated siding and broken windows.



Dilapidated two-family apartment building with deteriorated siding and boarded windows.



Dilapidated two-family apartment building. Note deteriorated pavement and broken windows.



Deteriorated shoulder and insufficient drainage on Carter Lane.



Deteriorated fascia on residence on Carter Lane.



Deteriorated fascia on front of residence.



Deteriorated fascia on front of residence.



Deteriorated lot and outside storage of plumbing supply company at Paradise and Carter Lane..



Deteriorated parking lot of vacant hotel.



Rear of vacant hotel.



Rear of vacant hotel with deteriorated bricks and mortar.



Deteriorated door and parking lot of vacant hotel



Rear of vacant hotel. Note water damage on bricks and mortar.



Deteriorated fascia on front entrance of vacant hotel.



Peeling paint and deteriorated siding on front of vacant hotel.



Peeling paint and deteriorated bricks and mortar on side of vacant hotel.



Peeling paint and deteriorated site of vacant hotel.



Standing water at entrance to vacant hotel on shoulder of Paradise Road.



Standing water on deteriorated parking lot in rear of vacant hotel.



Standing water on south side of Paradise Road.



Falling ceiling tiles on floor of hallway in vacant hotel. Note the mold on the base of the walls.



Water damage on ceiling tiles in vacant hotel.



Standing water and broken floor tiles in entrance to vacant hotel.



Broken sign on south side of vacant hotel property.



Deteriorated vacant service station at the southwest corner of Paradise Road and South Route 45.



Falling and missing fascia and siding on vacant service station.



Falling and missing brick siding on vacant service station.



Deteriorated parking lot of vacant service station



Falling and missing brick siding on vacant service station. Note boarded doors.



Deteriorated roofing material on McDonald's on east side of South Route 45.



Broken sign on east side of South Route 45.



Deteriorated fence on Budget Inn.



Deteriorated stairs and parking lot of Budget Inn.



Peeling paint and rusting stairs on Budget Inn.



Damaged gutter on Budget Inn building.



Damaged siding and fascia on lumberyard building.



Peeling paint and damaged downspouts on apartment building.

ATTACHMENT E

Engineer Certification of Flooding



2017 Charleston Ave.
Mattoon, Illinois 61938
BUS: (217) 334-2203
FAX: (217) 334-2209

161 W. Springfield Ave. - Suite 310
P.O. Box 140
Champaign, Illinois 61824-0147
BUS: (217) 352-6976
FAX: (217) 356-0570
www.hdc-eng.com

January 26, 2007

Mr. Alan Gilmore
City Administrator
City of Mattoon
208 North 19th Street
Mattoon, IL 61938

RE: Proposed TIF Study Area
South Route 45, Mattoon, IL 61938
Project No. 02044.06491

Dear Mr. Gilmore:

The proposed TIF study area along South Route 45 for the city of Mattoon identifies an area of undeveloped land within its boundary subject to chronic flooding, or contributes to chronic flooding within the Bush Creek watershed. The area identified within the proposed South Route 45 TIF study area (Exhibit "A") is comprised of three (3) parcels and is bounded by Interstate 57 on the Northwest, Route 45 on the East, and Laker Avenue on the South. The area of Parcel A is approximately 38 acres. Parcel A is located at the South end of the proposed study area.

The existing land has a peak in the Northeast corner of the parcel. The storm water flows over land from the Northeast corner of the parcel in a South-to-Southwesterly direction and accumulates in very flat areas in the Southwest area of Parcel A. Therefore, most of the storm water flowing onto Parcel A from the North into a storm water swale located along the Southern edge of this parcel. The result of this condition is that a portion of Parcel A experiences elevated ground water levels during and after moderate-to-severe storm events. Storm water has been observed ponding on the surface of Parcel A in some areas. See attached Exhibits "B1" through "B5" (note photograph locations have been shown on Exhibit "A").

In order for the development of the proposed TIF District to alleviate flooding on portions of Parcel A, it is anticipated that storm sewers along with storm water detention facilities will need to be constructed during development of this parcel. These facilities will need to be constructed to prevent an increase in the amount of storm water runoff from this parcel onto adjacent parcels due to the construction of improvements. The net result of these improvements will be the alleviation of most, if not all, of the chronic flooding on this parcel along with lowering the overall storm water discharge rate during the 100 year event which will contribute to the alleviation of part of the flooding within the watershed.

