

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area:	O'Fallon TIF #1
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	Other commercial/retail
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A		X
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G		X
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)] If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

TIF NAME

Illinois 158 Corridor TIF District aka "O'Fallon TIF #1"

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

Reporting Year	Cumulative
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Fund Balance at Beginning of Reporting Period \$ 1,399,748

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 343,028	\$ 2,785,470	99%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 135	\$ 16,851	1%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 343,163

Cumulative Total Revenues/Cash Receipts \$ 2,802,321 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 26,338

Distribution of Surplus []

Total Expenditures/Disbursements \$ 26,338

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 316,825

FUND BALANCE, END OF REPORTING PERIOD \$ 1,716,573

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
 (by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Legal and accounting fees	2,757	
Consulting, planning and engineering fees - Development	23,581	
		\$ 26,338
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 26,338

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))**

FUND BALANCE, END OF REPORTING PERIOD

\$ 1,716,573

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		

Total Amount Designated for Obligations

\$ - \$ -

2. Description of Project Costs to be Paid

Flood Reduction Project - Rasp Farm		\$ 2,059,573
Engineering and infrastructure improvements to reduce flooding.		

Total Amount Designated for Project Costs

\$ 2,059,573

TOTAL AMOUNT DESIGNATED

\$ 2,059,573

SURPLUS*/(DEFICIT)

\$ (343,000)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)
 Please include a brief description of each project.

 No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
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TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 5,353,239	\$ -	\$ 5,353,269
Public Investment Undertaken	\$ 1,618,607	\$ -	\$ 1,618,607
Ratio of Private/Public Investment	3 4/13		3 4/13

Project 1: Williamsburg Center Development			
Private Investment Undertaken (See Instructions)	\$ 2,265,000	\$ -	\$ 2,265,000
Public Investment Undertaken	\$ 847,114	\$ -	\$ 847,114
Ratio of Private/Public Investment	2 31/46		2 31/46

Project 2: Lakepoint Centre Development			
Private Investment Undertaken (See Instructions)	\$ 3,088,239	\$ -	\$ 3,088,269
Public Investment Undertaken	\$ 771,493	\$ -	\$ 771,493
Ratio of Private/Public Investment	4		4

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

*Amendment to O'Fallon
Redevelopment Plan &
Project ("Rasp Farm")*

O'Fallon Tax Increment Financing
Redevelopment Area #1

Prepared for:
City of O'Fallon, Illinois
June 7, 2010

Filed: May 27, 2010

Prepared by:
dmi solutions
DEVELOPMENT & MUNICIPAL initiatives
Cahokia, Illinois 62206

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Section I. Introduction

On June 19, 1995, pursuant to Ordinance Numbers 1765, 1766, and 1767 (the "Original Establishing Ordinances"), the City of O'Fallon ("City") created the O'Fallon Redevelopment Project Area (the "Original Area") and Redevelopment Plan (the "Original Plan"). Currently, the City has initiated a feasibility study and the preparation of both an Eligibility Study and Plan as regards the Original Area with intent to amend said Area as is permitted and allowable within the Tax Increment Allocation Redevelopment Act (the "Act"; 65 ILCS 5/11-74.4-1 et. seq.). Such action was deemed desirable as part of the City's continuous effort to maximize the potential of the City while working to remedy existing conditions detrimental to development.

DMi Solutions ("DMi") presents to the City Council, this Amended Plan (the "Plan" or the "Plan as Amended"), within which is contained the Eligibility Study, for the area to be added by amendment (the "Area" or the "Additional Property"). The Eligibility Study outlined the qualifying findings, and DMi has continued in the process by completing this document, the Plan as Amended for the Area.

The City of O'Fallon intends to use tax increment financing ("TIF"), as well as other available financing programs and development tools, to ameliorate the conditions within the Additional Property and to stimulate private investment. The Area as a whole has not been subject to economic growth, and will not likely continue to develop without this amendment to the existing tax increment financing program.

The Plan as Amended outlines the anticipated project and includes the following activities.

- Area improvements, including land acquisition and assembly, grading and clearing of land, and necessary flood mitigation procedures including but not limited to storm and sanitary sewer system upgrading;
- Street construction, widening and repair, and the extension, updating, and/or repair of any inadequate utilities;
- Demolition costs for removal of deteriorated/dilapidated structures within the Area, or the rehabilitation, repair, or remodeling costs of existing public and/or private buildings.

Tax Increment Financing, and the ability to amend existing Districts, is permitted by the Illinois Tax Increment Allocation Redevelopment Act. The Act sets forth the requirements and procedures for establishing and/or amending Plans and Areas.

Purpose

The purpose of this plan is to provide a document which can be used to catalogue the eligibility for TIF of the respective portions of the City selected to be included in the Area, provide a plan of actions and activities to eradicate and/or ameliorate the conditions found in these portions of the City and to assist in the development of the Area. This Plan also identifies those activities, sources of funds, procedures and various other requirements necessary to implement Tax Increment Financing.

This Plan does not constitute a suggestion of every allocation of TIF Revenue, nor does it represent or constitute an inference as to the content of any "Redevelopment Agreement" that may be negotiated between the City and any developer.

The Area is identified on various exhibits and descriptions in the following sections. The Redevelopment Project and associated activities are also more clearly defined in the sections below.

Section II. Eligibility Findings for the Area

A. Introduction

In order to create a TIF plan, properties slated for inclusion in the TIF Area must be found to be eligible. The following subsections (B through E) report on the eligibility of these parcels.

B. Statutory Requirements

According to the Act, in order for a municipality to qualify properties for inclusion by amendment into an existing tax increment financing ("TIF") Area, a finding must be made that conditions exist which allow the Additional Property to be classified as a blighted area, a conservation area, a combination of both blighted and conservation areas, or an industrial park conservation area. These are the same conditions requisite of the Redevelopment Project Area as originally designated. DMi conducted an evaluation of the physical conditions in the Additional Property, and the findings of this evaluation are outlined below.

The Area referred to within the eligibility study is inclusive of only the sections being added to the original Redevelopment Project Area (the 'Additional Property') unless otherwise specified and is shown in **Exhibit A – Boundary Map**.

The definitions for qualifying an Area, as defined in the Act, are as follows:

"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;

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

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 or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. "Inadequate sanitary facilities" 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: 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 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. **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.
12. **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.

- 13. The total Equalized Assessed Value of the Proposed Redevelopment Project Area has declined for 3 of the last 5 calendar years - prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated."**

"...if vacant, the sound growth of the redevelopment project area is impaired by a combination of 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-way 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 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 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 3 of the last 5 calendar years - prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.**

C. Methodology

Various techniques and methods of research, in addition to field surveys, were utilized in determining the eligibility of the properties in question, including:

- On-site field examination of the Additional Property by experienced property inspectors on the staff of DMi. These personnel are trained in techniques and procedures of determining conditions of properties, buildings, streets, utilities, etc. and using this research to determine TIF eligibility.

- Contacts with City officials and other individuals knowledgeable about conditions and history in and of the Area, the age and condition of buildings and site improvements, development patterns, real estate matters, and related items. Ongoing development and redevelopment within the existing Area was also evaluated.

- Review of existing information related to flooding issues in the City, including applicable FEMA documentation.

- Discussions with parties interested in developing property in both the Original Area and the Additional Property.
- Examination of maps, aerial photographs, and historic data related to both the Original Area and the Additional Property.
- Adherence to basic findings of need as established by the Illinois General Assembly in establishing, or amending, tax increment financing, which became effective on January 10, 1977 and has been subsequently amended.

D. Eligibility Findings for the Area

In making the determination of eligibility for inclusion in an Area, it is not required that *each and every* property and/or building *individually* qualify, but it is the *Additional Property as a whole*, that must be determined to be eligible. An analysis of the physical conditions and presence of qualifying factors within the Area was performed. In addition to this analysis, an inventory of existing land use within the Additional Property was determined and outlined on the attached **Exhibit B – Existing Land Use**.

The findings, outlined below, demonstrate the Additional Property qualifies as a “blighted area” as defined in the Act.

Qualifications of the Developed Portion of the Additional Property

The Additional Property encompasses 17 parcels of developed property, rights-of-way, and undeveloped property in the City of O'Fallon totaling approximately 101 acres. There are four parcels which are currently shown to include residential uses, but the Additional Property only includes the southern 25 feet of those, which portion will be subdivided away from the main parcels.

The Area has as its far western edge the intersection of South Lincoln Avenue and the right of way of Interstate 64. It then follows I-64 easterly, being bounded on the north by the Southview Gardens and Timber Creek subdivisions, until I-64 crosses under North Main Street. At that point the Area follows North Main to parcel 04-33.0-100-065, which forms the bulk of the eastern boundary. The Area follows that same parcel north, crosses Highway 50 to take in the commercial properties on the north side of the highway (which form the northernmost boundary), then proceeds southerly to the edge of the Timber Creek

Subdivision which it follows back to South Lincoln. As mentioned earlier, the map showing the Additional Property is attached as **Exhibit A**.

The qualifying factors for developed land found in the Act were researched to determine eligibility for the developed properties. The following is the review of qualifying factors in the developed portion of the Additional Property. While the Area was reviewed for *all* of the qualifying factors listed above in **Section B**, the following summarizes only the factors *that exist* within the developed portions of the Area.

- **Age of Structures**

As is stated in the Act, 50% or more of the structures must have an age of 35 years or greater for a developed area to qualify as a "conservation area." City and County records, discussions with local realtors, photographs, and aerials were all used to document the presence of this factor. Additionally, field investigations were performed by DMI.

There are five (5) developed parcels in the Additional Property on which sit seven (7) structures, only three (3) of which are 35 years of age or greater (43%). Thus, the developed portion of the Area may not be reviewed for its compliance with the "conservation" criteria and must be reviewed for its meeting the more stringent "blighted area" criteria.

- **Obsolescence**

There are three buildings which meet this criterion (43%) within the developed portion of the Additional Property. These three structures are "ill suited to their original use" and two of the three are well on the way to being dilapidated.

However, while this is a concern within the Area, it is not predominant enough to allow it to qualify as regards this factor.

- **Deterioration**

Deteriorated conditions were evident in five of the seven structures in the Area (71%), and surface deterioration was found in all five of the developed parcels

(100%). The field survey of overall building conditions in the Area found several instances of defects in secondary structural components, including roofing (both damaged and rusting), siding (damaged and/or missing), damaged and broken windows, and cracked and crumbling foundations. There were also three structures exhibiting examples of poor fascia materials, and/or guttering.

In terms of surface improvements, the developed parcels all exhibit damaged parking areas. One of the lots is paved, but shows potholes, alligator cracking, and potholes. The other four parcels have unpaved parking areas with numerous potholes and ruts.

Overall, deteriorated conditions were present in all five developed parcels (100%), thereby exhibiting this factor to a qualifying degree.

- **Excessive Vacancies**

There is only one example of the excessive vacancy factor as used within the Act (14%), and that occurs due to the office space within the building on the far western edge of the Area's combination of vacancy and underutilization. While the entire building is not vacant, there is less than optimal occupancy, and the Act states that "underutilization" of a structure is indicative of this factor.

However, while always a concern, this is not predominant enough to qualify the Area as regards this factor.

- **Presence of Structures Below Minimum Code**

There are no structures officially meeting this criterion, although five of the structures and four of the properties appear to likely be in violation of local Ordinances. However, the Act states that this factor shall be met by "....*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** (boldface added for emphasis).*"

So, while some of the property could be found lacking, that alone is insufficient to qualify the developed portion of the Area for this factor.

- **Excessive Land Coverage and Overcrowding of Structures and Community Facilities**

Four of the parcels within the developed portion of the Area present the requisite conditions for qualification. There is significant crowding of structures on three of these, and land coverage issues on three as well (although not the same three). There are numerous sheds, outbuildings, and mobile homes stored on these properties, leading to the land coverage concern.

This issue is exhibited on 80% of the developed parcels which qualifies the Area as regards this factor.

