



ST. CHARLES  
SINCE 1834

## AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to Consider Tax Increment Redevelopment Plan and Redevelopment Project; Designating Redevelopment Project Area; TIF District; and Adopting Tax Increment Allocation Financing for Lexington Club Project
Presenter:	Chris Aiston

*Please check appropriate box:*

<input type="checkbox"/> Government Operations	<input type="checkbox"/> Government Services
<input checked="" type="checkbox"/> Planning & Development	<input checked="" type="checkbox"/> City Council (04/16/12)
<input type="checkbox"/> Public Hearing	<input type="checkbox"/>

Estimated Cost:	NA	Budgeted:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	
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If NO, please explain how item will be funded:

**Executive Summary:**

The City of St. Charles convened a Joint Review Board on January 5, 2012 and subsequently held a Public Hearing on February 6, 2012, both acts in accordance with Illinois State Statutes, in the matter concerning (1) proposed Tax Increment Financing Plan and Redevelopment Project, (2) the subject Redevelopment Project Area, and (3) the formal adoption of TIF Allocation Financing, all such matters related to the proposed Lexington Club redevelopment area.

According to statute, the City Council must consider the above-referenced actions within ninety (90) days of the close of the aforementioned public hearing, or by May 5, 2012. If the actions are not considered within the 90-day time period, the process must restart from the beginning and all work product and actions taken to date would be forfeited. As such, staff is presenting this matter for consideration of the City Council.

Staff is NOT recommending that these documents be approved until such time as a revised plan is accepted by the City Council. However, staff does recommend that the Council take action to preserve the product of the time, effort, and resources that have been expended over the past several months.

According to Atty Robin Jones, procedurally, once a motion (or motions, if done separately) has been made and seconded to pass the ordinances, a motion to postpone should be made, seconded and passed.

**Attachments:** *(please list)* 1. Ord. approving Redevelopment Plan and Project; 2. Ord. designating TIF Redevelopment Area; and 3. Ord. adopting TI Allocation Financing.

**Recommendation / Suggested Action** *(briefly explain):*

Staff recommends that the City Council introduce the approval of the three proposed ordinances, and approve a motion to postpone final approval at this time.

*For office use only:* Agenda Item Number: IG, IH, II

**City of St. Charles**  
**Ordinance No. \_\_\_\_\_**

**An Ordinance of the City of St. Charles, Kane and DuPage  
Counties, Illinois Approving a Tax Increment Redevelopment  
Plan and Redevelopment Project for the  
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 Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*; 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 found, 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 6<sup>th</sup> 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 29, 2011; and

WHEREAS, notice of the availability of the Report and the Plan, including how to obtain this information, was provided by mail on the 20<sup>th</sup> 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 6<sup>th</sup> 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 6<sup>th</sup> 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 16<sup>th</sup> day of April, 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

## EXHIBIT "B"

### STREET LOCATION

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

EXHIBIT "C"

MAP

EXHIBIT "D"  
PLAN AND PROJECT