Mr. Alan Gilmore
Page 2
January 26, 2007

The subject vacant properties meet the chronic flooding, surface water discharge, or a combination of chronic flooding and surface water discharge provisions, as defined in Section 11-74 4-3(a)(3)(C) of the TIF Act.

Sincerely,

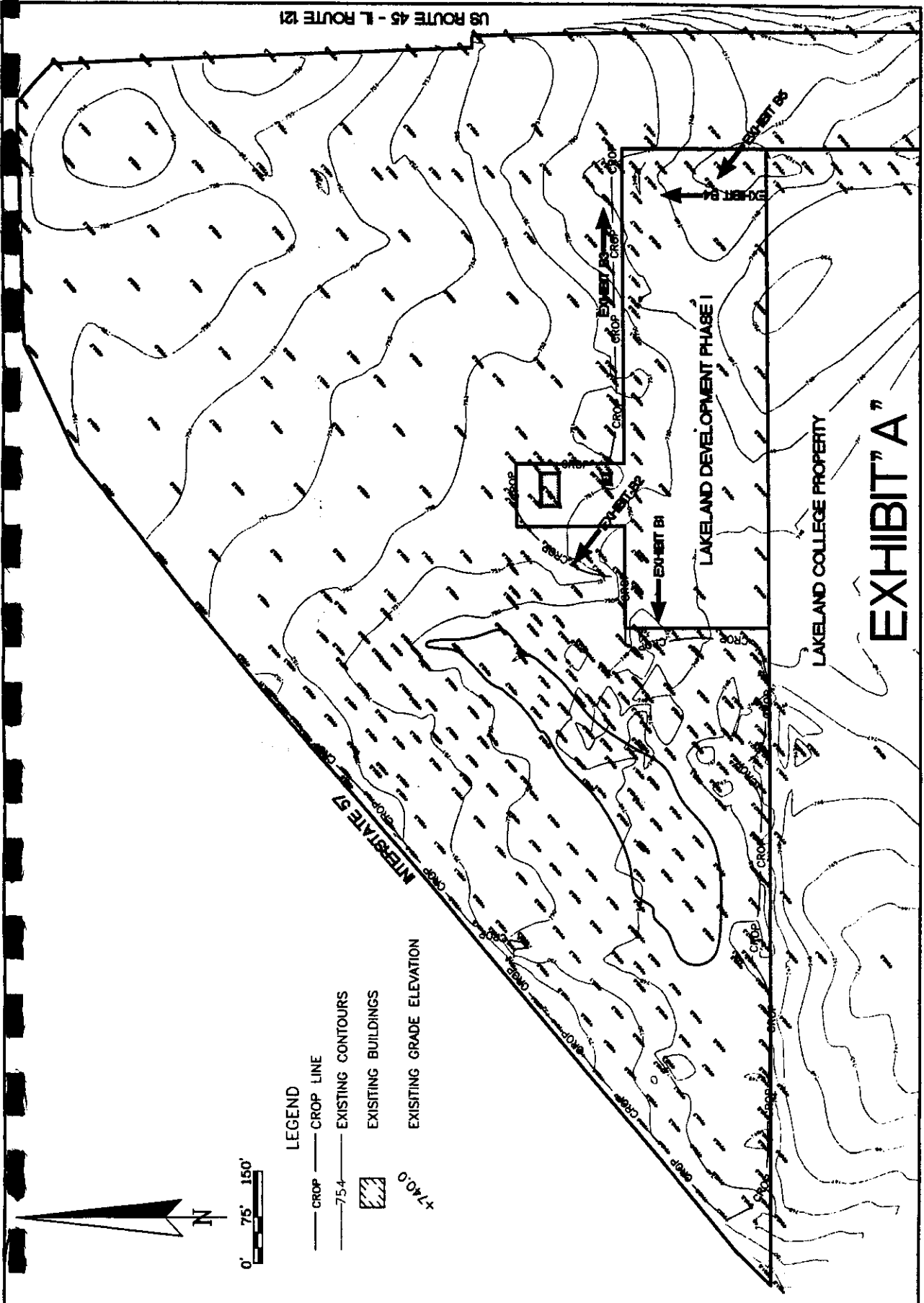
HDC Engineering, LLC



David E. Atchley, PE, PLS
President, Principal

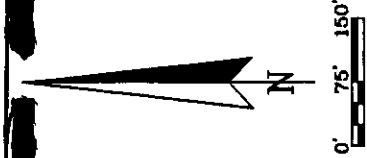
MEI/GLW/mk

US ROUTE 45 - IL ROUTE 121



LEGEND

- CROP — CROP LINE
- 7.54 — EXISTING CONTOURS
- ▨ EXISTING BUILDINGS
- +140.0 — EXISTING GRADE ELEVATION



LAKELAND DEVELOPMENT PHASE I

LAKELAND COLLEGE PROPERTY

EXHIBIT "A"



