

SECTION V

OTHER FINDINGS AND REQUIREMENTS

A. Conformance with Comprehensive Plan

Development projects proposed to be undertaken in implementing this Redevelopment Plan conform to the Comprehensive Plan for the City of O'Fallon. In addition, all development in the Redevelopment Planning Area will comply with applicable codes and ordinances.

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

The Redevelopment Project Area on the whole has not been subject to growth and investment. While O'Fallon has experienced a significant amount of growth and development as a whole, there has been little private investment in the Project Area. The only building permit issued within the last 10 years in the Area was for the now vacant bowling alley. Except for the two homes and the vacant bowling alley property, the Area is comprised of vacant land.

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.

The property owner/developer proposing to develop the Regency Park Corporate Center offered up his plans to the City several years ago, stating his vision to develop a major office center that will be on par with major office centers west of the Mississippi River. To date, attracting major corporate tenants has been deterred by a variety of factors, including the abandoned subsurface coal mine present at this location. In written communications to the City the developer has stated *"Without the assistance of the TIF District and the reimbursement of the Illinois approved development costs within the District, the developer would be unable to develop the property and attract the quality corporate tenants this part of Southwestern Illinois desperately needs to*

attract. All things being equal, the detraction of locating over mine shafts will keep potential corporate tenants at bay unless the developer has an economic vehicle to address the cost of remediation if the tenant requires remediation. However, not all costs are equal in Southwestern Illinois. The cost of real estate development and operating a business in Southwestern Illinois is higher than its competing markets. The cost includes real estate taxes, corporate taxes, workman's comp and overall construction cost."

It is the intent of this TIF Redevelopment Plan to help overcome the economic disincentives. Without financial incentives to overcome these barriers, investment by private enterprise will not take place to the degree necessary to realize a quality corporate center at this location in O'Fallon.

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. Currently, police and fire services and facilities appear to be adequate for the foreseeable future. Nonetheless, the City commits to a pass-through of 10% of the incremental property tax revenues generated within the Project Area after the incremental EAV for these properties exceeds \$1,000,000. Upon exceeding this threshold, the City will return annually, as surplus, 10% of the tax increment proceeds generated within the Project Area for distribution on a pro-rata basis back to the affected local taxing bodies. It is anticipated that this annual pass-through will be sufficient to cover any additional costs that may be incurred by the various taxing districts as a result of redevelopment projects in the Project Area.

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 \$1,126,645. A listing of the **parcels of real property located in the Project Area, and the 2007 Assessment Year EAV**, is located in the **Appendix as Attachment C**. The County Clerk of St. Clair 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 redevelopment investment in this Redevelopment Project Area will amount to over \$105 million. Based on this level of investment, the equalized assessed valuation is estimated to increase by \$30 to \$35 million (2008 dollars) upon completion of the redevelopment projects.

H. Source of Funds

The primary source 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 O'Fallon. 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 O'Fallon, 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.

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 O'Fallon will insure 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 TIF Act. Also, the City shall adhere to all reporting requirements and other statutory provisions.

APPENDIX

ATTACHMENT A
Resolution 2008-25

RESOLUTION 2008 - 25

RESOLUTION OF THE CITY OF O'FALLON'S INTENT TO CREATE A TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA AND TO INDUCE DEVELOPMENT INTEREST WITHIN SUCH AREA

WHEREAS, the City of O'Fallon (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, in order to implement tax increment financing, it is necessary for the City to adopt a redevelopment plan, redevelopment project, designate a redevelopment project area on the basis of finding that the area qualifies pursuant to statutory requirements, and make a finding that the redevelopment project area 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, to qualify the additional area as a blighted area or a conservation area or a combination thereof, as defined in the Act; and

WHEREAS, the area being considered for establishment of a increment financing redevelopment project area (the "Project Area") is described in the attached Exhibit A, and consists of approximately 62 acres generally located between I-64 on the west, N. Green Mount Road on the east, Cambridge Boulevard on the north, and an east/west line just north of the a westward extension of the right-of-way of Aladar Drive on the south and may included more or less property depending on the outcome of the feasibility study; and

WHEREAS, the City will be expending certain funds to document the eligibility of the proposed Project Area and to create the required amendment to the tax increment financing redevelopment plan; and

WHEREAS, it is the intent of the City to recover these expenditures from the proceeds of the Tax Increment Financing program; and

WHEREAS, the City wishes to encourage developers to pursue plans for the proposed Project Area and to make such expenditures as are reasonably necessary in that regard with confidence that said expenditures may be allowable redevelopment project costs under the plan, if adopted; and

