

**2021 Amendment to the  
TIF Redevelopment Plan & Project  
Redevelopment Project Area No. 1**

Prepared for  
**City of Newton, Illinois**

Prepared by

**PCAV** **PLANNERS** LLC

April 9, 2021

## Table of Contents

<b>Section I Introduction</b>	<b>2</b>
<b>Section II Basis for Eligibility of the Amended Area and Findings</b>	<b>4</b>
Statutory Qualifications	4
Area Analysis and Findings	9
Summary and Conclusions	15
<b>Section III Revised Redevelopment Plan and Project</b>	<b>17</b>
General Land Uses to Apply	17
Objectives	19
Program to be Undertaken to Accomplish Objectives	19
Redevelopment Project	20
Estimate of Redevelopment Project Costs	22
Description of Redevelopment Project Costs	22
<b>Section IV Other Findings and Requirements</b>	<b>35</b>
Conformance with Comprehensive Plan	35
Area, on the Whole, not Subject to Growth and Development	35
Would Not be Developed "but for" TIF	36
Assessment of Financial Impact	36
Estimated Date for Completion of the Redevelopment Project	37
Sources of Funds	37
Nature and Terms of Obligations	38
Most Recent EAV and Redevelopment Valuation	38
Fair Employment Practices and Affirmative Action	39
Reviewing and Amending the TIF Plan	39
<b>Exhibit A – Proposed Addition to Redevelopment Project Area No. 1</b>	<b>3</b>
<b>Exhibit B – Summary of TIF Eligibility Factors</b>	<b>11</b>
<b>Exhibit C – Comparison of EAV Growth Rates (2014-2019)</b>	<b>13</b>
<b>Exhibit D – General Land Use Plan</b>	<b>18</b>
<b>Exhibit E – Revised Estimated Redevelopment Project Costs</b>	<b>23</b>
<b>Exhibit F – EAV Trends (2014-2019)</b>	<b>36</b>
<b>Appendix</b>	
<b>Attachment A – Resolution 21-04</b>	
<b>Attachment B – Boundary Description (to be added later)</b>	
<b>Attachment C – Photographs of Existing Conditions (to be added later)</b>	

## SECTION I

### INTRODUCTION

On October 21, 2008, the City Council, by Ordinance Numbers 08-21, 08-22, and 08-23 adopted and approved a redevelopment plan entitled “Tax Increment Redevelopment Plan” dated July 29, 2008 (the “*Original Redevelopment Plan*”), designated a redevelopment project area for a certain portion of the City identified as the Redevelopment Project Area No. 1 and commonly referred to as TIF No. 1 (the “*Project Area*”) and adopted tax increment financing for said Project Area. This was accomplished pursuant to the provisions of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”). A copy of this Original Plan is on file and available for public inspection at the office of the Newton City Clerk.

The City now desires to amend the Original Plan and Project Area boundary and formally expressed the intent to do so by passage of **Resolution 21-04** on March 16, 2021 (see **Attachment A** in the **Appendix**). These changes are incorporated in this 2021 Amendment to the TIF Redevelopment Plan and Project for Redevelopment Project Area No. 1 (referred to herein as the “2021 Plan Amendment”). In summary, the changes include adding a portion of real estate purchased by the City from the Anthony F. Griffith estate to the Project Area to utilize tax increment financing to assist with development of this property. Also added to the Project Area are several other commercially developed properties, including the Alliance Tractor dealership. This 2021 Plan Amendment adds approximately 83 acres to the Project Area, bringing the total Project Area to 459 acres.

The boundaries of the areas to be added to the Project Area are illustrated on **Exhibit A – Proposed Addition to Redevelopment Project Area No. 1**. A boundary description of this added area is included in the **Appendix** as **Attachment B – Boundary Description for Area Added to Redevelopment Project Area No. 1**. The following sections of this report present the amended Redevelopment Plan and Project.