EXHIBIT B1



EXHIBIT B2



EXHIBIT B3

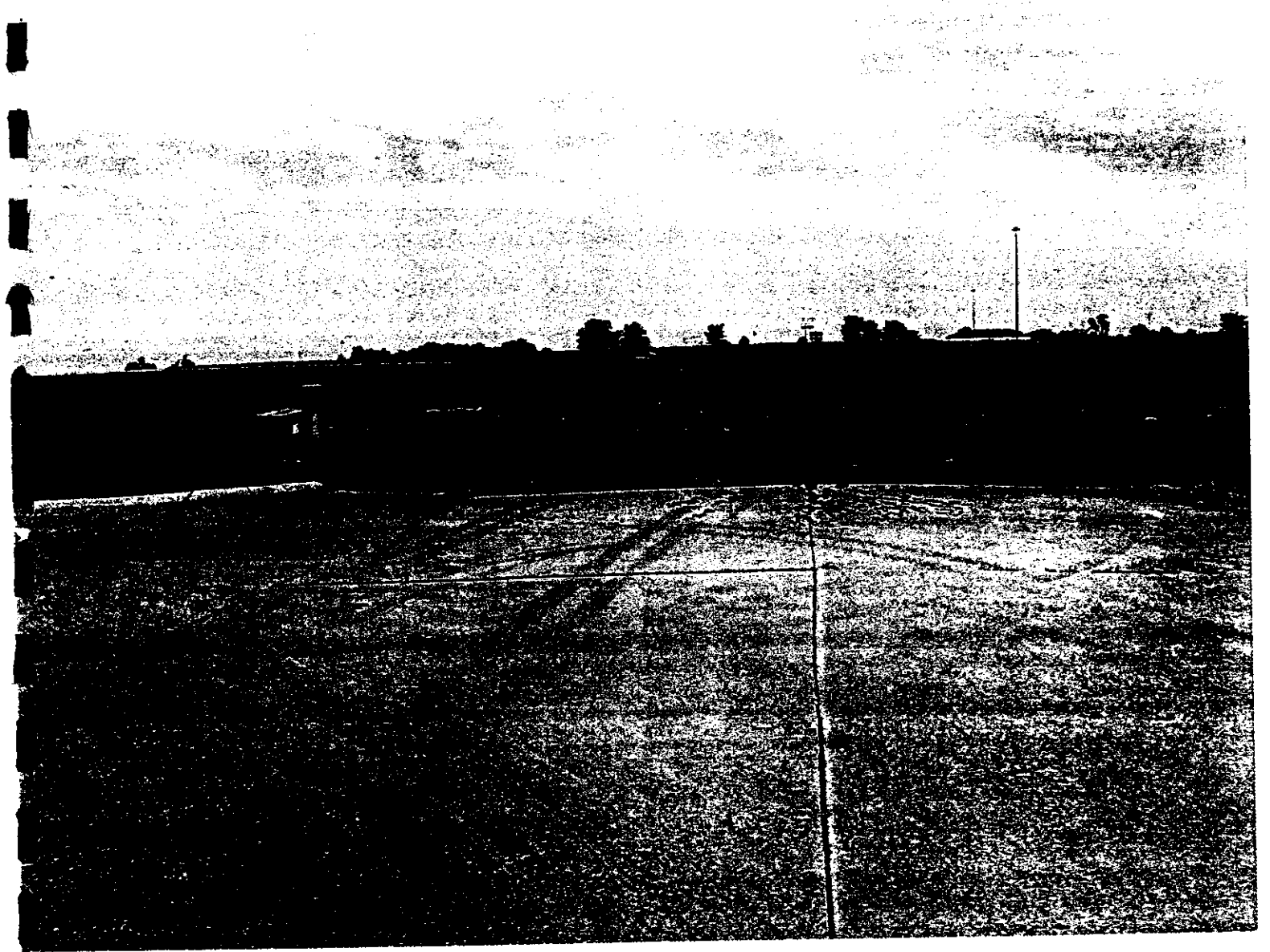


EXHIBIT B4

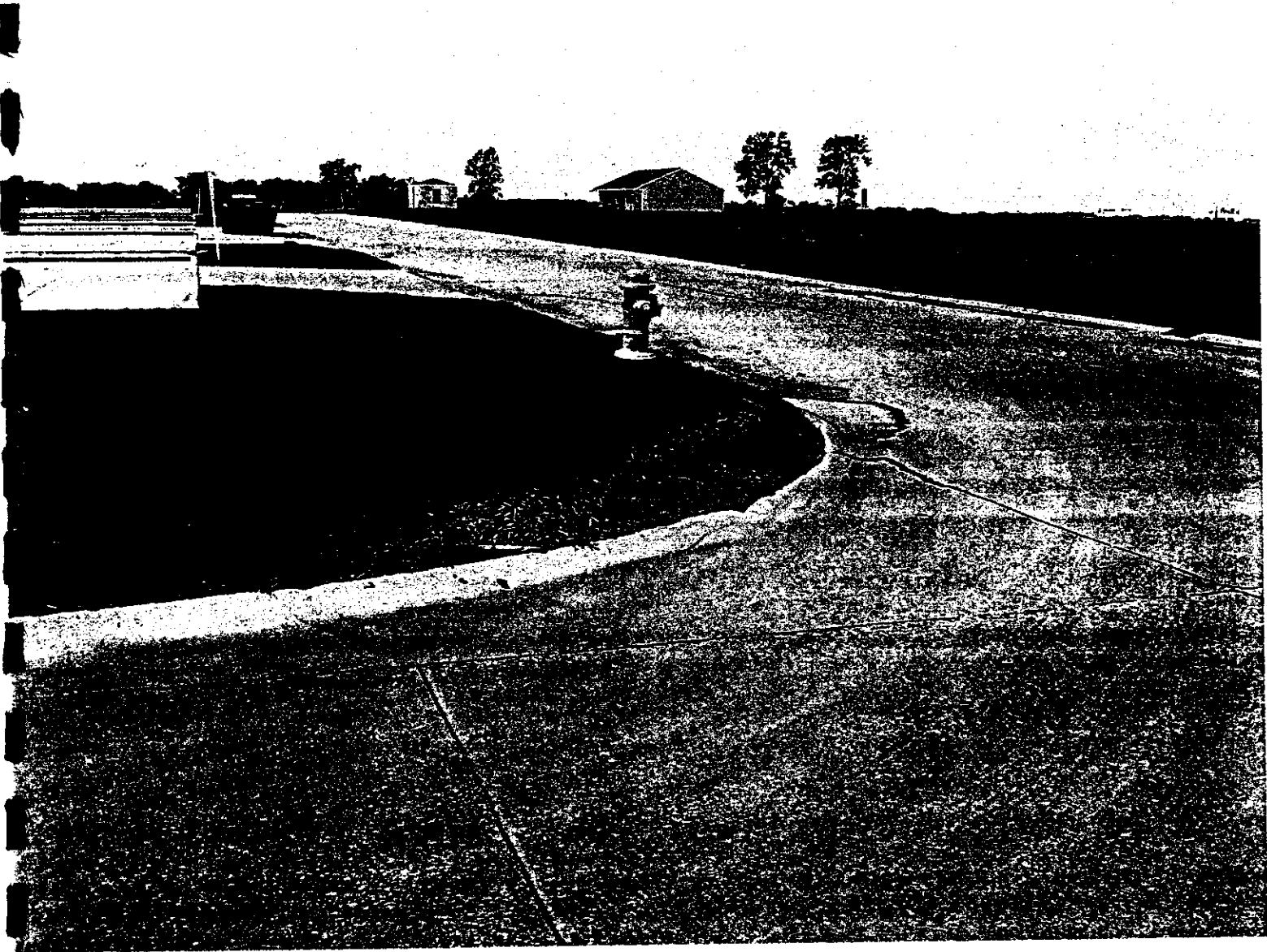


EXHIBIT B5

CITY OF MATTOON, ILLINOIS**RESOLUTION NO. 2006-2662****RESOLUTION PROVIDING FOR A FEASIBILITY STUDY ON THE
DESIGNATION OF A PORTION OF THE CITY OF MATTOON AS A
REDEVELOPMENT PROJECT AREA
AND
TO INDUCE DEVELOPMENT INTEREST
WITHIN SUCH AREA**