- **Deleterious Land Use or Layout**

This factor is demonstrated by the same four parcels mentioned regarding the prior factor. The existence of, in this case, a single-family home, a four-unit multifamily structure, and a mobile home sales lot on four adjacent parcels which all are next to a well-established subdivision and a high quality commercial development are indicative of this improper mixed use.

This issue is also exhibited on 80% (four out of five) of the developed parcels which qualifies the Area as regards this factor.

- **Lack of Community Planning**

The majority of the developed portion of the Area developed either without the benefit of, or in a manner not compliant with, a community plan (adopted originally in 1969), and it is shown evidentially in large portions of the Area. The non-compliance with the comprehensive plan is shown by the improper access to a right of way of many of the interior parcels through the developed portion. Additionally, the incompatible land uses, structure locations, possible code violations, and excessive land coverage are also indicative of the lack of conformance with a comprehensive plan.

Overall, these issues affect all of the developed parcels, thereby qualifying the Area for this factor.

- **The total Equalized Assessed Value of the Proposed Redevelopment Project Area has declined for 3 of the last 5 calendar years prior to the year in which the Redevelopment Project Area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available...**

The equalized assessed valuation (EAV) information was reviewed by the staff of DMi to determine whether or not the developed portion of the Area qualifies for this factor.

The following list depicts annual growth rates for the developed portion of the Area, as compared to the balance of the City, dating back to assessment year 2004:

Equalized Assessed Value Change

From 2008 to 2009:	Developed Area:	3.95%	City:	N/A
From 2007 to 2008:	Developed Area:	-26.32%	City:	8.15%
From 2006 to 2007:	Developed Area:	5.65%	City:	12.82%
From 2005 to 2006:	Developed Area:	5.45%	City:	14.18%
From 2004 to 2005:	Developed Area:	7.51%	City:	11.86%

Demonstrating the lack of economic growth in the Area, this analysis shows that the developed parcels of the Area have a combined EAV that has increased at a rate less than that of the balance of the City for four of the last five years, exceeding the minimum requirement that the City's EAV increase at a greater rate than the developed portion of the Area in three of the last five years. While the 2009 final assessment numbers for the City are not out yet, they are unnecessary in any event. That fact notwithstanding, the Area does qualify for this blighting factor.

Qualifications of the Vacant Portion of the Area

In addition to the developed parcels, the qualifying factors for undeveloped land found in the Act were researched to determine eligibility for these properties. The following is the review of qualifying factors in the undeveloped portion of the Additional Property.

The first step towards establishing eligibility in an undeveloped portion of a municipality is to determine whether or not such undeveloped property is considered "vacant". "Vacant land" is defined in the Act (also Sec. 11-74.4-2) as follows:

"...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; provided that if the parcel was part of a larger tract that has been divided into 3 or more smaller tracts that were accepted for recording during the period from 1950-1990, then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designed redevelopment project area or amended redevelopment project area are hereby validated and hereby declared to be legally sufficient for all purposes of this Act. For the purposes of this Section and only for land subject to the subdivision requirements of the Plat Act, land is subdivided when the original plat of the proposed Redevelopment Project Area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Plat Act and a preliminary plat, if any, for any subsequent phases of the proposed Redevelopment Project Area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality."

Once undeveloped property is found to be "vacant," such vacant area may be found to be a blighted area based on the factors described previously. The undeveloped portion of the Area, consisting of 12 parcels, is vacant due to the fact that the parcels within the Area have been subdivided. Researching various records at the Recorder of Deeds Office at St. Clair County, Illinois, showing the subdivision and parcelization of land, we have concluded that the undeveloped land has been subdivided and is found to be vacant.

Qualifications of the Vacant Portion of the Additional Property

The qualifying factors for undeveloped land found in the Act were researched to determine eligibility of the vacant portion of the Additional Property. Such property may qualify as

"blighted" if the sound growth of the taxing districts on such land is impaired by a combination of two (2) or more of the following factors.

- **Obsolete platting of vacant land**

There are several irregularly shaped parcels within the undeveloped portion of the Additional Property which might be difficult to develop, with three of them being unusually small, and an additional one being exceptionally narrow. Therefore this condition exists to a qualifying degree on four of the twelve undeveloped parcels (33%).

- **Diversity of ownership**

While there are nine different owners of the twelve properties, the necessary assembly would likely be unaffected; therefore this factor does not exist to a qualifying degree within the undeveloped portion of the Area.

- **Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.**

The deterioration of structures was evident during field investigations of the neighboring areas adjacent to the undeveloped properties in the proposed Area. In addition to the deteriorated conditions found within the developed portion of the Area itself (as cited above), other developed areas adjacent to the undeveloped portion of the Area are notably deteriorated. Deteriorated structures exist in the northern portion of the Area adjacent to the two undeveloped parcels in that portion. Additionally, all three of the undeveloped parcels adjacent to the Lincoln Avenue developed parcel containing its deteriorated structure and site improvements, would qualify, bringing the total qualifying parcels for this factor to five.

- **The total Equalized Assessed Value of the Proposed Redevelopment Project Area has declined for 3 of the last 5 calendar years prior to the year in which the Redevelopment Project Area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years....**

The equalized assessed valuation (EAV) information for the undeveloped properties

was reviewed by the staff of DMi to determine whether or not the Area qualifies for this factor.

The following list depicts annual growth rates for the undeveloped parcels as compared to the balance of the City dating back to assessment year 2004:

Equalized Assessed Value Change

From 2008 to 2009:	Undeveloped Area:	4.38%	City:	N/A
From 2007 to 2008:	Undeveloped Area:	8.03%	City:	8.13%
From 2006 to 2007:	Undeveloped Area:	6.44%	City:	12.81%
From 2005 to 2006:	Undeveloped Area:	1.93%	City:	14.18%
From 2004 to 2005:	Undeveloped Area:	12.08%	City:	11.86%

There is clear evidence showing the lack of economic growth in the undeveloped portion of the Area. Demonstrating that shortfall, this analysis shows that the undeveloped parcels of the Area have a combined EAV that has increased at a rate less than that of the balance of the City for three of the last five years, meeting the requirement that the City's EAV increase at a greater rate than the undeveloped portion of the Area in three of the last five years. The same note as earlier applies to the City's cumulative numbers.

Determination of "Stand Alone" Factors

Such vacant area may also be found "...to be "blighted" if the sound growth of such area is impaired by one or more of the following factors that is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of such area to which it pertains." Such factors include:

- **The area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.**

Two of the twelve undeveloped parcels, which together represent over 50% of the vacant land, contribute to downstream flooding and suffer from chronic flooding. This has been certified by an Illinois registered professional engineer and is shown in **Appendix A – Flood Study**.

Conclusion

The developed portion of the Area is impacted by eight blighting factors. Five of those factors are reasonably distributed and present to a meaningful extent. As such, the developed portion of the Area is found to be a "blighted area".

The undeveloped portion of the Area is impacted by three of six blighting factors. At least two of those factors are present on 75% of the parcels within the undeveloped portion, are reasonably distributed, and present to a meaningful extent. Additionally, the majority of this portion of the Additional Property is impacted by one "stand alone" factor. As such, the undeveloped portion of the Area is also found to be a "blighted area".

The blighting factors are presented in tabular form within **Exhibit C - Blighting Factors Matrices**, following this page and **Exhibits A and B**.

Therefore, after a thorough review of the factors present, the conclusion of the Eligibility Study was that the Area qualified for tax increment financing and could, therefore, be added by Amendment to the existing Redevelopment Project Area.

Exhibit A
Boundary Map
for Additional Property
Amendment to O'Fallon
Redevelopment Area #1
O'Fallon, Illinois

Legend

-  TIF Boundary
-  Existing TIF Area
-  TIF Parcels

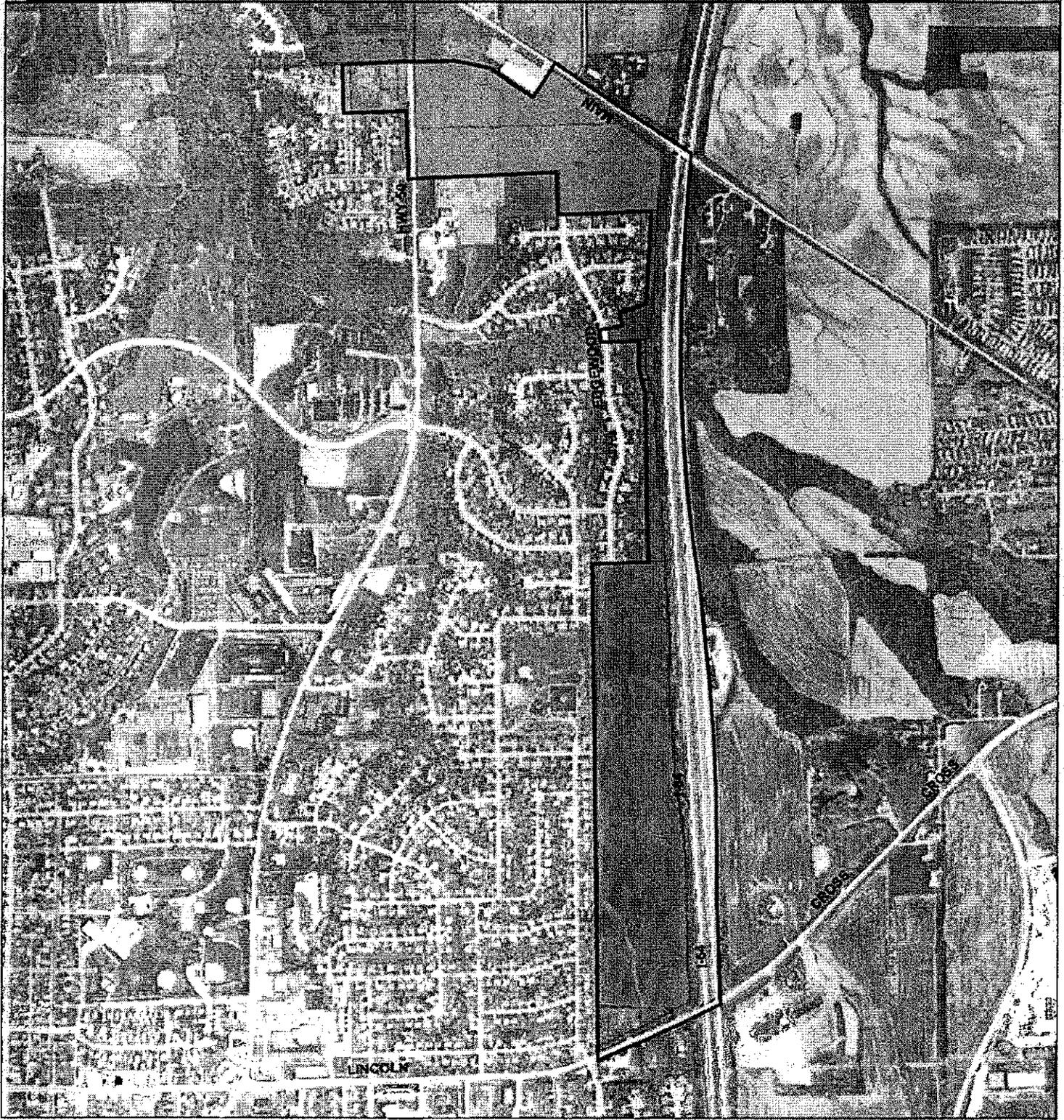
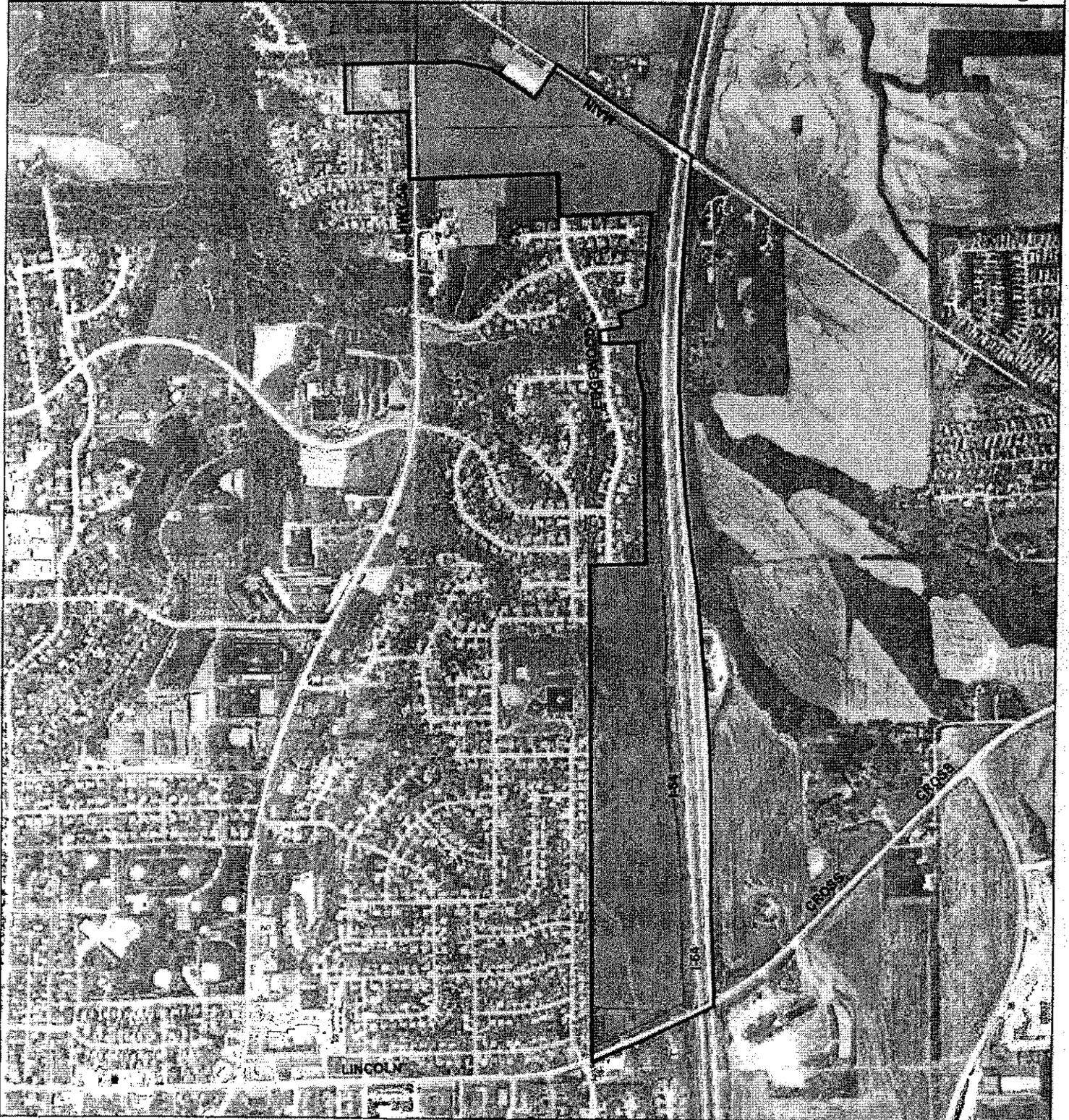


