



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommend an Ordinance of the City of St. Charles, Kane and Du Page Counties, Illinois, approving a tax increment redevelopment plan and redevelopment project for the City of St. Charles Lexington Club Redevelopment Project area.
Presenter:	Chris Aiston, Director, Economic Development

Please check appropriate box:

	Government Operations		Government Services
X	Planning & Development (02/13/12)		City Council
	Public Hearing		

Estimated Cost:		Budgeted:	YES	X	NO	
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If NO, please explain how item will be funded:

Executive Summary:

Pursuant to State Statute, the City has completed an eligibility study of the proposed Tax Increment Financing District and produced a report including a redevelopment plan and project (“Lexington Club Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project”), has duly convened a Joint Review Board, and a held a Public Hearing to consider, and produce findings and a recommendation on the matter, the City of St. Charles may formally pass an Ordinance approving a Tax Increment Redevelopment Plan and Redevelopment Project for the proposed, 45+/- acre, Lexington Club Redevelopment Project Area.

Attachments: *(please list)*

Draft Ordinance

Recommendation / Suggested Action *(briefly explain):*

Staff recommends the Planning and Development consider the subject Ordinance and recommend the City Council adopt same, contingent upon its favorable consideration of the proposed Lexington Club redevelopment project

For office use only:	Agenda Item Number: 5a
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[DRAFT]

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ST. CHARLES, KANE AND DU PAGE COUNTIES, ILLINOIS, APPROVING A TAX INCREMENT REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR THE CITY OF ST. CHARLES LEXINGTON CLUB REDEVELOPMENT PROJECT AREA

WHEREAS, the City Council (the “Corporate Authorities”) of the City of St. Charles, Kane and DuPage Counties, Illinois (the “City”), has heretofore determined that the stable economic and physical development of the City is endangered by the presence of blighting and other adverse factors, with a resulting decline of the City which impairs the value of private investments and threatens the sound growth and the tax base of the City and the taxing districts having the power to tax real property in the City (the “Taxing Districts”) and threatens the health, safety, morals and welfare of the public; and

WHEREAS, the Corporate Authorities have heretofore determined that in order to promote and protect the health, safety, morals and welfare of the public that blighting and other adverse conditions in the City need to be eradicated and that redevelopment of the City be undertaken and that to remove and alleviate blighting and adverse conditions in the City it is necessary to encourage private investment and restore and enhance the tax base of the City and the Taxing Districts by such redevelopment; and

WHEREAS, the City has heretofore caused to be conducted and made available for public inspection an eligibility study to determine whether the proposed Lexington Club Redevelopment Project Area (the “Area”) qualifies as a “redevelopment project area” pursuant to the TIF Act, which study was conducted by S. B. Friedman & Company (“Friedman”); and

WHEREAS, the City has heretofore evaluated various lawfully available programs to provide such assistance and has determined that the use of tax increment allocation financing is necessary to achieve the redevelopment goals of the City for the proposed Area; and

WHEREAS, Friedman is a planning and financial services firm having a national reputation for expertise in tax increment allocation and redevelopment financing in the State of Illinois; and

WHEREAS, Friedman has heretofore concluded and has advised the City that the proposed Area qualifies as a “redevelopment project area” under Section 11-74.4-3 of the TIF Act; and

WHEREAS, the City has further caused the preparation of and made available for public inspection a proposed redevelopment plan and project for the proposed Area (the “Plan” and “Project”); and

WHEREAS, the proposed Plan does not include the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, state, county, or municipal government as public land for outdoor camping and hunting activities or for nature preserves and used for that purpose within 5 years prior to the adoption of this ordinance; and

WHEREAS, the Corporate Authorities have heretofore, and it hereby is, expressly determined that the proposed Plan will not result in displacement of residents from 10 or more inhabited units, and accordingly a housing impact study need not be performed; and

WHEREAS, none of the redevelopment project costs enumerated in the proposed Plan and Project would provide direct financial support to a retail entity initiating operations in the proposed Area while terminating operations at another Illinois location within 10 miles of the proposed Area but outside the boundaries of the City; and

WHEREAS, the proposed Plan and Project sets forth in writing the program to be undertaken to accomplish the objectives of the City and includes an itemized list of estimated redevelopment project costs proposed for the proposed Area, evidence indicating that the proposed Area on the whole has not been subject to growth and development through investment by private enterprise, an assessment of the financial impact of the Area on or any increased demand for services from any taxing district affected by the Plan and any program to address such financial impact or increased demand, the sources of funds to pay costs, the nature and term of the obligations to be issued, the most recent equalized assessed valuation of the Area, an estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the Area, a commitment to fair employment practices and an affirmative action plan, and a certification that the Plan will not result in displacement of residents from 10 or more inhabited units, and the Plan and Project accordingly complies in all respects with the requirements of the TIF Act; and