WHEREAS, the City of Mattoon (the "City") is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, *65 ILCS 11-74.4-1, et seq.* (the "Act"), to finance redevelopment project costs in connection with redevelopment project areas established in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, pursuant to the Act, to implement tax increment financing (TIF), it is necessary for the City to adopt redevelopment plan(s), redevelopment project(s), designate redevelopment project area(s) on the basis of finding that the area(s) qualify pursuant to statutory requirements, and make a finding that the redevelopment project area(s) on the whole have not been subjected to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan, which plan contains a commitment to use public funds; and

WHEREAS, the City desires to undertake a feasibility study to determine whether findings may be made with respect to an area of the City, generally described herein, which may be designated as a redevelopment project area(s), to qualify the area(s) as a blighted area or a conservation area(s) or a combination thereof as defined in the Act, and other research necessary to document the lack of growth and development through private enterprise; and

WHEREAS, the exact extent and boundaries of the redevelopment project area are not precisely defined at this time but the area being considered generally includes commercial and residential uses located along the east and west sides of U.S. Route 45 from its intersection with I-57 on the south extending to the north to abut the boundaries of the City's Midtown TIF area; and

WHEREAS, the City has retained Peckham Guyton Albers & Viets, Inc. of Saint Louis Place, 200 North Broadway, Suite 1000, St. Louis, Missouri 63102, to undertake such feasibility study to determine if all or a portion of the proposed TIF area qualifies under the Act; and

WHEREAS, the City will be expending certain funds to determine eligibility of the proposed redevelopment project area and to prepare the required redevelopment plan if the City decides to implement tax increment financing for all or a portion of the proposed TIF area; and

WHEREAS, the City may expend other funds in furtherance of the objectives of the anticipated redevelopment plan; and

WHEREAS, it is the intent of the City to recover these expenditures from first proceeds of the TIF program, if established; and

WHEREAS, the City wishes to encourage developers and property owners to pursue plans for the redevelopment of the area and make such expenditures as are reasonably necessary in that regard with confidence that said expenditures may be allowable redevelopment project costs under the plan once adopted and subject to a redevelopment agreement between the City and the developer and/or property owner; and

WHEREAS, the purpose of the proposed redevelopment plan and project is to generate private investment in the targeted area, thereby eliminating or reducing blighted conditions or conditions that may lead to blight and provides for the long-term sound growth of the community; and

WHEREAS, tax increment allocation financing utilizes the increase in real estate taxes ("tax increment") resulting from the increase in value of properties located in a redevelopment project area to pay for certain redevelopment projects costs as provided for in the Act; and

WHEREAS, the proposed redevelopment plan or proposed redevelopment project area is not reasonably expected to result in the displacement of residents from ten (10) or more inhabited residential units within the area, therefore, the feasibility study is not required to include the preparation of any housing impact study as described in Section 11-74.4-4.1 (b) of the Act; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mattoon, Illinois as follows:

1. That the City Council has examined the proposed area and circumstances and at this time believe that it is reasonable to believe that a tax increment financing plan can be adopted for said area and expenditures of development costs in furtherance of the plan and potential development should be allowable project costs under the plan, provided that this resolution is not a guarantee that any such plan will be adopted, but rather an expression of the sense of the City at this time.

2. The person to contact for additional information about the proposed redevelopment project area and who should receive all comments and suggestions regarding the redevelopment of the area shall be:

Mr. Alan Gilmore
City Administrator
City of Mattoon
208 N. 19th Street
Mattoon, IL 61938
(217) 235-5511

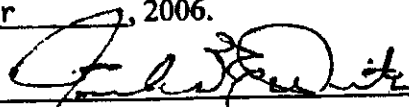
Upon motion by Mayor White, seconded by Commissioner McKenzie,
adopted this 5th day of September, 2006, by a roll call vote, as
follows:

AYES (Names): Commissioner Cline, Commissioner Ervin,
Commissioner McKenzie, Commissioner Schilling,
Mayor White

NAYS (Names): None

ABSENT (Names): None

Approved this 5th day of September, 2006.