Exhibit B
Existing Land Use
for Additional Property
Amendment to O'Fallon
Redevelopment Area #1
O'Fallon, Illinois

Legend

-  TIF Boundary
-  Existing TIF Area
- Existing Land Use**
-  Commercial
-  Mixed Use
-  Undeveloped/Vacant



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Exhibit C - Blighting Factors Matrices

Additional Property - Redevelopment Project Area No. 1

Developed Land	Number of Developed Parcels	5	
	Number of Structures	7	
	Buildings Over 35 Years of Age	3	43%
	Dilapidation	0	0%
	Obsolescence	3	43%
	<u>Building Deterioration</u>	5	71%
	<u>Surface Deterioration</u>	5	100%
	Total Deterioration	5	100%
	Structures below minimum code	5	71%
	Illegal Use of Structures	0	0%
	Excessive Vacancies	1	14%
	Lack of Ventilation, Light, or Sanitary Facilities	0	0%
	Inadequate Utilities	0	0%
	Excessive Land Coverage	4	80%
	Deleterious Land Use or Layout	4	80%
	Lack of Community Planning	5	100%
	Environmental Clean-Up	0	0%
	Low EAV Growth in 3 of Last 5 Years	YES	
	Total # of Factors Existing	8	
	Factors Existing to a Qualifying Extent	5	
50% or More of Area has 5 or More Factors	YES		

Undeveloped Land	Number of Vacant Parcels	12
	Obsolete Platting	YES
	Diversity of Ownership	NO
	Tax Delinquent	NO
	Deterioration in Adjacent Areas	YES
	EPA Remediation Costs	NO
	Low EAV 3 of last 5	YES
	2 of the 6 Preceding Factors	YES
	Unused Quarry, Mines, or Strip Mine Ponds	NO
	Unused R/R R.O.W.Track, or Yard	NO
	Chronic Flooding	YES
	Illegal Disposal Site	NO
	Town or Village Center	NO
	Qualified as Improved	NO
	Any of the 6 Preceding Factors	YES

Section III. Findings of Need for Tax Increment Financing

The above study determined that the Additional Property as a whole qualifies for tax increment financing as a "blighted area". In addition to this determination, the Act requires that additional requirements be met before adopting any Redevelopment Plan, including those being amended. These additional findings follow.

A. The Redevelopment Area Exceeds the Statutory Minimum Size

The Additional Property contains approximately 101 acres of developed property, undeveloped property, and existing rights-of-way. The City, therefore, meets this requirement, as the Area as Amended continues to contain more than the required 1 ½-acre minimum as defined in the Act.

B. The Redevelopment Project Area is Contiguous

The Area as Amended remains contiguous and contained within a single perimeter boundary. Therefore, the City meets this requirement. The Additional Property is fully described in the attached **Legal Description – Appendix B**. Additionally, the legal description for the Original Area has been attached as **Appendix C**.

C. All Properties Included will Substantially Benefit

The City believes that the implementation of tax increment financing will substantially benefit all properties included in Additional Property.

D. The Area, on the Whole, is not Subject to Growth

The Additional Property has generated very little growth in real property taxes and there has been insignificant private investment in the Area, as a whole, to enhance the tax base of the City or of the other affected taxing districts. These parcels cannot reasonably be anticipated to further redevelop without the adoption of tax increment financing. Therefore this requirement is met.

E. The TIF Plan and Project Conform with the City's Comprehensive Plan

The City has determined that this Redevelopment Plan is consistent with the goals and objectives of the Comprehensive Plan for the community as a whole.

The proposed Future Land Use Plan shown in **Exhibit D - Future Land Use Map** conforms to the Comprehensive Plan, and all future development in the Redevelopment Project Area as Amended will conform to applicable codes and ordinances as may be in effect at that time.

F. The Redevelopment Plan Meets the Statutory Timeframe

The estimated date for the completion of the Redevelopment Plan shall continue to be no later than twenty-three (23) years from the adoption of the Original Ordinances approving the Redevelopment Project Area by the City. If available and deemed appropriate by the City, obligations incurred to finance improvements in the Area will be repaid by incremental revenues, which may be supplemented with funds from other sources such as local taxes, State or Federal loans or grants.

G. The Area Would not be Developed But For Tax Increment Financing

The City finds that the Additional Property has not currently, nor would reasonably be, developed or further redeveloped without the use of tax increment revenues. The City pledges that such incremental revenues will be obligated for the development and revitalization of the Area as Amended as provided in the Act. The positions of those expressed in the private sector indicate that the activities outlined for the Additional Property cannot be expected to occur "but for" assistance from tax increment financing.

H. The Assessment of Financial Impacts on Taxing Districts is Outlined

The City of O'Fallon finds that the financial impact or increased demand for facilities or services resulting from the implementation of the Redevelopment Project on local taxing districts is insignificant. Potential negative impact upon local taxing districts due to the addition by amendment of the additional area is expected to be minimal since this Plan does not include high-service uses, and due to the fact that the Additional Property is not now creating significant incremental revenue compared to the City. The

developments implicit in this Amended Plan would, potentially, create jobs and sales tax and would contribute to the local economy in ways far beyond simple incremental increases.

Negative effects upon said districts will also be minimized through the inclusion of projects that will benefit them. Roadway and access improvements will be beneficial to emergency service providers, as well as the general public in and around the Redevelopment Project Area. Without development in the Area, which is currently minimal, local taxing districts fail to benefit from tax revenues generated by new development, or from any future redevelopment projects.

Once this Amended Plan and related projects have been implemented, and the anticipated commercial development has occurred, the resulting EAV increases will generate a far higher level of property tax revenues to the local taxing districts than would otherwise have occurred.

The City, to the extent that surplus revenues become available, will continue to distribute such revenues on a pro-rata basis to local taxing bodies whenever possible.

Section IV. Redevelopment Plan

A. Introduction

This section presents the Redevelopment Plan for the Additional Property to be added by amendment to the original O'Fallon Redevelopment Project Area. Pursuant to the Tax Increment Allocation Redevelopment Act, when the finding is made that an Area qualifies as either a conservation area, a blighted area, a combination of both conservation and blighted areas, or an industrial park conservation area, a Redevelopment Plan must be prepared. A Redevelopment Plan is defined in the Act in the following manner:

...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. Future Land Use Plan

The Future Land Use Plan for the Additional Property to the original Redevelopment Project Area is shown in Exhibit D. Land uses projected within the original Redevelopment Project Area are considered to remain the same. All Redevelopment Projects shall be subject to the provisions of the City of O'Fallon's ordinances and other applicable codes as may be in existence and may be amended from time to time.

As can be seen in Exhibit D, office and service uses are recommended for the largest portion of the Additional Property. An office park development that would be situated between I-64 and the single-family neighborhood to the north has been proposed for the western portion of the Additional Area. Preliminary conceptual plans call for construction of an internal access road to serve one- and two-story office buildings. As part of the proposed development, a passive park and open space area have been proposed, which would separate the office park from the terminus of Edgewood Drive. A large wet detention pond created as part of the development would alleviate downstream flooding and provide an amenity for the surrounding area.

Office/service uses are also recommended for the approximately 34 acres of vacant land south of Highway 50 and west of North Main Street. General commercial use is recommended for the north side of Highway 50.

A key objective of this Plan is to encourage and facilitate high-quality commercial office park development. Office development will allow O'Fallon to continue to compete as a location for professional and service jobs that will serve the local and regional economy. This type of development is an ideal land use for the Area, which has good visibility from I-64 as well as access from arterial streets.

This Plan endorses selected, well-planned redevelopment in the Area that is consistent with the objectives of both the Original Plan and this Amended Plan. It is important to be flexible and able to take advantage of ever-changing market opportunities. This approach to land use planning is consistent with the City's broader community development objectives to induce investment by private enterprise and attract high-quality development. All redevelopment projects shall be subject to the provisions of the City of O'Fallon's zoning ordinances and other applicable codes as may be in existence and that may be amended from time-to-time.

C. Objectives

The objectives of the Redevelopment Plan are to:

1. Reduce or eliminate those conditions that qualify the Redevelopment Area as eligible for tax increment financing.
2. Prevent the recurrence of blighting conditions and those conditions precedent to blight.
3. Enhance the real estate tax base for the City of O'Fallon and all other taxing districts which extend into the Amended Area.
4. Encourage and assist private development within the Amended Area through the provision of financial assistance for new development as permitted by the Act. This will provide for expanded employment opportunities that will strengthen the economic base of the City and surrounding areas.

5. Complete all public and private actions required in this Amended Redevelopment Plan in an expeditious manner so as to maximize TIF opportunities.