WHEREAS, the City has heretofore convened a joint review board consisting of a representative selected by each community college district, local elementary school district and high school district or each local community unit school district, park district, library district, township, fire protection district and county that will have the authority to directly levy taxes on the property within the proposed Area at the time the proposed Area is designated, a representative selected by the City, and a public member (the "JRB"), as required by and in all respects in compliance with the provisions of the TIF Act; and

WHEREAS, the JRB has met at the times and as required by the TIF Act and has reviewed the public record, planning documents and a form of proposed ordinance approving the proposed Plan and Project; and

WHEREAS, a recommendation from the JRB to approve the Plan and Project has been submitted to the City; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Corporate Authorities heretofore called a public hearing (the "Hearing") relative to the Plan and Project and the designation of the proposed Area as a redevelopment project area under the TIF Act and fixed

the time and place for such Hearing, being the 6th day of February, 2012, at 7:00 P.M., at the City Hall, 2 East Main Street, St. Charles, Illinois; and

WHEREAS, due notice in respect to such Hearing was given pursuant to Section 11-74.4-6 of the TIF Act, said notice, together with a copy of the Plan, and the name of a person to contact for further information, being given to taxing districts and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on December 20, 2011, by publication on January 10, 2012, and January 24, 2012, and by certified mail to taxpayers within the proposed Area on December __, 2012; and

WHEREAS, notice of the availability of the Report and the Plan, including how to obtain this information, was provided by mail on the 20th day of December, 2012, to all residential addresses that, after a good faith effort, the City determined are located outside the boundaries of the proposed Area which are within 750 feet of the boundaries of the proposed Area; and

WHEREAS, the City held the Hearing on February 6, 2012, at the City Hall, 2 East Main Street, St. Charles, Illinois; and

WHEREAS, at the Hearing any interested person or affected taxing district was permitted to file with the City Clerk written objections and was heard orally in respect to any issues embodied in the notice of said Hearing, and the City heard and determined all protests and objections at the Hearing; and

WHEREAS, the Hearing was adjourned on the 6th day of February, 2012; and

WHEREAS, no changes have been made in the proposed Plan or in the parcels of property to be included in the proposed Area since the adjournment of the Hearing; and

WHEREAS, the Plan and Project set forth the factors which cause the proposed Area to be classified as a combination of both blighted areas and conservation areas, and the Corporate Authorities have reviewed the information concerning such factors presented at the Hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area which could cause the area to be a combination of both a “blighted area” and a “conservation area” as defined in the TIF Act; and

WHEREAS, the Corporate Authorities have reviewed evidence indicating that the proposed Area on the whole has not been subject to growth and development through investment by private enterprise and have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, the Corporate Authorities have made an assessment of any financial impact of the proposed Area on or any increased demand for services from any taxing district affected by the Plan and Project and any program to address such financial impact or increased demand; and

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the City as a whole to determine whether the proposed Plan and Project conform to such comprehensive plan of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS FOLLOWS:

SECTION ONE: That the recitals set forth hereinabove are incorporated herein by reference as substantive provisions of this ordinance.

SECTION TWO: The Corporate Authorities hereby make the following findings:

(a) The proposed Area is described in Exhibit “A” attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the proposed Area is described in Exhibit “B” attached hereto and incorporated herein as if set out in full by this reference. The map of the proposed Area is depicted on Exhibit “C” attached hereto and incorporated herein as if set out in full by this reference.

(b) There exist conditions which cause the proposed Area to be subject to designation as a redevelopment project area under the TIF Act and to be classified as a combination of both a “blighted area” and a “conservation area” as defined in Section 11-74.4-3 of the TIF Act.

(c) The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

(d) The Plan and Project conform to the comprehensive plan for the development of the City as a whole.

(e) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion of the Project is not later than December 31, 2036 and the estimated date of the retirement of all obligations incurred, if any, to finance redevelopment project costs as defined in the Plan is not later than December 31, 2036, being the year in which payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year in which this ordinance is adopted.

(f) The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed Project improvements are included in the proposed Area.

SECTION THREE: The proposed Plan and Project which were the subject matter of the public hearing held on the 6th day of February, 2012, are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit "D" attached hereto and incorporated herein as if set out in full by this reference.

SECTION FOUR: If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION FIVE: All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

SECTION SIX: The City Clerk is hereby expressly directed to transmit forthwith to the County Clerk of The County of Kane, Illinois, a certified copy of this ordinance.