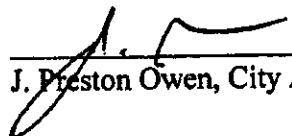
Charles E. White, Mayor
City of Mattoon, Coles County, Illinois

ATTEST:



Susan O'Brien, City Clerk

APPROVED AS TO FORM:



J. Preston Owen, City Attorney

Recorded in the Municipality's Records on 09-06, 2006.

ATTACHMENT F

Request for Proposal Response Letters

Mattoon Hotel Project

This proposal is being submitted in response to the Request for Proposals for the South Route 45 proposed TIF district. Following is a Development Proposal for two parcels located in this proposed district: 10-0-00031-000 and 10-0-00034-000.

A. Proposed Project Description and Details

The Mattoon Hotel project is proposed to be located just West of I-57 off of exit #184 on Paradise Road. Current plans call for an exhilarating redevelopment that will consist of renovating the closed hotel and banquet hall and converting it to a reputable well known franchise and also converting the gas station into possible retail or restaurant space. The proposed project includes:

- Estimated budget of \$3 million for 6 acre site acquisition and renovation of hotel and current gas station out-lot
- Hotel Facilities:
 - 88 rooms & suites totaling approximately 40,000 square feet
 - Banquet hall totaling approximately 4000 square feet
- Current Gas Station conversion to Retail and/or Restaurant space totaling approximately 2,000 square feet.
- Construction is expected to begin in the spring of 2007 and completed within 6 months.

It is rare that we have the opportunity to affect the future of a community in such a significant way. The proposed project will create an environment that will be well lit, beautifully landscaped and geared toward an area where students and people exiting the highway can have a hotel facility, banquet hall, and possible restaurant to serve their needs. This proposed project will not only enhance the exit to help bring in future development but will also provide Lakeland College with amenities to help serve the needs of the students, student families, and faculty members.

B. Proposed Boundaries of the Project

See Attachment I - Site Map

C. Developer background and Experience

See Attachment II - Paul Zala's Resume

D. Municipal Financial Assistance

In order to make the proposed project a success, we respectfully request a partnership with the City of Mattoon. Due to a combination of extraordinary costs associated with site preparation and rehabilitation of the property, and the hotel market in the area, this project will require financial assistance from the City in the form of tax increment finance ("TIF") and possibly business improvement district ("BID") funds. We estimate the current plans for this site will require approximately \$750,000 to \$1,000,000 in municipal assistance to make the project feasible.

E. Future Development

The project currently proposed includes the redevelopment of the hotel and the redevelopment of the gas station into retail and/or restaurant space.