D. Policies

Appropriate policies have been, or will be, developed by the City of O'Fallon in regards to the continuation of this Redevelopment Plan and Project. These policies include, but are not limited to, the following:

1. Use TIF-derived revenues to accomplish the specific public-side activities and actions outlined in the Implementation Strategy of the Plan.
2. Utilize City staff and consultants to undertake those actions necessary to accomplish the specific public-side activities as outlined in the Implementation Strategy of the Plan.
3. Actively market the Amended Redevelopment Project Area to developers.
4. Provide financial assistance, as permitted by the Act, to encourage private-side developers to complete those certain private actions and activities as outlined in the Plan.
5. Monitor the public and private actions and activities occurring within the Area.
6. Complete the specified actions and activities in an expeditious manner, striving to minimize the length of the existence of the Area.

These policies may be additionally amended from time to time as determined by the City.

E. Redevelopment Project

To achieve the objectives of the TIF project, a number of activities will need to be undertaken. An essential element of the Redevelopment Plan is a combination of private developments in conjunction with public investments and infrastructure

improvements. Improvements and activities necessary to implement the Redevelopment Plan may include, but are not limited to, the following:

1. Private Redevelopment Activities

The private activities that are proposed for the Area are for commercial uses and may include, but are not be limited to:

- Construction of a Class A office park and other commercial buildings at various locations within the 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, site preparation, and flood mitigation;
- Public utilities (e.g. water, sanitary and storm sewer facilities, traffic signalization);
- Marketing of properties, and;
- Relocation costs, as necessary or as required by law.

Section V. Implementation Strategy

A. Introduction

The development and follow-through of a well-devised implementation strategy is an essential element in the success of any Redevelopment Plan. In order to maximize program efficiency and to take advantage of current interest in the Area, and with full consideration of available funds, a phased implementation strategy will be employed. This will allow the City to better manage public expenditures within the Area used to spur development by addressing public concerns.

In order to maintain an appropriate balance between private investment and public improvements, the City will work to adopt the Amended Redevelopment Plan. Once the Plan is adopted, the City will negotiate redevelopment agreements with private developers who will propose the use of tax increment funds to facilitate a Redevelopment Project.

B. Estimated Redevelopment Project Costs

Costs that may be incurred by the City as a result of implementing or amending a Redevelopment Plan may include, without limitation, project costs and expenses and any other costs that are eligible under the Act. Such itemized costs include the following:

1. The costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for planning, architectural, engineering, legal, financial, or other services.
2. The cost of marketing sites within the Redevelopment Project Area to prospective businesses, developers, and investors.
3. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparations, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.

4. Costs of rehabilitation, reconstruction 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.
5. Cost of construction of public works or improvements, not to include the cost of constructing a new municipal 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 is not intended to replace an existing public building unless 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.
6. Cost of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Redevelopment Project Area.
7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued there under 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.
8. To the extent the municipality by written agreement 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.
9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the 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 improvements within the boundaries of the assisted housing sites necessary for the completion of that housing.

10. 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.
11. Payments in lieu of taxes.
12. Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i.) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a Redevelopment Project Area; and (ii.) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code.
13. Interest cost 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 are modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) above for these situations;
 - (F) 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. The cost of the construction of those units may be derived from the proceeds of bonds issued by the municipality.
14. Unless explicitly stated within the Act, the cost of construction of new privately-owned buildings shall not be an eligible Redevelopment Project cost.
15. None of the Redevelopment Project costs enumerated above shall be eligible redevelopment 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.

C. Estimated Budget for Redevelopment Project Costs

The estimated costs associated with the eligible public redevelopment activities are presented in **Exhibit E - Estimated Budget for Redevelopment Project (as Amended)**. This budget is for the entire Area as Amended and *includes the amounts from the original budget*, a copy of which is attached as **Exhibit F – Original Budget for Redevelopment Costs (1995)**.

This estimate includes reasonable and necessary costs incurred or estimated to be incurred during the implementation of the Plan. The estimated costs are in 2010 dollars and are subject to change as specific plans and designs are themselves subject to change.

The itemized list of project costs in **Exhibit E** include some of the same categories of estimated costs in the Original Plan, although some of the categories have been added and/or clarified to more accurately reflect the statutory definition and actual implementation experience.

D. Most Recent Equalized Assessed Valuation

The most recent total equalized assessed valuation for the Additional Property is \$634,281 (which represents 0.097% of the City's total EAV). The individual parcels which make up the Additional Property are shown in **Appendix D – Parcel ID List**. The County Clerk of St. Clair County will verify the Base EAV amount upon the adoption of the City ordinances: 1) approving the O'Fallon Redevelopment Plan and Project Amendment, 2) Amending the Redevelopment Project Area, and 3) approving tax increment financing for the Additional Property; and combine them with the original Redevelopment Project Area parcels, to create the base EAV amount, as amended.

E. Redevelopment Valuation

Contingent on the adoption of the Redevelopment Plan and Project Amendment, and commitment by the City to the Redevelopment Program, it is anticipated that major private developments and/or improvements will occur within the Redevelopment Project Area.

Private investment is expected to increase the equalized assessed valuation within the Additional Property by approximately \$5 to \$7 million dollars upon completion of the redevelopment projects within the Additional Property.

F. Source of Funds

The primary source of funds to pay for Redevelopment Project costs associated with implementing the Redevelopment Plan shall be funds collected pursuant to tax increment allocation financing to be adopted by the City. Under such financing, tax increment revenue, in the form of increases in the equalized assessed value (EAV) of property in the Additional Property, in conjunction with all revenues from the Original Redevelopment Project Area, shall be allocated to a special fund each year (the "Special Tax Allocation Fund"). The assets of the Special Tax Allocation Fund shall be used to pay Redevelopment Project Costs within the entire Area as Amended, and retire any obligations incurred to finance Redevelopment Project Costs.

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

If available, revenues from other public and private economic development funding sources will be utilized. These may include state and federal programs, local retail sales tax, land disposition proceeds from the sale of land in the Area, and applicable revenues from any abutting tax increment financing areas in the City. In turn, this tax increment financing Area may also provide monies to abutting tax increment financing areas in the City.

G. Nature and Term of Obligation

The principal source of funding for the Redevelopment Project will be the deposits into the Special Tax Allocation Fund of monies received from taxes on the increased value of real property in the Area.

In order to expedite the implementation of the Plan as Amended, the City of O'Fallon, pursuant to the authority granted to it under the Act, may issue obligations to pay for

the Redevelopment Project Costs. These obligations may be secured by future amounts to be collected and allocated to the Special Allocation Fund. Such obligations may take the form of any loan instruments authorized by the Act. Such loans or obligations may be issued pursuant to this Redevelopment Plan, 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 obligations, and not earmarked for other Redevelopment Project Costs or early retirement of obligations, may be declared surplus and become available for pro rata distribution annually to the taxing bodies to the extent that this distribution of surplus does not impair the financial viability of the Redevelopment Project.

H. Fair Employment Practices and Affirmative Action

The City of O'Fallon will insure that all public and private redevelopment activities are constructed in accordance with fair employment practices and affirmative action. The City will additionally insure that all recipients of tax increment financing assistance adhere to these policies.

I. Certifications

The City of O'Fallon certifies that the Amended O'Fallon Redevelopment Plan and Project will not result in the displacement of residents from 10 or more inhabited residential units, nor does the Area as Amended include 75 or more inhabited residential units. The City therefore has determined that no Housing Impact Study is needed.

The City does not anticipate that this Plan will result in the removal of inhabited housing units which contain households of low-income or very low-income persons as these terms are defined in the Illinois Affordable Housing Act. If the removal of inhabited housing units which contain households of low-income or very low-income persons were to occur, the City would provide affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Act of 1970 and the regulations under the Act, including the eligibility criteria, as required by 65 ILCS 11-74.4-3(n) (7).

Section VI. Amending the TIF Plan

The Amended O'Fallon Redevelopment Plan and Project may be additionally amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq.

Section VII. Reporting and Meeting

The City shall adhere to all reporting and meeting requirements as provided for in the Act.

Exhibit D
Future Land Use
for Additional Property
Amendment to O'Fallon
Redevelopment Area #1
O'Fallon, Illinois

Legend

-  TIF Boundary
-  Redevelopment Area #1
- Future Land Use**
-  General Commercial
-  Office/Service
-  Park/Open Space/Buffer

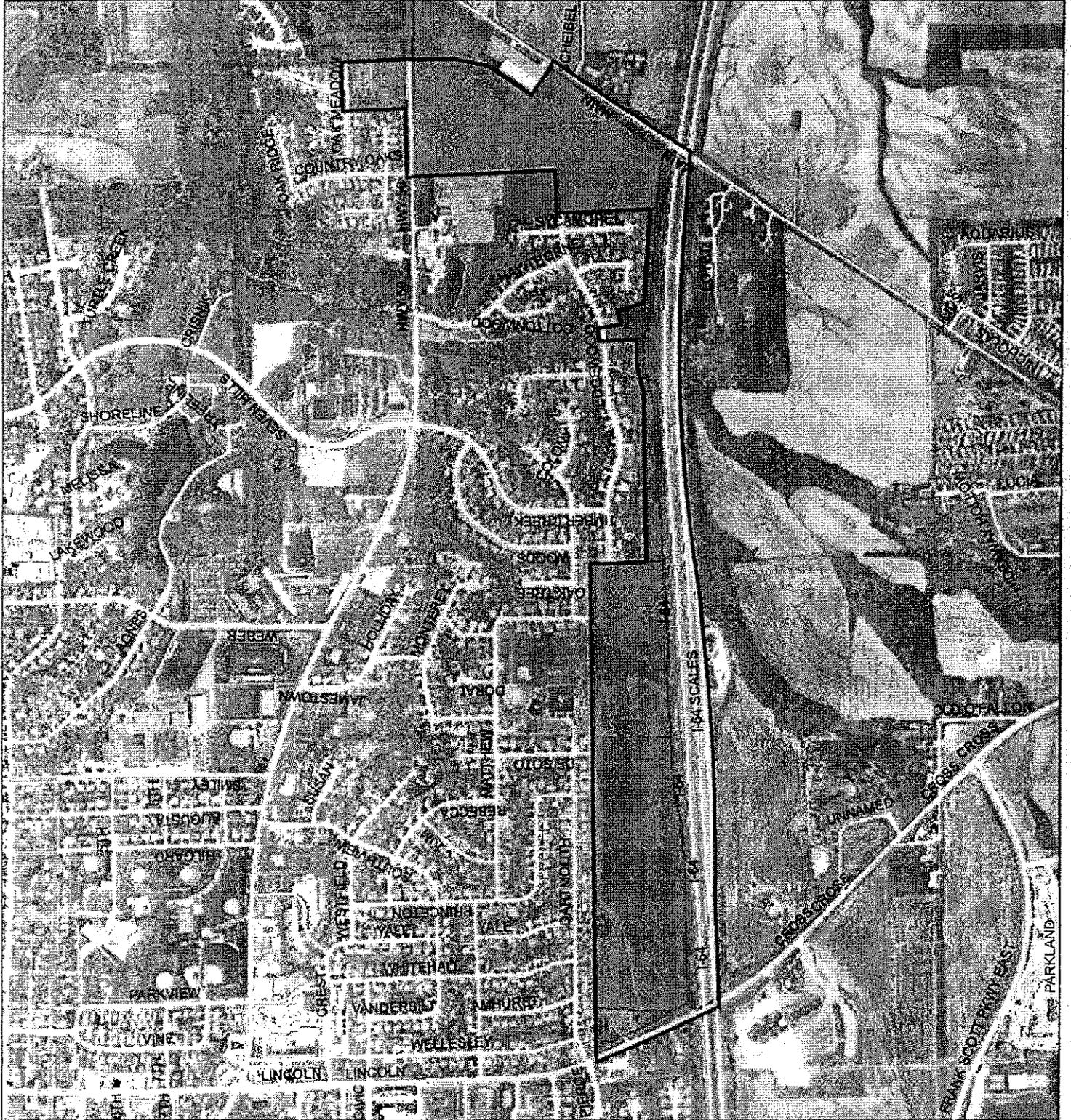


Exhibit E

Estimated Budget for Redevelopment Project Costs (as Amended)

<u>Description</u>	<u>Estimated Cost</u>
Costs of studies, surveys, development of plans and specifications, including staff and professional service costs for architectural, engineering, legal, environmental, marketing, or other services	\$420,000
General administration of the Area as Amended	\$700,000
Property assembly costs; including acquisition of land, site preparation and the clearing and grading of land	\$6,500,000
Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings	\$700,000
Cost of the construction of public works or improvements (construction, reconstruction, or repair of rights of way, streets, roadways, and curbs and gutters; and public utilities, including sanitary and storm sewers)	\$13,440,000
Interest cost incurred by a redeveloper related to the construction, renovation, or rehabilitation of a redevelopment project	\$1,000,000
Relocation costs to the extent that the municipality determines that these costs shall be paid, or is required to make payment of relocation costs by federal or state law	\$500,000
Taxing district capital costs	\$200,000
Contingency costs (~5%)	\$1,190,000
Total Estimated Budget as Amended	\$24,730,000

Expenditures in individual categories may differ from those shown above; however, the total amount of the Estimated Redevelopment Project Costs will not exceed \$24,730,000 plus any additional financing costs as may be required. All costs projected in 2010 dollars. Budget may be increased by no more than 5%, after adjustment for inflation, from adoption of Original Plan.