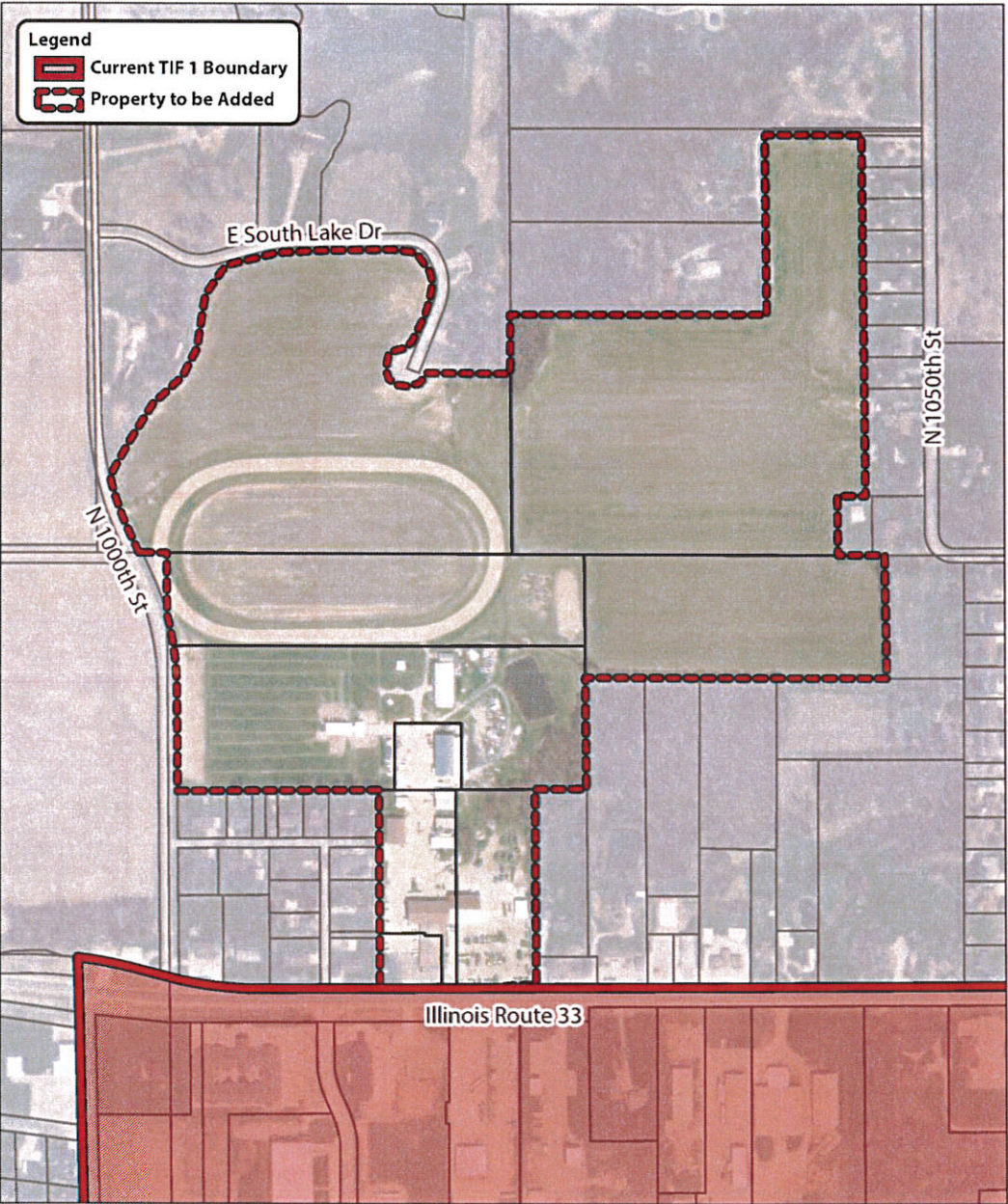
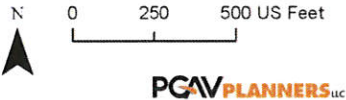


Exhibit A - Proposed Addition to  
Redevelopment Project Area No. 1

Newton, IL



PCAV PLANNERS, LLC



## SECTION II

### BASIS FOR ELIGIBILITY OF THE AMENDED AREA AND FINDINGS

#### A. Introduction

A Redevelopment Project Area, according to the Act, is that area designated by a municipality in which the finding is made that there exist conditions that cause the area to be classified as a blighted area, conservation area, combination of blighted and conservation areas, or an industrial park conservation area. The criteria and the individual factors defining each of these categories of eligibility are defined in the Act. This 2021 Plan Amendment recites the relevant statutory requirements and documents how the added area meets the eligibility criteria.