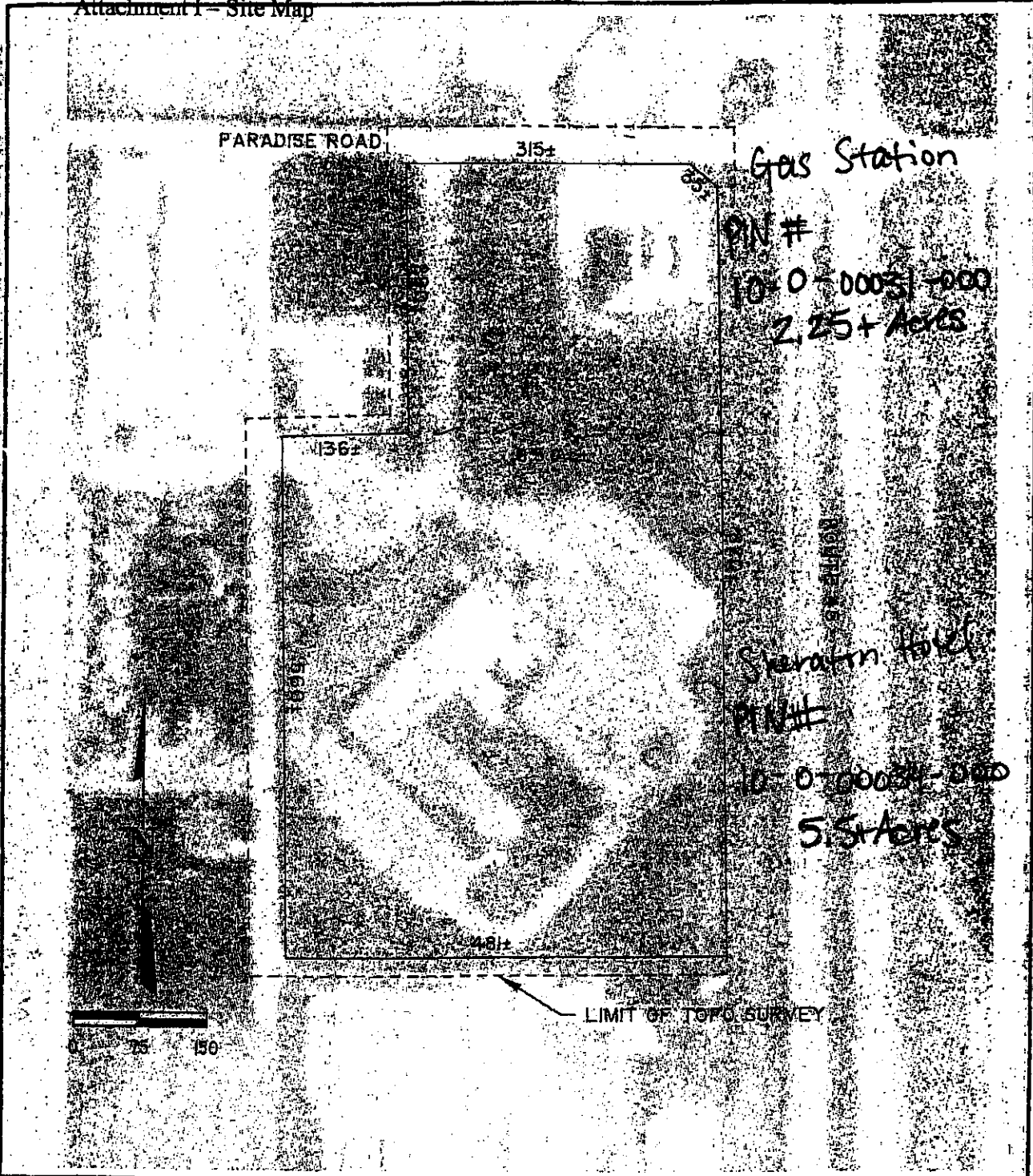
The 1.5-acre property located at 4900 Carter Lane has also been purchased. We anticipate developing this property into commercial space or possible additional student housing in the future. These plans are in the very early planning stages and will likely depend a great deal on the success of the hotel. These future plans may require financial assistance. However, due to the preliminary nature of these plans, the amount of assistance, if any, is not known at this point.

F. Project Contacts

Developer- Mr. Paul Zala
630-832-8082
paul_zala@choicehotels.com

Consultant- Ms. Shannon O'Hare
NexGen Advisors, LLC
312-422-0642 x 12
sohare@ngallc.com

Mattoon Hotel Project
Attachment I - Site Map



MILANO & BRUNLOH ENGINEERS, LLC
 14 WEST WASHINGTON
 P.O. BOX 897
 EFFINGHAM, ILLINOIS 62401
 Phone: (217) 347-7262
 (800) 677-2714
 Fax #: (217) 342-3433
 Web Address: www.mgengineers.com
 Design Firm #: 1B4-003108

EXHIBIT
 MATTOON ILLINOIS

File name: --06\SCRATCH\dwg\HUA REDEV MATTOON.dwg
 Plot date: 05/18/06 at 00:00

Attention: Mr. Alan Gilmore
City Administrator
City of Mattoon
208 North 19th Street
Mattoon, IL 61938
Telephone: (217) 235-5654