6/06/2010

dni solutions

Exhibit F - Original Budget for Redevelopment Costs (1995)

TIF Plan
O'Fallon, Illinois

TABLE THREE

ESTIMATED PROJECT BUDGET

<u>DESCRIPTION</u>	<u>ESTIMATED COSTS</u>
1. Public Works and Improvements	\$8,000,000
Construction and relocation of streets, lighting, sanitary sewers, storm sewer facilities, water and other utility systems.	
2. Property Assembly Activities	3,000,000
Appraisals, title search and land acquisition, site clearance; environmental mitigation; relocation; site preparation; etc.	
3. Property Rehabilitation	500,000
Existing private and/or public buildings and fixtures.	
4. Financing Costs	4,000,000
Interest costs incurred, capitalized interest, underwriting fees, reserves, job training.	
5. General Administration/Implementation	500,000
Plan administration, of entire T.I.F. Program, annual reporting, etc.	
6. Professional Services	300,000
Legal, engineering, planning, security, appraisal, architecture, marketing, special services, et. al.	
7. Contingency (5%)	<u>800,000</u>
Cost overruns of necessary and related items	\$17,100,000

Appendix A

Flood Study

April 17, 2008

Mr. Dennis Sullivan P.E.
City of O'Fallon
255 South Lincoln
O'Fallon, Illinois 62269

**RE: Rasp Farm Site -
Evaluation for Applicability of TIF District Establishment Criteria**

Dear Mr. Sullivan:

Pursuant to your request, we have prepared this letter in an effort to provide supporting documentation to illustrate that existing conditions affecting and/or characteristic of the site of the Rasp Farm property are such that said site would qualify for the creation of a TIF District in accordance with the Illinois TIF Act (65 ILCS 5/11-74.4-3), subsection A.3(c). This section of the aforementioned TIF Act states that 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 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 for facilities or improvements to contribute to the alleviation of all or part of the flooding. This evaluation focuses on the currently available supporting evidence as such relates to both subsections (i) and (ii) as noted above.

SITE LOCATION AND EXISTING LAND CHARACTERISTICS

The proposed Rasp Farm site is within the Corporate Limits of the City of O'Fallon located on approximately 51 acres bounded by Interstate 64 to the South, Lincoln Avenue to the west, and single-family residential property to the north and east otherwise known as the Southview Gardens Subdivision. The Rasp Farm site is currently comprised of approximately 80% agriculture farm land with several other minor uses including existing roadway rights-of-way and existing wooded areas. The proposed site location and reference to existing landmarks are shown on Exhibit "A" as attached hereto.

The existing site topography indicates elevations varying from 600 ft along the southwestern site perimeter to 530 ft at the northeastern side of the site. The subject site consists of three existing distinct drainage areas. Each of these drainage areas flows generally in a direction from the south to north toward the existing single-family residential property.

Drainage Area #1, as delineated in Exhibit "B" attached hereto, generally flows from the South under Interstate 64 to the northern property line of the Rasp Farm site into an existing storm water surface inlet noted in the accompanying technical analyses as Area Inlet #1. Area Inlet #1 is the south terminus and most upstream point of an existing storm sewer system which carries all the runoff from Drainage Area #1 through the northerly adjacent residential property.

Drainage Area #2, as also shown in Exhibit "B", generally flows from the south to the north, and is located in the central portion of the Rasp Farm site. Drainage Area #2 also flows into an existing

storm water surface inlet noted in the accompanying technical analyses as Area Inlet #2. Area Inlet #2 is the south terminus and most upstream point of another existing storm sewer system which, similar in function to the previously mentioned system, carries all the runoff from Drainage Area #2 through the northerly adjacent residential property.

Drainage Area #3, the final existing drainage area noted in Exhibit "B", likewise generally flows from the South under Interstate 64 meandering to the northeastern corner of the Rasp Farm site. The existing storm water runoff from Drainage Area #3 empties into an existing 60" circular corrugated metal pipe on the eastern property line of the Laverna Evans School and is designated as FES #4 in the accompanying technical analyses. This existing storm sewer system then conveys the storm water runoff from Drainage Area #3 through the northerly adjacent residential and school properties.

EVALUATION OF EXISTING DOWNSTREAM STORM WATER DRAINAGE FACILITIES TRIBUTARY TO THE RASP FARM SITE

In order to identify the existing storm water drainage facilities downstream of the Rasp Farm site that are currently inadequate in terms of being able to convey the storm water runoff tributary to said systems, we have completed a quantitative evaluation of these facilities the calculations and results for which can be found in Appendix "A" located further herein. This analysis includes the storm sewer networks of Dartmouth Drive, Princeton Drive and Matthew Drive. These existing systems were evaluated under scenarios of 10-year, 25-year and 100-year return periods in accordance with City of O'Fallon Code requirements for new storm sewer systems. The Modified Rational Method was used to quantify the storm water flows received by the existing storm water drainage facilities.

The completed evaluation indicates there are several deficient areas within the existing storm sewer networks. According to the completed calculations, existing pipe capacities in several areas are unable to adequately convey the 10-year storm event. At several locations within the Southview Gardens Subdivision, the calculations also show that inlet capacities are insufficient to accommodate the 10-year storm event causing excessive ponding of water within the public Rights-of-Way at that magnitude event.

As shown in Appendix "A", the existing storm sewer system tributary to Drainage Area #1 is surcharged by even the 10-year storm event. The storm sewer system carrying storm water runoff from Drainage Area #2 is somewhat more capable in that the system is adequate for the 10-year storm event but becomes surcharged by the 25-year storm event. Unlike these two systems, the storm sewer system that receives the storm water runoff from Drainage Area #3 is adequate for the 100-year storm event.

The calculations completed for this evaluation corroborate the findings of the Storm water Complaint Study completed by the Black & Veatch Corporation in which is compiled storm water related complaints received by the City of O'Fallon from residents in the Southview Gardens subdivision during the period of time covered by said study. In that compilation are numerous reports of inadequate capacity of the drainage swale at the southern property line of the residences along Dartmouth Drive. The specific properties include 409, 415, and 501 Dartmouth Drive. Also logged are complaints received concerning the drainage swale at the rear of the properties located between Dartmouth Drive and Princeton Drive. The specific properties include 504 and 506 Dartmouth Drive, as well as 1505 and 1507 Princeton Drive. Another apparent problematic area as indicated by the compiled complaints is the drainage swale at the rear of the residences between Princeton Drive and Matthew Drive. The specific properties listed in the study are 509, 601, 602, and 603 Matthew Drive. Although the complaints may cite inadequacy of the drainage swales, it should be understood that the apparent inadequate capacities of the noted swales may be due to the surcharge of the enclosed portions of the downstream drainage systems and resulting headwater elevations.

EVALUATION OF PROPOSED RASP FARM SITE IMPROVEMENTS AND EFFECTS THEREFROM TO THE SOUTHVIEW GARDENS STORM WATER DRAINAGE SYSTEMS

The current development plan for the Rasp Farm site includes a mix of retail, professional/office, and residential uses although this plan is subject to change pending the final outcome of the development approval process. For the purpose of this evaluation, the storm water runoff characteristics of the post-developed site have been conservatively assumed to represent a higher concentration of impervious surfaces to determine a "worst case" impact to the downstream drainage areas.

As noted in the existing land characteristics section and as planned in its post-developed state, the Rasp Farm property will contain three separate drainage areas that convey storm water through the site from the south to the north and ultimately into the existing storm sewer systems within the Southview Gardens residential subdivision. As part of the proposed improvements to the Rasp Farm site, there are plans for three regional storm water detention basins that will detain the storm water from the upstream areas for an extended period of time eventually releasing the runoff to the existing Southview Gardens storm sewer systems.

In this evaluation, preliminary sizing of the proposed detention basins has been completed the calculations for which are included in Appendix "B". The proposed detention basins have been sized to contain a storage volume large enough to allow a reduction in the storm water release rates from each basin such that the outflows do not surcharge the respective existing downstream storm sewer system. The delineation of the proposed drainage areas as well as the preliminary location, configuration and sizing of the proposed detention basins are shown in Exhibit "C".

Post-developed Drainage Area #1 consists of approximately 31 acres flowing from the south under Interstate 64 through the Rasp Farm site to the proposed detention basin located upstream of the existing Area Inlet #1 of the Southview Gardens storm sewer system. Post-developed Drainage Area #2 consists of approximately 15 acres flowing from the south side of the Rasp Farm site to the proposed detention basin located upstream of the existing Area Inlet #2 of the Southview Gardens storm sewer system. Post-developed Drainage Area #3 consists of approximately 46 acres flowing from the southwest under Interstate 64 through the Rasp Farm site to the proposed basin located upstream of the existing 60" corrugated metal pipe being the upper terminus of the easternmost Southview Gardens storm sewer system subject of this evaluation. The performance of the proposed detention basins are noted in Table 1 as follows:

Return Period	Drainage Area #1				Drainage Area #2				Drainage Area #3			
	Inflow		Released		Inflow		Released		Inflow		Released	
	Q (cfs)	T _c (min.)	Q (cfs)	T _c (min.)	Q (cfs)	T _c (min.)	Q (cfs)	T _c (min.)	Q (cfs)	T _c (min.)	Q (cfs)	T _c (min.)
10-year	76.32	20	8.60	67	59.70	9	19.70	25	91.27	31	20.57	95
25-year	98.77	19	11.10	63	74.74	9	25.90	25	119.9	29	25.24	90
100-year	140.2	17	13.21	58	105.4	8	25.16	24	168.1	27	41.29	81

The results of the release rates indicated in Table 1 are at or below the design targets used in determining the required basin volumes and outlet control structure configurations. The target release rates were established by the maximum capacities of the sections of the existing Southview Gardens storm sewer systems immediately downstream of the proposed basins. With the proposed basins sized accordingly and the desired results achieved as indicated in Table 1, an evaluation of the existing Southview Gardens storm sewer systems was then conducted to determine the effects of the proposed detention basins on the downstream storm water drainage

system behavior. As indicated by the results contained in Appendix C, the provision of detention basins as proposed will reduce the storm water loadings on the existing Southview Gardens systems such that no system is operating in a surcharged condition.

CONCLUSIONS

In view of our evaluation of the available data and studies referenced herein as such relates to the hydraulic characteristics of the subject site and the immediately adjacent downstream storm water systems, said information lends credence to the conclusion that the proposed development area *"is subject to chronic flooding that adversely impacts on real property in the area."*

Likewise, the provided delineation of the existing drainage areas of the project site and downstream tributary area reasonably show that *"surface water that discharges from all or a part of the area and contributes to flooding within the same watershed."* The results of the preliminary design planning indicate that through the implementation of the preliminarily proposed drainage measures *"the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding."*

Based upon the foregoing information as presented herein, I hereby certify that the area herein referred to as the Rasp Farm site is subject to conditions that qualify the site for the establishment of a TIF District pursuant to subsection A.3.(c) of 65 ILCS 5/11-74.4-3.