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

WHEREAS, tax increment allocation financing utilizes the increase in real estate taxes (the Tax Increment) of properties within the Project Area to pay for certain redevelopment project costs as provided in the Act; and

WHEREAS, the proposed redevelopment plan and project is not reasonably expected to result in the displacement of residents from ten (10) or more inhabited residential units within the Project Area, and therefore, a housing impact study is not required as provided for in Section 11-74.4-3 (n) (5) of the Act; and

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of O'Fallon, Illinois as follows:

- 1) The City Council has examined the proposed area and circumstances and at this time believes that it is reasonable to believe that a Tax Increment financing Redevelopment Plan can be adopted for the Project Area and expenditures of development costs in furtherance of the plan and potential development should be allowable project costs under the plan. However, this Resolution shall not be construed as, and is not a guarantee that, any such plan will be adopted, but is rather an expression of the sense of the City at this time.
- 2) The person to contact for additional information about the proposed Project Area and who should receive all comments and suggestions regarding the redevelopment of the Project Area is:

Dean Rich
Director of Finance
255 South Lincoln
O'Fallon, Illinois 62269
618/624-4500, ext. 1110

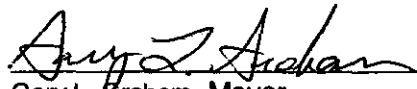
PASSED AND APPROVED, by the City Council of the City of O'Fallon, St. Clair County, Illinois the 7th day of April 2008.

APPROVED:

ATTEST:


Philip A. Goodwin, City Clerk

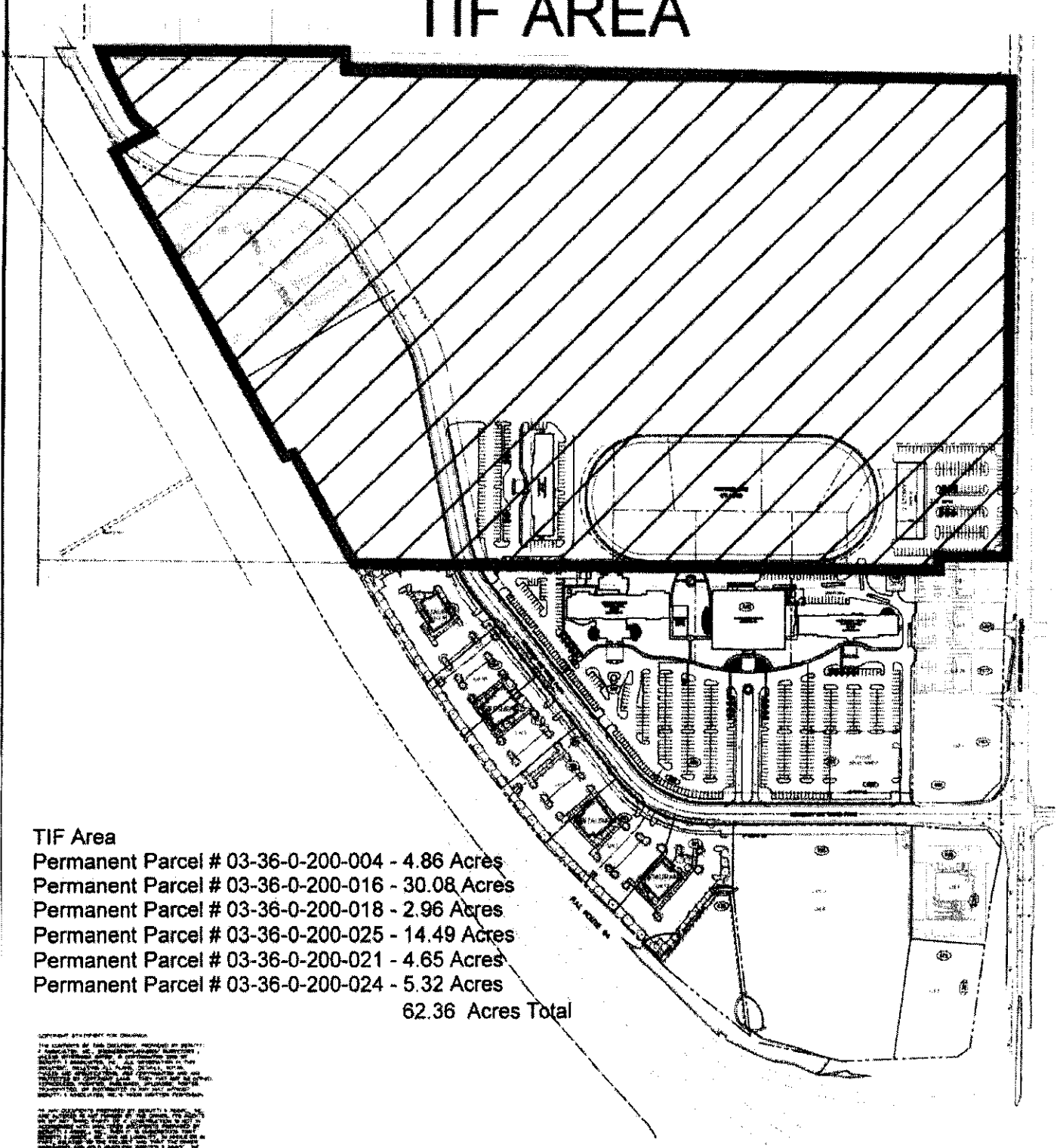



Gary L. Graham, Mayor

Attachment:: Exhibit A – Potential TIF Redevelopment Project Area



TIF AREA



- TIF Area**
- Permanent Parcel # 03-36-0-200-004 - 4.86 Acres
 - Permanent Parcel # 03-36-0-200-016 - 30.08 Acres
 - Permanent Parcel # 03-36-0-200-018 - 2.96 Acres
 - Permanent Parcel # 03-36-0-200-025 - 14.49 Acres
 - Permanent Parcel # 03-36-0-200-021 - 4.65 Acres
 - Permanent Parcel # 03-36-0-200-024 - 5.32 Acres
- 62.36 Acres Total**

CONTRACT PREPARED FOR: [illegible]
 THE CITY OF [illegible] HAS REVIEWED AND APPROVED THIS PLAN FOR THE PURPOSES OF THE TIF ACT. THE CITY OF [illegible] DOES NOT GUARANTEE THE ACCURACY OF THE INFORMATION CONTAINED HEREIN. THE CITY OF [illegible] IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN THIS PLAN. THE CITY OF [illegible] IS NOT RESPONSIBLE FOR ANY DAMAGES, INCLUDING CONSEQUENTIAL DAMAGES, ARISING OUT OF OR FROM THE USE OF THIS PLAN. THE CITY OF [illegible] IS NOT RESPONSIBLE FOR ANY DAMAGES, INCLUDING CONSEQUENTIAL DAMAGES, ARISING OUT OF OR FROM THE USE OF THIS PLAN.

DATE: [illegible]
 DRAWN BY: [illegible]
 CHECKED BY: [illegible]
 APPROVED BY: [illegible]

ATTACHMENT B
Boundary Description
Regency Redevelopment Project Area

JULY 28, 2008
JOB NO. 0853

PROJECT AREA BOUNDARY
DESCRIPTION:

A TRACT OF LAND BEING A PART OF THE SOUTHEAST QUARTER OF SECTION 25 AND THE NORTHEAST QUARTER OF SECTION 36 OF TOWNSHIP 2 NORTH, RANGE 8 WEST AND ALSO PART OF THE SOUTHWEST QUARTER OF SECTION 30 AND NORTHWEST QUARTER OF SECTION 31 OF TOWNSHIP 2 NORTH, RANGE 7 WEST OF THE THIRD PRINCIPAL MERIDIAN, ST. CLAIR COUNTY, ILLINOIS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 36; THENCE NORTH 89 DEGREES 30 MINUTES 43 SECONDS WEST ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 36 FOR A DISTANCE OF 141.06 FEET TO THE NORTHEASTERLY LINE OF REGENCY (60.00 FEET WIDE) PARK DRIVE, ALSO BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT; THENCE NORTH 89 DEGREES 30 MINUTES 43 SECONDS WEST ALONG SAID SOUTH LINE FOR A DISTANCE OF 341.87 FEET TO THE EAST RIGHT OF WAY LINE OF F.A.I. ROUTE 64; THENCE ALONG SAID EAST RIGHT OF WAY LINE THE FOLLOWING COURSES AND DISTANCES, NORTH 30 DEGREES 19 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 336.78 FEET; THENCE SOUTH 59 DEGREES 44 MINUTES 15 SECONDS WEST FOR A DISTANCE OF 15.00 FEET; THENCE NORTH 30 DEGREES 19 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 900.00 FEET; THENCE NORTH 59 DEGREES 44 MINUTES 15 SECONDS EAST FOR A DISTANCE OF 10.00 FEET; THENCE NORTH 30 DEGREES 19 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 282.20 FEET; THENCE NORTH 89 DEGREES 27 MINUTES 27 SECONDS WEST FOR A DISTANCE OF 11.25 FEET; THENCE NORTH 30 DEGREES 15 MINUTES 45 SECONDS WEST FOR A DISTANCE OF 58.21 FEET; THENCE LEAVING SAID EAST RIGHT OF WAY LINE, SOUTH 89 DEGREES 26 MINUTES 19 SECONDS EAST, PARALLEL WITH AND 25.00 FEET NORTH OF THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 36 AND WITH THE EXTENSION OF SAID NORTH LINE, FOR A DISTANCE OF 2694.27 FEET TO THE EAST LINE OF NORTH GREEN MOUNT ROAD, SHOWN ON PLAT BOOK 125 PAGES 32 AND 33 IN THE ST. CLAIR COUNTY LAND RECORDS; THENCE ALONG SAID EAST LINE THE FOLLOWING COURSES AND DISTANCES, SOUTH 00 DEGREES 30 MINUTES 25 SECONDS WEST FOR A DISTANCE OF 50.00 FEET; THENCE NORTH 89 DEGREES 29 MINUTES 35 SECONDS WEST FOR A DISTANCE OF 12.59 FEET; THENCE SOUTH 00 DEGREES 30 MINUTES 25 SECONDS WEST FOR A DISTANCE OF 50.00 FEET; THENCE SOUTH 89 DEGREES 29 MINUTES 35 SECONDS EAST FOR A DISTANCE OF 12.59 FEET; THENCE SOUTH 00 DEGREES 30 MINUTES 25 SECONDS WEST FOR A DISTANCE OF 385.70 FEET; THENCE NORTH 89 DEGREES 29 MINUTES 35 SECONDS WEST FOR A DISTANCE OF 11.49 FEET; THENCE SOUTH 00 DEGREES 02 MINUTES 05 SECONDS EAST FOR A DISTANCE OF 827.90 FEET; THENCE LEAVING SAID EAST LINE, NORTH 89 DEGREES 30 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 269.85 FEET; THENCE SOUTH 00 DEGREES 18 MINUTES 36 SECONDS WEST FOR A DISTANCE OF 45.60 FEET; THENCE NORTH 89 DEGREES 30 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 789.80 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 194.12 FEET, AN ARC LENGTH OF 100.25 FEET AND A CHORD BEARING OF NORTH 74 DEGREES 43 MINUTES 02 SECONDS WEST FOR A DISTANCE OF 99.14 FEET; THENCE NORTH 89 DEGREES 30 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 376.19 FEET TO THE NORTHEASTERLY LINE OF SAID REGENCY PARK DRIVE; THENCE ALONG A CURVE TO THE LEFT HAVING RADIUS OF 270.00 FEET, AN ARC LENGTH OF 16.19 FEET AND A CHORD BEARING OF SOUTH 24 DEGREES 31 MINUTES 09 SECONDS EAST FOR A DISTANCE OF 16.19 FEET TO THE POINT OF BEGINNING, ENCOMPASSING AND AREA OF 70.62 ACRES.

ATTACHMENT C

PIN LIST, PROPERTY OWNERS & 2007 EAV


PROPERTY IDENTIFICATION NUMBER (PIN) LIST & 2007 EAV
Regency Park Redevelopment Project Area

City of O'Fallon, Illinois

Parcel I. D. No.	Property Owner	2007 EAV
03-36.0-200-004	RP South, LLC	59,253
03-36.0-200-014	Rasp, Lee & Lucille, Trust	685
03-36.0-200-016	RP South, LLC	4,370
03-36.0-200-018	RP South, LLC	60,129
03-36.0-200-021	Parkway Land Development, LLC	999,413
03-36.0-200-022	Rasp, Lee & Lucille, Trust	452
03-36.0-200-024	Parkway Land Development, LLC	184
03-36.0-200-025	RP South, LLC	1,255
03-25.0-407-033	Plaza Properties LLC	452
03-25.0-407-034	RP South, LLC	452
Total		\$ 1,126,645



Legend

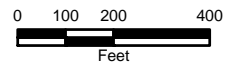
 Redevelopment Project Area Boundary

03360204012 Parcel Identification Number (2007 taxes / payable 2008)

JULY 2008

Parcel Identification Map

Regency Park Redevelopment Project Area
City of O'Fallon, Illinois



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