1. To construct a 5,600 sq. ft. building on 3.43 acres, located at 4112 Lakeland Blvd. Mattoon, IL. To be used for Starwalt's Tire & Auto Repair. A store that will have tire sales, auto repair, and also farm, commercial tire service. It will employ 5-8 people within two years.
2. Project is located at 4112 Lakeland Blvd. Approximately 1.5 miles south of Mattoon on Rt. 45, East side of the road.
3. Estimated cost of proposal project with land.
\$170,000.00
4. Start early fall and be completed within 8-10 weeks.
5. Todd Fuller, Mattoon resident for 39 yrs. and has been in business since 1991 as Fuller-Wente Inc. This involves, excavating, sewer and water work, concrete, and septic installation. I have worked on city jobs, Papa Johns Pizza, Casey's gas station, Mattoon storage and a number of other projects, Lytle Park fountain, and Vanlaningham water extensions. In 2002, we purchased Shepard and Shepard Mechanical and operated to date. I have remodeled several homes in Mattoon and other towns. We can do most of this work in house on this project.
6. The tire and auto store would not be feasible if not for TIF funding to pay for infrastructure, water, sewer, entrance off of Route 45, and also the 30% of interest on loan and engineers drawings.

Thank You

Sewer costs to tap main in Budget Inn parking lot and run 290 ft. on to our land.
Cost: \$7850.00

Water: City to bore under US Rt. 45 to center of our land will extend to north property line.
Cost: \$5500.00

Concrete entrance, CMP, curbs and engineering.
Cost: \$9850.00

Engineering Plan: \$1200.00
KAM drainage and entrance plan: \$2000.00

7. Todd Fuller
308 NCR 200 East
Mattoon, IL 61938

Cell: 273-5011
Office: 234-8336
Fax: 237-8337

ATTACHMENT G

Pin List, 2005 EAV & Property Owners

ATTACHMENT G
PIN List, 2005 EAV and Property Owner (Tax Payer)
South Route 45 Redevelopment Project Area
City of Mattoon, Illinois

PIN	Taxpayer	2005 EAV	Address
07-1-01389-000	The Bank Trust 607 C/O Doug Paulson	\$87,700	4213 Lakeland Boulevard Mattoon, IL 61938
07-1-01388-000	Paulson, Doug	\$19,660	4213 Lake Land Blvd Mattoon, IL 61938
07-1-01380-000	Dunn, Robert and Elizabeth	\$30,400	4025 U.S. Highway 45 Mattoon, IL 61938
07-1-01425-000	Fuller, Michael and Kimberly	\$880	308N County Road 200E Mattoon, IL 61938
07-1-01420-000	Ram Realty Corp.	\$114,630	4134 U S Highway 45 Mattoon, IL 61938
07-1-01426-000	First Mid Illinois Bank and Trust	\$32,440	P.O. Box 386 Charleston, IL 61920
07-1-01421-000	McDonald's Corp C/O Ralph Foley	\$95,830	5623N County Road 1020E Mattoon, IL 61938
07-1-01416-000	D & D properties C/O Doug Paulson	\$24,230	4213 Lakeland Boulevard Mattoon, IL 61938
10-0-00037-000	Buerster, Philip D.	\$60,090	5350 Timbertrail Rd. Olney, IL 62450
10-0-00020-000	Perry, Kenneth and Alma	\$14,350	1820 Marion Mattoon, IL 61938
10-0-00035-000	Illinois Community Bank	\$5,860	1300 N. Keller Drive Effingham, IL 62401
10-0-00015-000	Taylor, Jason and Myra	\$1,860	3560N County Road 150E Mattoon, IL 61938
10-0-00025-000	Taylor, Jason and Myra/Kuhnstrast, Gary and Sharon	\$2,850	3750 Lake Road Mattoon, IL 61938
10-0-00028-000	Buerster, Philip D.	\$5,700	5350 Timbertrail Rd. Olney, IL 62450
10-0-00031-000	Jain, Krishan K.	\$16,620	5727 N. Humboldt Ave. Peoria, IL 61614
10-0-00034-000	Jain, Krishan K.	\$65,000	5727 N. Humboldt Ave. Peoria, IL 61614
10-0-00036-000	R.P. Lumber Co. Inc	\$191,110	514 E. Vandalia Edwardsville, IL 62025
10-0-00032-000	Phillips, Reginold and Martha	\$7,280	2402 18th Street Charleston, IL 61920
10-0-00902-000	Phillips, Reginold and Martha	\$430	2402 S. 18th Street Charleston, IL 61920
10-0-00901-000	Phillips, Reginold and Martha	\$300	2402 S. 18th Street Charleston, IL 61920