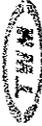
On behalf of TWM, inc., I thank you for this opportunity to be of service to the City of O'Fallon. Should further detail be needed or if there are any questions concerning or clarifications required of the material presented herein, please do not hesitate to contact me.

Sincerely,
Thouvenot, Wade, & Moerchen, Inc.

Robert S. DeConcini, P.E.
Edwardsville Branch Manager

cc: File

THORNTON,
WADE &
MOERCHEN, INC.



1000 WEST 10TH AVENUE
DENVER, COLORADO 80202
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TELETYPE 333-1111

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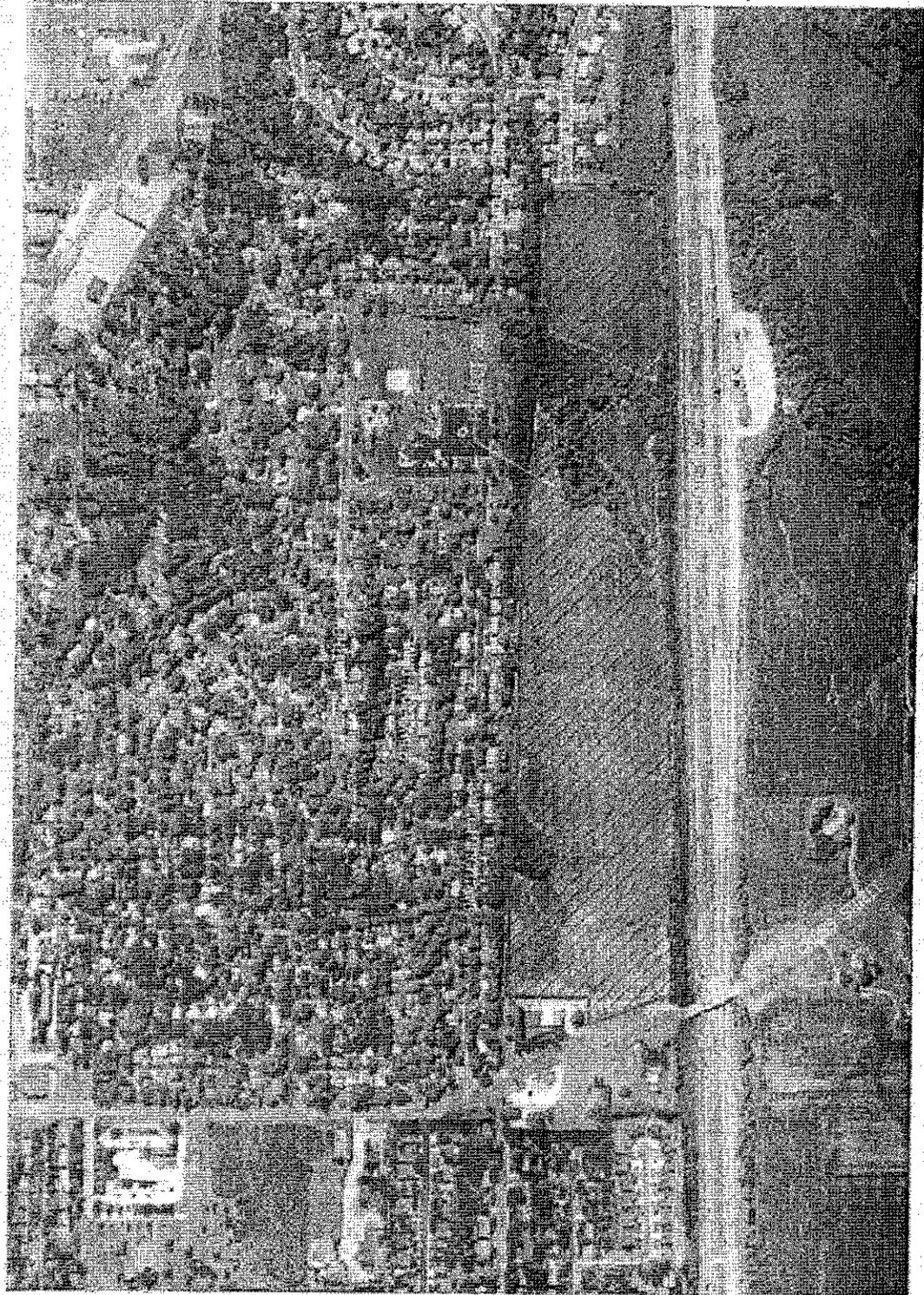
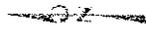
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DENVER, COLORADO 80202
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FACSIMILE 333-1111
TELETYPE 333-1111

EX-DRAINAGE

CITY OF FALLON
TR. EXPANSION
DRAINAGE EVALUATION

A

DATE: 10/15/01



Scale: 1" = 100'

THOUVENOT,
WADE &
MOERCHEN, INC.
LAND SURVEYORS & ENGINEERS

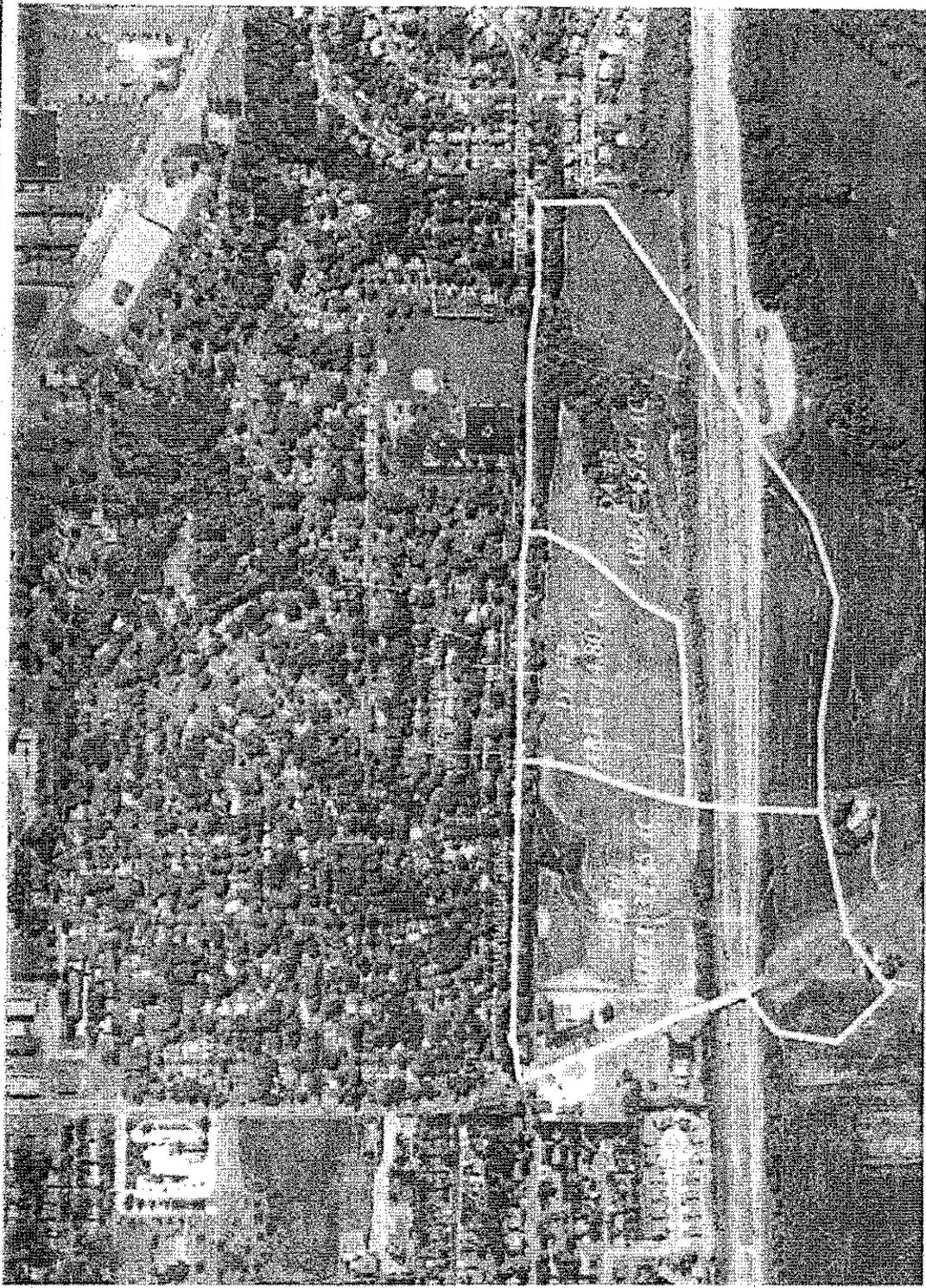


11000 EAST 10TH AVENUE
DENVER, COLORADO 80231
TEL: 333-1111 FAX: 333-1111
WWW.TWM.COM

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CITY OF DENVER
TR. EXPANSION
CHANGE EVALUATION

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ENGINEER DAN THOUVENOT



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MCCOY INC.



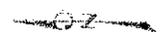
2000 W. 10TH AVENUE
DENVER, CO 80202
TEL: (303) 441-1111
FAX: (303) 441-1111
WWW.WACKSMCCOY.COM

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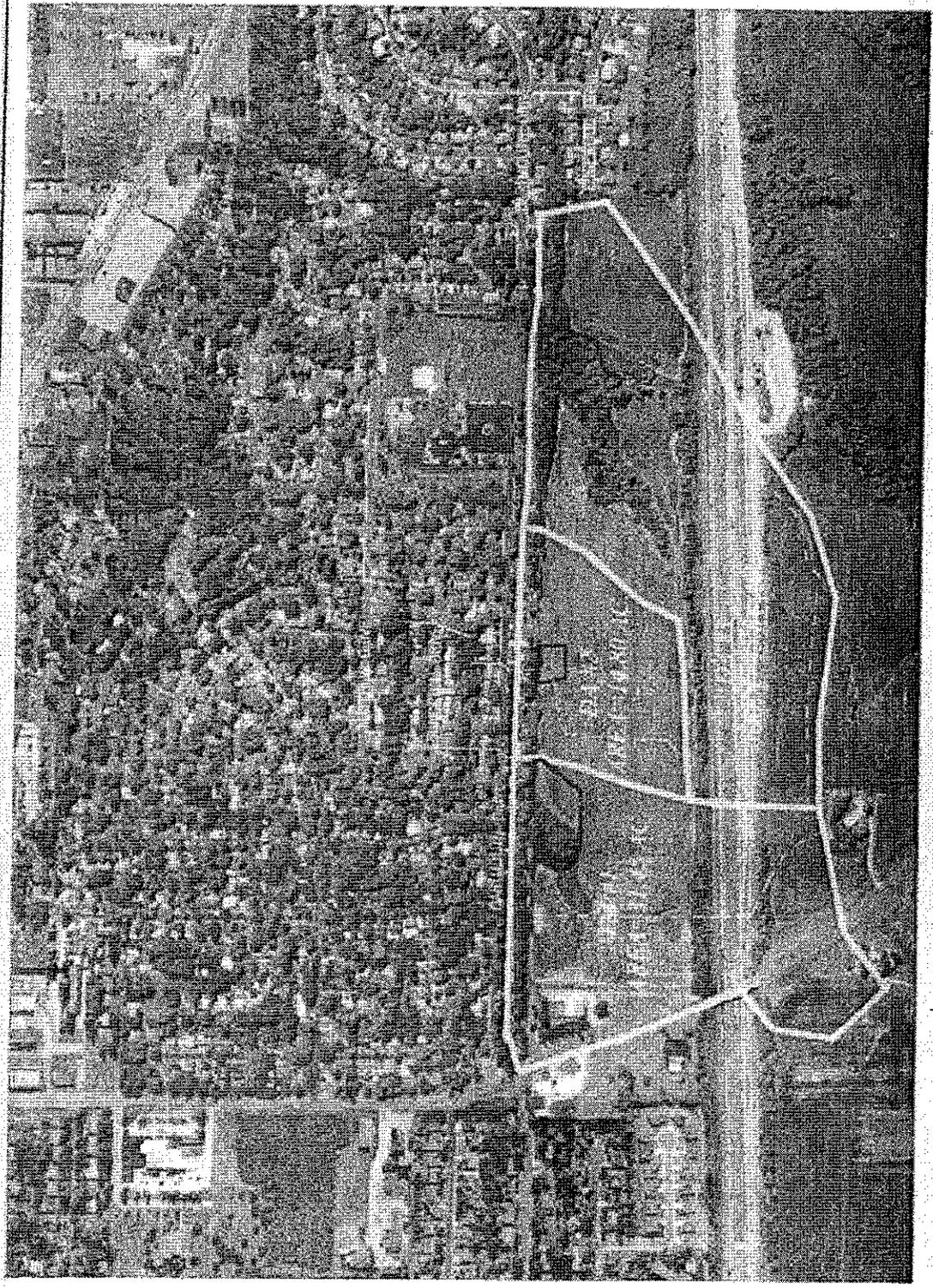
CITY OF FALLON
IN EXPANSION
DRAINAGE EVALUATION

FORM 4-1999
C

01268824-510-000-0000



Scale: 1" = 100'



Appendix B

Legal Description

(To Be Inserted by City)

Appendix C

Original Legal Description

SHERBUT - CARSON & ASSOCIATES, P.C.
CIVIL ENGINEERS - LAND SURVEYORS
LAND DEVELOPMENT CONSULTANTS

J.G. Sherbut, P.E., L.S.
Keith G. Carson, L.S.