PRESENTED to the City Council of the City of St. Charles, Illinois, this ____ day of _____, 2012.

PASSED by the City Council of the City of St. Charles, Illinois, this ____ day of _____, 2012.

APPROVED by the Mayor of the City of St. Charles, Illinois, this ____ day of _____, 2012.

Donald P. DeWitte, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays

Absent:

Abstain:

EXHIBIT "A"

LEGAL DESCRIPTION

Part of the Southwest Quarter of Section 27 and the Southeast Quarter of Section 28, Township 40 North, Range 8 East of the Third Principle Meridian, Kane County, Illinois, more particularly described as follows:

Beginning at the intersection of the centerline of Fifth Street as platted in the City of St. Charles with the South Line of a tract of land described in a warranty deed recorded June 4, 1886, in Book 243, Page 17; thence North $89^{\circ}41'25''$ East 30.60 feet to the East Right of Way line of said street; thence South $11^{\circ}41'01''$ East along said East Right of Way line 51.00 feet to the extended South Right of Way line of Mark Street; thence South $89^{\circ}41'25''$ West along said South Right of Way line 331.48 feet to the intersection of said South Right of Way line and the East Right of Way line of Sixth Street; thence South $11^{\circ}43'06''$ East along said East Right of Way line 383.57 feet; thence South $78^{\circ}28'06''$ West 140.00 feet; thence South $11^{\circ}43'06''$ East 19.85 feet, thence South $78^{\circ}39'16''$ West 185.05 feet to the East Right of Way line of Seventh Street; thence South $11^{\circ}33'41''$ East along said East Right of Way line 5.99 feet to the extended centerline of vacated Ryan Street recorded October 11, 1983 as Document 1648957; thence South $78^{\circ}23'42''$ West along said extended centerline 242.00 feet to the West line of said vacated Ryan Street; thence South $11^{\circ}33'41''$ East along said West line extended 160.00 feet; thence South $78^{\circ}26'50''$ West 337.57 feet to the East Right of Way line of Ninth Street; thence South $00^{\circ}55'11''$ East along said East Right of Way line 24.93 feet to the extended South line of Lot 16 of Millington's Third Addition to St. Charles recorded May 4, 1926 as Document 272865; thence South $89^{\circ}41'25''$ West along said South line 192.01 feet to the Southwest corner of said Lot 16; thence South $00^{\circ}55'11''$ East 8.82 feet, thence South $82^{\circ}45'00''$ West 164.06 feet; thence North $60^{\circ}19'00''$ West 332.49 feet; thence South $01^{\circ}31'00''$ East 42.00 feet; thence North $64^{\circ}34'00''$ West 370.90 feet; thence North $00^{\circ}00'00''$ West 67.19 feet; thence South $90^{\circ}00'00''$ West 175.00 feet; thence North $66^{\circ}13'00''$ West 274.27 feet to the West Right of Way line of Twelfth Street; thence North $00^{\circ}00'28''$ East along said West Right of Way line 512.12 feet to the South Right of Way line of the Chicago and Northwest Transportation Company, said line being coincident with the North line of Fox Meadow Estates recorded December 14, 1993 as Document 93K100653; thence North $89^{\circ}11'00''$ West along said South Right of Way line 336.06 feet to the West line of said Southeast Quarter; thence North $00^{\circ}00'28''$ East along said West line 100.01 feet to the North Right of Way line of the Chicago and Northwest Transportation Company, said line being coincident with the South line of Porter Business Park recorded September 25, 2006 as Document 2006K104660; thence South $89^{\circ}11'00''$ East along said North Right of Way line 931.85 feet, thence North $01^{\circ}07'05''$ West along said North Right of Way line 15.01 feet to a line coincident with Said North Right of Way line and the South line of Unit Number 1 Timbers recorded June 4, 1986 as Document 1774209; thence South $89^{\circ}11'00''$ East along said North Right of Way line to the East line of Said Southeast Quarter; thence southerly along said East line to said South Right of Way line of the Chicago and Northwest Transportation Company said South Right of Way line being coincident with the North line of said tract; thence South $89^{\circ}11'00''$ East along said South Right of Way line to the intersection of said South Right of Way line and the extended centerline of Fifth Street; thence South $11^{\circ}41'01''$ East along said

extended centerline 93.59 feet to the Point of Beginning.

Excepting therefrom the following described parcels:

Lots 12, 13, 14, and 15 of Block 5 of Millington's Third Addition to St. Charles, recorded May 4, 1926 as Document 272865, a subdivision being part of the Southwest Quarter of Section 27 and the Southeast Quarter of Section 28, Township 40 North, Range 8 East of the Third Principle Meridian, in the City of St. Charles, Kane County, Il.