#### B. Statutory Qualifications

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

##### 1. **Eligibility of a Blighted Area**

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

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

- (1) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings, or improvements in such a combination that a documented building condition analysis determines that

major repair is required or the defects are so serious and so extensive that the buildings must be removed.

- (2) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.
- (3) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.
- (4) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.
- (5) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
- (6) Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.
- (7) Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation

means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

- (8) Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.
- (9) Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.



- (10) Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.
- (11) Environmental clean-up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.
- (12) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan, or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.
- (13) The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for

All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

- b. **“If vacant**, the sound growth of the Redevelopment Project Area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:”
- (1) “Obsolete platting of vacant land that results in parcels of limited or narrow size, or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys, or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way, or that omitted easements for public utilities.”
  - (2) “Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.”
  - (3) “Tax and special assessment delinquencies exist, or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.”
  - (4) “Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.”
  - (5) “The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in

environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.”

- (6) “The total equalized assessed value of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.”

## 2. Eligibility of a Conservation Area

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

## C. Area Analysis and Findings

In determining whether the added area proposed to be included in the Project Area meets the eligibility requirements of the Act, research and field surveys were conducted. These included:



- Contacts with City officials knowledgeable as to area conditions and history and age of buildings and site improvements.
- On-site field examination of conditions within and surrounding the proposed addition to the Project Area by experienced staff of PGAV. These personnel are trained in techniques and procedures of documenting conditions of real property, streets, etc., and determination of eligibility of designated areas for tax increment financing.
- Use of definitions contained in the Act.
- Adherence to basic findings of need as established by the Illinois General Assembly in establishing tax increment financing which became effective on January 10, 1977.
- Examination of Jasper County real property tax assessment records.

On March 11, 2021, PGAV staff conducted field investigations to document existing conditions of the property proposed for addition to the Project Area. **Exhibit B - Summary of Blighting and Conservation Area Factors**, provides a quantitative summary of the conditions that were documented with respect to the added area and how it affected the entire TIF Project Area as a whole. Photos of the building and site conditions in the added area and adjoining areas are provided in the **Appendix as Attachment C – Photographs of Existing Conditions**.

The following summarizes the factors found to be present to a meaningful extent within the property to be added to the Project Area and how such factors would affect the qualification of the TIF 1 Project Area as a whole.

## **1. Improved Land Findings**

### ***a. Summary of Findings on Age of Structures***

Age is a prerequisite factor in determining an Area's qualification as a "conservation area". As is clearly set forth in the Act, 50% or more of the structures must have an age of 35 years or greater in order to meet this criterion. The additional areas contain 10 principal buildings, none of

which are 35 years of age or older as determined by property records research.

**Exhibit B**  
**SUMMARY OF TIF ELIGIBILITY FACTORS**

	Total	%
No. of improved parcels	338	84%
No. of vacant parcels	63	16%
Total parcels	401	100%
Total buildings	342	100%
No. of buildings 35 years or older	237	69%
Housing units	84	NA
Occupied housing units	69	82%
IMPROVED LAND FACTORS:		
No. of deteriorated buildings	169	49%
No. of parcels with site improvements that are deteriorated	139	41%
Deteriorated street and/or sidewalk pavement	YES	
No. of dilapidated buildings	11	3%
No. of obsolete buildings	29	8%
Excessive Vacancies	51	15%
No. of parcels with excessive land coverage or overcrowding of structures	170	50%
Deleterious land use or layout	YES	
Declining or Sub-par EAV Growth	YES	
VACANT LAND FACTORS (2 or More):		
Obsolete Platting	23	37%
Deterioration of Struct. Or Site Improvements in Neighboring Areas	38	60%
Declining or Sub-par EAV Growth	YES	
VACANT LAND FACTORS (1 or More):		
Chronic Flooding	15	24%