4 Meadow Heights Professional Park
Coffinsville, Illinois 62234
(618) 345-3454
FAX 345-3017

Michael J. Graminski, L.S.
David B. Claxton, E.M., S.L.L.
Gary W. Graminski, S.L.L.

Land Description for the City of O'Fallon
T.I.F. Boundary

Part of Sections 27, 28, 33 and 34, Township 2 North, Range 7 West of the Third Principal Meridian and part of Sections 3 and 4, Township 1 North, Range 7 West of the Third Principal Meridian, all in St. Clair County, Illinois, and being more particularly described as follows:

Beginning at the northwest corner of Lot 13B of the Northeast Quarter of Section 4, Township 1 North, Range 7 West of the Third Principal Meridian; thence South along the west line of Lot 13B to the southeast corner of Lot 14A; thence West along the south line of Lot 14A, a distance of 375.92 feet to a point 160 feet east of the southwest corner of Lot 14A; thence South along the west line of a tract described in Deed Book 1624 on Page 136, a distance of 129.8 feet; thence East, along the south line of said tract, a distance of 508.6 feet; thence South, 207 feet; thence East to the west line of Lot 3A of the Northeast Quarter of Section 4, Township 1 North, Range 7 West of the Third Principal Meridian; thence South along the west line of Lot 3A to the southerly right of way line of Wherry Housing Road; thence East along said southerly right of way line to a point on the southerly prolongation of the east line of Lot 10A of the Northwest Quarter of Section 3, Township 1 North, Range 7 West of the Third Principal Meridian; thence North along said east line to the northeast corner of said Lot 10A; thence West along the south line of Lot 11 of the Northwest Quarter of Section 3 to the easterly right of way line of Old Illinois Route 158; thence North along said right of way line to the south line of Lot 1 of the Northwest Quarter of Section 3; thence East along the south line of Lot 1 to the southeast corner of Lot 1; thence North along the east line of Lot 1 to the south line of the Southwest Quarter of Section 34, Township 2 North, Range 7 West of the Third Principal Meridian; thence East along said south line to the southeast corner of Lot 8 of the Southwest Quarter of Section 34; thence North along the east line of Lot 8 to the northeast corner of Lot 8; thence West along the north line of Lot 8 to the northerly right of way line of F.A.I. Route 64; thence Northwesterly along said right of way line to the west line of Lot 13 of the Southwest Quarter of Section 34; thence North along the west line of Lot 13 to the northwest corner of said Lot 13; thence West along the south line of the Northwest Quarter of Section 34 to the easterly right of way line of Illinois Route 158 (F.A.P. Route 55); thence Northeasterly along said right of way line to the east line of Lot 3 in the Northwest

SHERBUT - CARSON & ASSOCIATES, P.C.
CIVIL ENGINEERS - LAND SURVEYORS
LAND DEVELOPMENT CONSULTANTS

J.G. Sherbut, P.E., L.S.
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Collinsville, Illinois 62234
(618) 345-5454
FAX 345-3017

Michael J. Graminski, L.S.
David B. Claxton, E.I.T., S.I.T.
Gary W. Graminski, S.I.T.

Quarter of Section 34; thence North along said east line to the northeast corner of Lot 3; thence West along the north line of Lot 3 to the westerly right of way line of said Illinois Route 158; thence North along said right of way line to the easterly prolongation of a 0.91 acre tract at the southwest corner of the intersection of Illinois Route 158 and U.S. Route 50; thence West along the south line of said 0.91 acre tract to the southwest corner of said 0.91 acre tract; thence North along the west line of said 0.91 acre tract to the southerly right of way line of U.S. Route 50; thence Northeasterly along the southerly right of way line of U.S. Route 50 to the southerly prolongation of the east line of a 2.74 acre tract; thence North along the east line of said 2.74 acre tract to the northeast corner of said tract; thence Southwesterly along the northerly line of said tract to the east right of way line of County Highway 61; thence North along said east right of way line to the southerly right of way line of the B & O Railroad; thence Southwesterly along said right of way line to the west right of way line of said County Highway 61; thence South along said right of way line to the north line of Lot 21A of the Southeast Quarter of Section 28, Township 2 North, Range 7 West of the Third Principal Meridian; thence West along the north line of Lot 21A to the northwest corner of said Lot 21A; thence in a Southwesterly direction along a line being the southerly line of a 15.0 acre tract in the Southeast Quarter of Section 28 to a concrete monument at the northwest corner of a tract described in Deed Book 2930 on Page 1036; thence South 0 degrees 01 minute 22 seconds East, along the west line of said tract, a distance of 275.00 feet; thence South 52 degrees 11 minutes 05 seconds West, a distance of 764.05 feet; thence South 68 degrees 50 minutes 17 seconds West, a distance of 342.93 feet to the west line of the Northeast Quarter of Section 33, Township 2 North, Range 7 West of the Third Principal Meridian; thence South along the west line of the Northeast Quarter of Section 33 to the southerly right of way line of U.S. Route 50; thence East along the south right of way line of U.S. Route 50 to the northerly prolongation of the west line of "East Gate", reference being had to the plat thereof recorded in the Recorder's Office of St. Clair County, Illinois in Book of Plats 86 on Page 35; thence South along the west line of "East Gate" to the south line of the Southeast Quarter of Section 33; thence East along said south line to the Point of Beginning.

MJG

2/1/95 Rev. 3-1-95

Job No. 1661 (des1661)

Appendix D
Parcel ID List

Parcel ID Numbers for Additional Property

PARCEL ID NUMBER
04-32.0-300-034
04-32.0-301-001
04-32.0-301-002
04-32.0-301-003
04-32.0-400-005
04-33.0-100-016
04-33.0-100-017
04-33.0-100-018
04-33.0-100-037
04-33.0-100-065
04-33.0-100-070
04-33.0-107-001
04-33.0-107-002
04-33.0-107-003
04-33.0-107-004
04-33.0-107-011
04-33.0-301-006



ATTACHMENT B

Certification of the Chief Executive
Officer of the municipality that the municipality
had complied with all of the requirements of this Act
during the preceding fiscal year
[65 ILCS 5/11-74.1-5 (d) (3) and 5/11-74.6-22 (d) (3)]

I, Gary Graham, the duly elected Mayor of the City of O'Fallon, County of St. Clair, Illinois, State of Illinois, and as such, do hereby certify that the City of O'Fallon has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the fiscal year covered by this report (May 1, 2010 – April 30, 2011).

12/7/11
Date

Gary A. Graham
Gary Graham
Mayor of the City of O'Fallon





“(C) An opinion of legal counsel that the municipality is in compliance with this Act.”
[65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)]

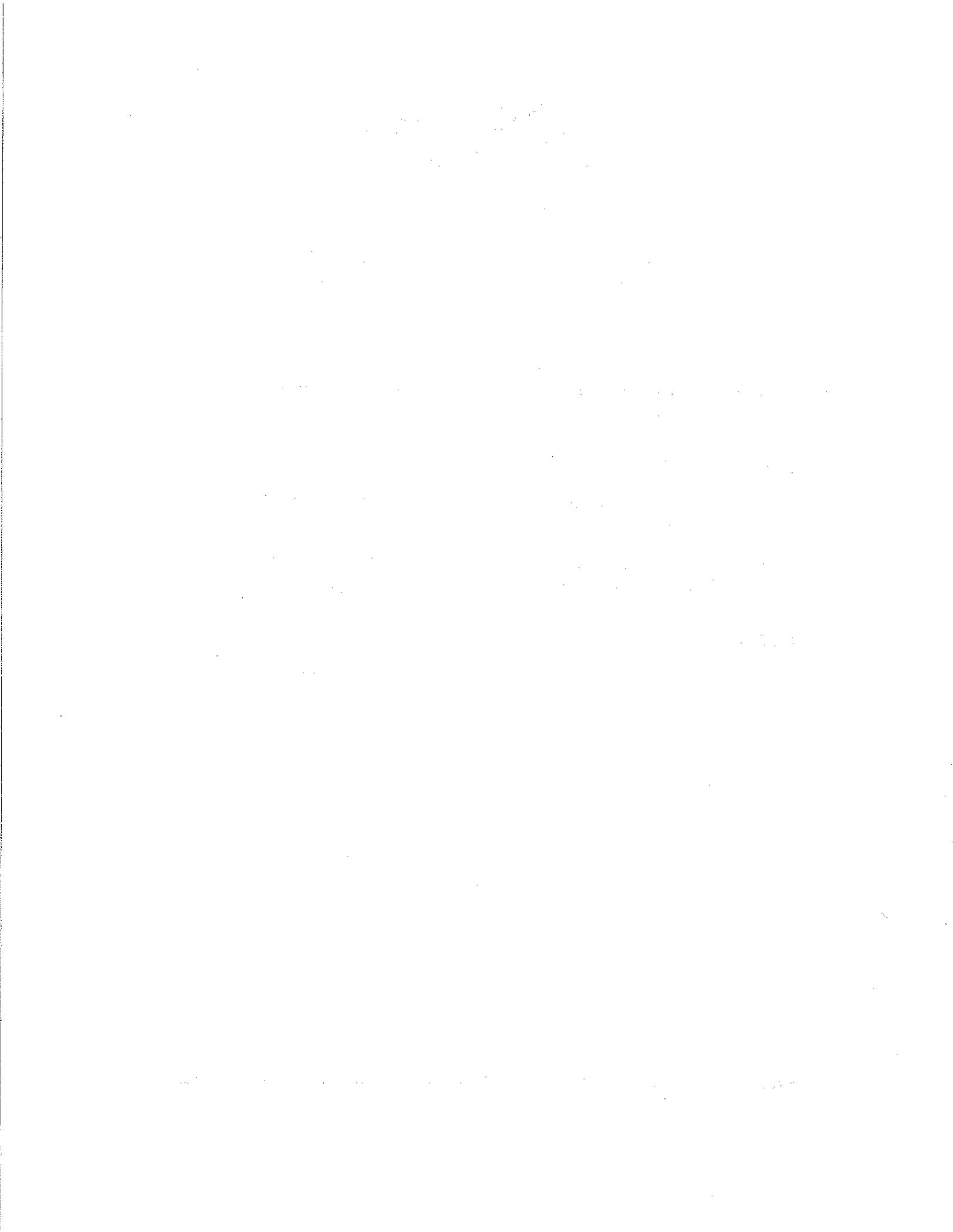
I, DALE FUNK, am the Tax Increment Financing Attorney for the City of O’Fallon, Illinois and have been such throughout the fiscal year covered by this report (May 1, 2010- April 30, 2011).

I have reviewed all information provided to me by the City administration and staff, and I find that the City of O’Fallon, Illinois has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth hereunder to the best of my knowledge and belief.