Said excepted parcels contain 0.636 acres, more or less.

Said parcel without the excepted 0.636 acres contains 44.965 acres, more or less.

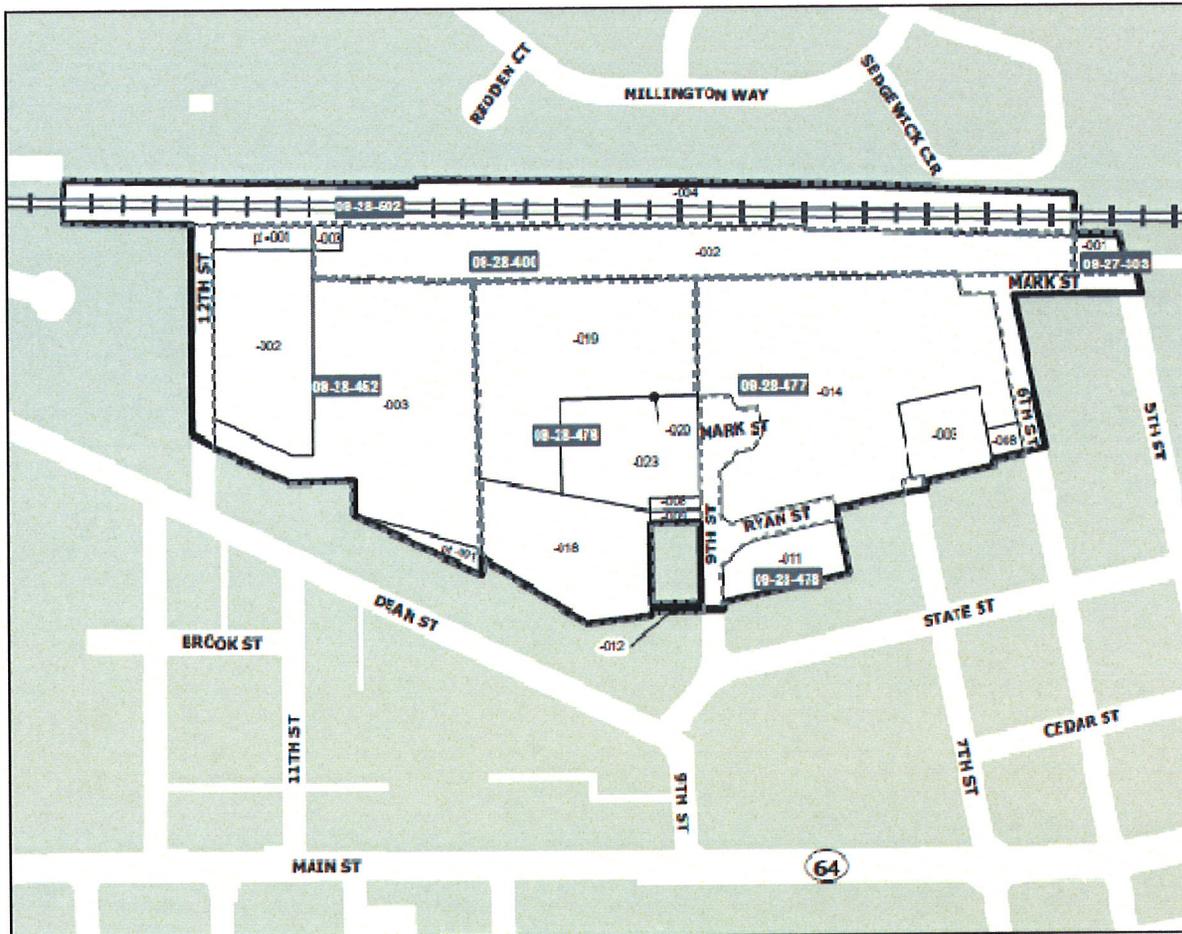
EXHIBIT "B"

STREET LOCATION

Generally bounded by the Union Pacific Railroad right-of-way on the north, 12th Street on the west, 5th Street on the east, and just north of Dean Street and State Street on the south, excluding all residential properties.

EXHIBIT "C"

MAP

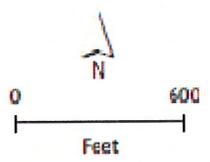


Legend

-  RPA Boundary
-  Assessment Block
-  Parcels

* **XX-XX-XXX** denotes assessment block (first 7 digits of parcel ID)

* **-xxx** identifies parcel



0 600
Feet

December 2011

Map 2: RPA Boundary

Lexington Club Tax Increment Financing District
CITY OF ST CHARLES, IL

EXHIBIT "D"

PLAN AND PROJECT