<sup>1</sup> Not determined

***b. Summary of Findings on Deterioration***

Deteriorating site conditions were recorded on four (4) of the seven (7) improved parcels within the added area. Most of this is associated with the hardstand/parking areas and unpaved areas with equipment or what appears to be salvaged vehicles or parts thereof. A small portion (about 0.25 acres) of the hardstand/parking areas has recently been repaved with asphaltic concrete. The addition of 10 principal buildings to the TIF 1 Project Area, brings the total number of building to 342 of which 169 were deteriorated as documented in the original eligibility analysis. These additional buildings brought the number of deteriorated structures down to 49% from 51% in the documented in original field survey. This is not considered a material change. With respect to the number of parcels with deteriorated site improvements, the original field survey recorded 135 such parcels (or 41% of the total parcels). The addition of seven (7) parcels, of which four (4) had deteriorated site conditions did not affect this proportion for the Project Area as a whole.

***c. Summary of Findings on Deleterious Land Use or Layout***

The original survey of TIF 1 found incompatible land use relationships (e.g. industrial or heavy commercial uses adjacent to residential uses) in 33 (63%) of 52 sub-areas. Examples of uses considered unsuitable for the surrounding area by contemporary city planning standards include the grain elevator complex, an auto salvage yard adjacent to the southern portion of the Area, and industrial buildings east of the Square. The 2021 Plan Amendment brings an additional two (2) sub-areas, an improved land sub-area and a vacant land sub-area. Incompatible land use relationships exist with respect to the added improved land area, whereby the heavy commercial use (Alliance Tractor) is adjacent to residential area on both the east and west sides of the sub-area. Contemporary planning standards would avoid such adjacencies unless adequate buffering, such as fencing and landscaping, could be provided. The addition of the two (2) sub-areas, one of which meets this criterion, did not change the finding for the TIF 1 Project Area, as a whole, having 63% of the now 54 sub-areas affected by incompatible land use relationships.



***d. Summary of Findings Regarding Declining or Lagging Rate of Growth of Total Equalized Assessed Valuation***

The total equalized assessed valuation (EAV) for the added parcels failed to meet the rate change in the Consumer Price Index (CPI) for five (5) out of the last five (5) years. A comparison of EAV trends for the added area and the CPI are shown in **Exhibit C - Comparison of EAV Growth Rates (2014-2019)**.

**Exhibit C**  
**Comparison of EAV Growth Rates (2014-2019)**  
Area Added to Redevelopment Project Area No. 1  
City of Newton, Illinois

Tax Year	EAV of Redevelopment Project Area	Balance of City <sup>1</sup>	Area Growth Rate Less Than Balance of City?	CPI <sup>2</sup>	Area Growth Rate Less Than CPI?
2014	\$ 293,614	\$ 29,566,158		236.736	
2015	\$ 289,634	\$ 27,359,768		237.017	
Annual Percent Change	-1.4%	-7.5%	NO	0.1%	YES
2016	\$ 292,469	\$ 28,823,700		240.007	
Annual Percent Change	1.0%	5.35%	YES	1.3%	YES
2017	\$ 293,902	\$ 29,509,386		245.120	
Annual Percent Change	0.5%	2.4%	YES	2.1%	YES
2018	\$ 296,451	\$ 30,503,870		251.107	
Annual Percent Change	0.9%	3.4%	YES	2.4%	YES
2019	\$ 299,234	\$ 31,113,668		255.657	
Annual Percent Change	0.9%	2.0%	YES	1.8%	YES

<sup>1</sup> Total City EAV minus EAV of Redevelopment Project Area.

<sup>2</sup> Consumer Price Index for All Urban Consumers. Source: U.S. Bureau of Labor Statistics

**2. Vacant Land Findings**

Approximately 65 of the 83 acres to be added to the Project Area is comprised of “vacant” land, as defined by the Act. As a result, the factors in the Act pertaining to improved areas do not apply. The Act recognizes that situations exist where vacant properties may need assistance in order to be developed and provides for that to occur. The criteria for qualifying are stated in Section II of this 2021 Plan Amendment report. The findings applicable to 61 acres of vacant land include:

*a. Findings on Subdivision of Properties*

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

Most of the acreage associated with the vacant parcels located within expanded Project Area have been used for commercial agricultural purposes within the last five years. However, prior to the adoption of this 2021 Plan Amendment, the City will prepare and record a final plat of a portion of this vacant land, pursuant to the City’s Subdivision Regulations. Also, the balance of the vacant land will be platted and approved, in preliminary form, pursuant to the same regulations.