This opinion relates only to the time period set forth, and is based upon all information available to me as of the end of said fiscal year.

12-8-11
Date


Signature



City of O'Fallon
St. Clair County, Illinois

STATEMENT OF ACTIVITIES TO FURTHER
OBJECTIVES OF THE REDEVELOPMENT PLAN

Year Ended April 30, 2011

Williamsburg Center

Williamsburg Center is an office development that the City contracted with the developer to design, engineer, manage, and finance construction of drives, sidewalks, sanitary sewer extensions, and other improvements.

Lakepoint Centre

Lakepoint Centre is a combination/mixed type development including retail, office, and restaurant spaces as part of this development, the City contracted with the developer to design, engineer, and construct drives, sidewalks, storm water control facilities, and other improvements.

Rasp Farm

The Rasp Farm property has been annexed into the City and purchased by a single developer. The developer will develop a drainage system to correct the ongoing flooding issues on this property. After the system is in place, the developer is to donate the drainage area and 15 acres of green space back to the City. The developer will receive the \$1.5 million the TIF has generated over its life in addition to any amounts generated of the remaining TIF life of seven years. The City plans to create a new business park.

City of O'Fallon
St. Clair County, Illinois

DESCRIPTION OF AGREEMENTS REGARDING REDEVELOPMENT
OF PROPERTY WITHIN THE PROJECT AREA

Year Ended April 30, 2011

City of O'Fallon - Williamsburg Development Agreement

The *City of O'Fallon - Williamsburg Development Agreement* was made December 4, 1995, between the City and the developer to provide tax increment financing to the developer of Williamsburg Center, an office park. It is recorded in Book 3070 beginning at page 2175 of St. Clair County Records. The project included construction of certain infrastructure: drives, sidewalks, sewer extension, etc., as well as certain professional fees and financing costs.

Terms of the agreement provided the City would pay to the developer funds it was entitled to receive, which were derived from the development project area, over a period of ten years, up to a contractually limited amount. The developer was generally obligated to construct the project. All projects costs have been paid and this agreement is complete.

City of O'Fallon - Lakepoint Development Agreement

The *City of O'Fallon - Lakepoint Centre Development Agreement* was made September 1, 1996, between the City and developer to provide tax increment financing to the developer of Lakepointe Centre, an office park and retail/service center. It is recorded in Book 3127 beginning at page 408 of St. Clair County Records. The project included construction of certain infrastructure: drives, sidewalks, street lighting, storm water control facilities, etc., as well as certain professional fees.

Terms of the agreement provided the City would pay to the developer funds it was entitled to receive, which were derived from the development project area, over a period of ten years, up to a contractually limited amount. The developer was generally obligated to construct the project. All project costs have been paid and this agreement is complete.

City of O'Fallon - Rasp Farm Agreement

The *City of O'Fallon - Rasp Farm Agreement* was entered in to provide tax increment financing to the developer to correct an ongoing flooding problem. The project includes developing a drainage system to contain the run off problems and then donating the property back to the City to create a business park.

Terms of the agreement provide that the developer receive the \$1.5 million the TIF has accumulated through current plus any additional incremental revenues generated during the final seven years of the life of the TIF.

City of O'Fallon
St. Clair County, Illinois

INFORMATION ON CONTRACTS
O'FALLON'S TIF ADVISORS HAVE WITH RECIPIENTS OF TIF FUNDS

Year Ended April 30, 2011

The City of O'Fallon has retained the services of Peckam Guyton Albers & Viet, Inc. (PGAV) to advise it on the design development and management of the Illinois 158 Corridor TIF District. PGAV states that it has no contracts with either Robert Wolfe, developer of Williamsburg Center or Dunbar Builders, Inc., developer of Lakepoint Centre.

The City of O'Fallon has retained the services of Development and Municipal Initiatives (DMI Solutions) to advise it on and prepare the amendment of the redevelopment plan to include the Rasp Farm project. DMI Solutions is not related to any, nor does it have any contracts with developers of projects within the TIF District, including the developer of the Rasp Farm project.

CITY OF O'FALLON

JOINT REVIEW BOARD - 2010/2011 ANNUAL REPORT

To: Members of Joint Review Board
Members of the City Council
City Administrator, Walter Denton
City Attorney, Dale Funk
City Planner, Ted Shekell

Date: December 1, 2011

From: Dean Rich

Re: Annual Report

Project
Name: O'Fallon TIF Program

CC: File

Project
Number: 14922-10

In accordance with the City's established policy initiated at the time of adoption of the TIF program, a report to the Joint Review Board (JRB) will be prepared annually. The purpose is to report the status of development/redevelopment activities and revenue flow related to the City's Tax Increment Financing (TIF) Redevelopment projects approved within the boundaries of the TIF district.

Since the establishment of the district in 1995, there have been three development projects approved within the boundaries of the TIF district.

APPROVED TIF PROJECTS

Since the 2010 Annual Report, no new projects were approved within the TIF Redevelopment Area. A summary of the approved projects is outlined below.

Williamsburg Center

As you will recall, the first TIF Redevelopment Project that was approved is called Williamsburg Center. This project consists of an office development to comprise a total of 55,000 square feet in multiple buildings at full build-out. The site is situated on 5 acres on Eastgate Drive in the southwest quadrant of I-64 and Illinois Route 158/US Route 50. The office space was developed on a build to suit basis. The first building that was constructed is approximately 14,600 square feet and houses a military contractor (Loran) with sophisticated computer operations employing approximately 40 persons. Two additional buildings have been constructed. Each of these buildings has a gross floor area of approximately 11,200 square feet. This brings the total building area to approximately 37,000 square feet. The developer received a total of \$462,000 in TIF real estate tax revenues to fund the infrastructure improvements. This funding is structured without interest and is capped at a 10-year period. In

addition, the total amount is capped at the figure specified above. If the project generates cumulative property tax revenue over time that reaches the funding ceiling in a time period shorter than 10 years, then the funding is ended. The full amount has been paid and this account is closed.

Lakepoint Centre

The second Redevelopment Project approved within the TIF district was Lakepoint Centre. This development has three components: 108,000 square feet of build-to-suit office space, 14,000 square feet of new retail development, and the renovation of the historic mansion located on the tract for a restaurant. The total project site is comprised of 39 acres; however, only 22 acres are located within the boundaries of the TIF. The remaining acreage located along the northern portion of the tract is dedicated to single-family residential development and was excluded from the boundaries of the TIF district at the time of adoption. This development is underway as well.

Within the TIF district boundaries, four office buildings have been constructed. Each of these four buildings has a gross floor area of approximately 6,300 square feet for a total of 25,200 square feet. The mansion renovation is complete. Full build-out is expected to occur over a period of 2 years.

Like the Williamsburg project discussed above, the Lakepoint Centre development will receive assistance on the same basis. A total of \$376,289.00 in TIF funding was approved for this project with costs eligible for TIF assistance limited to supporting infrastructure. The term of financing is not to exceed 10 years and no interest will accrue on the outstanding amount. The full amount of \$376,289.00 has been paid and this account is closed.

Westmore Group

This development involves a number of tracts that have been assembled by the Westmore Group at the northwest quadrant of the intersection of Illinois 158 and Scott-Troy Road. This property is composed of several parts, not all of which are within the TIF Redevelopment Area. Westmore owns in fee title approximately 35 acres abutting the intersection of the two roads. An additional 22 acres to the north (the so-called Schmitt tract) is under contract to Westmore. There is no movement on this property at this time.

Rasp Farm Addition

Since the 2010 report, plans were finalized and approved to expand the TIF to include the Rasp Farm at the intersection of I-64 and Lincoln Ave. This property has always been in Shiloh and was detached when I-64 was constructed. Shiloh had not been willing to de-annex the property and O'Fallon would not provide utilities without a joint approved development. When I-64 was constructed it caused a huge amount of rain water to drain across the property and flood

numerous properties along Dartmouth and surrounding areas. It was not caused by Shiloh and it did not damage their property and O'Fallon did not own the property to fix the drainage.

Through several years of working with Shiloh, an arrangement was made to swap the Rasp property with some property that O'Fallon controlled south of I-64 in a parcel purchased by Barnes-Jewish Hospital contingent upon the swap. With the property now de-annexed from Shiloh, O'Fallon was able to annex Rasp into O'Fallon and connect it to the original TIF by taking in agricultural acreage along Hwy 50 just west of the original TIF and coming behind homes on Butternut Lane and Edgewood Drive, adjacent to I-64. A single developer who purchased the entire Rasp property will develop a drainage system to contain the run-off that has plagued Southview for over 20 years, donate the drainage area and 15 acres of green space back to the City. For this, the developer will receive the \$1.5 million the TIF has accumulated over its life plus any it generates during its remaining 7 years. The life of the TIF will not be extended, O'Fallon will have a historic drainage problem solved and the taxing bodies will be the recipient of the tax on a new business park in only 7 years versus the 23 years a new TIF would normally require. Without this agreement and TIF, this farm could have remained in limbo for another 20 years earning minimal agricultural return.

REVENUE ACCRUALS AND PAYMENTS

The only revenue that has accrued to the TIF fund is that which represents the "natural growth" of the assessed values of the properties in the Redevelopment Area.

As of April 30, 2011, the fund balance in the TIF account is shown in the table below. Note that the City has not taken any reimbursement for its costs of implementing the TIF program.

Beginning Balance (Carried over from the previous fiscal year)	\$ 1,399,748
Receipts:	
Incremental Property Taxes	343,028
Interest	<u>135</u>
Sub-Total	343,163
Less Expenses:	
Professional Services	22,987
Development Projects	3,351
Debt Service Payment	<u>0</u>
Ending Balance	\$ 1,716,573

The City has researched the Assessor data for each parcel involved in the Redevelopment Area. The City can now track the EAV of the TIF district more carefully and assure itself that the Assessor is accurately attributing the TIF revenues.

OTHER ACTIVITIES

As noted in last year's report, the growth and development of the TIF district will be impacted by the initiation of commercial activity at Mid-America Airport. The future growth and development of the TIF district, while not entirely dependent on this facility for its generation will be slowed if the commercial use of the new airport languishes.

City of O'Fallon
St. Clair County, Illinois

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - TAX INCREMENT FINANCING

Year Ended April 30, 2011

	Final Budget	Actual
REVENUES		
Property taxes	\$ 350,000	\$ 343,028
Interest income	100	135
	<u>350,100</u>	<u>343,163</u>
Total revenues		
EXPENDITURES		
Current		
Administration	-	-
Attorney and other professional fees	46,000	22,987
Materials and supplies	-	-
Development projects	304,100	3,351
Capital outlay	-	-
Debt Service		
Principal	-	-
Interest	-	-
	<u>350,100</u>	<u>26,338</u>
Total expenditures		
Excess of revenues over expenditures	<u>\$ -</u>	316,825
Fund balance, beginning of year		<u>1,399,748</u>
FUND BALANCE, END OF YEAR		<u>\$ 1,716,573</u>



CERTIFIED PUBLIC ACCOUNTANTS

November 21, 2011

Honorable Mayor and City Council
City of O'Fallon, IllinoisINDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
TAX INCREMENT FINANCING ACT

We have audited the basic financial statements of the City of O'Fallon, Illinois, for the year ended April 30, 2011, and have issued our report thereon dated November 21, 2011, which was qualified for not determining whether the annual pension costs for the Policeman's Pension are over or underfunded, an omission of a portion of the Policeman's Pension disclosures, not determining a cost or liability for other post-employment benefit costs and the omission of the other post-employment benefits disclosures. The financial statements are the responsibility of management for the City of O'Fallon. Our responsibility is to express opinions on the financial statements based on our audit.

Our audit was made in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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Bethalto, Illinois 62010-0165
(618) 377-2171 FAX (618) 377-2173

The management of the City of O'Fallon, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the accounting provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142 insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the City Council and management of the City of O'Fallon, Illinois and the State of Illinois, and is not intended to be and should not be used by anyone other than these specified parties.

Allison Knapp + Siekmann, Ltd.