*b. Findings on Deterioration of Structures/Site Improvements in Neighboring Areas*

Three (3) of the five (5) vacant parcels adjoin parcels that have deteriorated site improvements. One of these parcels adjoins the parcels having deteriorated site improvements cited in subsection 1. b. above. The other vacant parcel adjoins a residential strip adjoining the east side containing several deteriorated structures and site improvements. With the vacant parcels added to the original 59 vacant parcels located with the TIF 1 Project Area, it brings the total of such parcels to 64, with a total of 37 (59%) adjoining areas having deteriorated structures or site improvements.

*c. Summary of Findings on Declining or Sub-Par EAV Growth*

This factor is applicable to vacant land as well as improved land. The total equalized assessed valuation (EAV) for the area to be added to the Project Area has not kept pace with the balance of the City for four (4) of the last five (5) calendar years. Furthermore, the EAV for this area and been out-paced by inflation in each of the last five (5) years. A comparison of EAV

for the Area and the balance of the City are shown in **Exhibit C, Analysis of EAV Growth Rates (2016-2019)**.

**D. Summary and Conclusions**

It is found that the added area when combined with the original Project Area contains conditions that qualifies the amended Project Area, as a whole, as a combination ***conservation area and blighted area***. The number of buildings that are 35 years old or older exceeds the statutory threshold of 50% (prerequisite for a “conservation area”). The improved land portion of the additional area contains three (3) blighting factors. The vacant land portion of the additional area contains two (2) blighting factors as defined in the Act with respect to vacant land.

The following summarizes the existence of the most predominant conservation factors existing within the Additional Areas:

- **Age** – While none of the buildings in the added area are over 35 years of age, the TIF 1 Project Area continues to have more than 50% of its buildings being over 35 years old (69%).
- **Deterioration** – Deteriorating site conditions were recorded on four (4) of the seven (7) improved parcels within the added area.
- **Deleterious Land Use or Layout** – Incompatible land use relationships exist with respect to the added improved land area, whereby the heavy commercial use is adjacent to residential area on both the east and west sides of the sub-area.
- **Sub-par EAV Growth** – The conditions summarized above help explain, in part, why the added are has lagged behind the CPI terms of growth in EAV. This has held true for five (5) out of the last five (5) years.
- **Vacant Land** – The sound growth and development of the vacant land portion of the added area is impaired by the deteriorated site improvements in neighboring areas and sub-par EAV growth.



Without a program of intervention to induce private and public investment in the added area, these conditions are likely to become worse. The project contemplated in this amended tax increment program will serve to reduce or eliminate the deficiencies and are consistent with the community development strategies of the City of Newton.

## SECTION III

### REVISED REDEVELOPMENT PLAN AND PROJECT

#### A. Introduction

This Section and the following **Section IV** constitutes an amendment to the Redevelopment Plan and Project for Newton's Redevelopment Project Area No. 1, as amended up to this point. Pursuant to the Tax Increment Allocation Redevelopment Act, when the finding is made that an area qualifies as a conservation area, blighted area, or a combination of conservation and blighted area, a redevelopment plan must be prepared. A **Redevelopment Plan** is defined in the Act as "the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a 'blighted area' or 'conservation area' or combination thereof and thereby to enhance the tax bases of the taxing districts which extend into the Redevelopment Project Area".

#### B. General Land Uses to Apply

The general land uses to apply to the added area is shown on **Exhibit D – General Land Use Plan**. Most of the added area would be developed into a new business park. Also, the build-out of the Bella Vista Estates subdivision along the south side of South Lake Drive is proposed, along with additional large-lot single-family residential. A small residential subdivision is proposed in the northeast portion of the added area. Furthermore, a portion of the former equestrian facility property is slated for commercial use with residential being an alternative redevelopment use. This 2021 Plan Amendment is intended to induce investment by private enterprise in the added area.

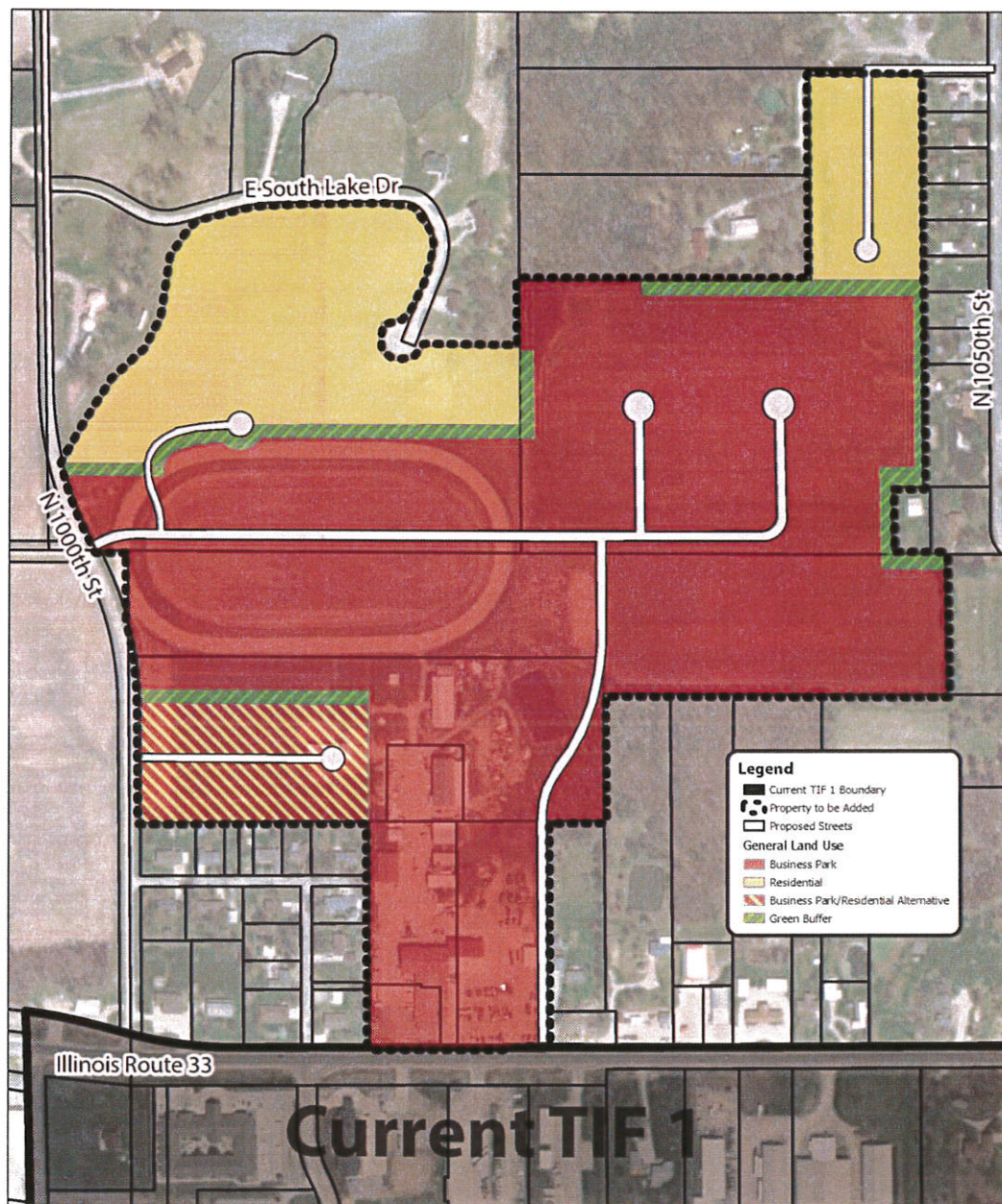


Exhibit D - General Land Use Plan  
Amended Redevelopment Project Area No. 1

Newton, IL



PCAV PLANNERS LLC



**C. Objectives**

The objectives of this revised Redevelopment Plan are:

1. Reduce or eliminate those conditions that qualify the Redevelopment Project Area, as amended, by carrying out the Redevelopment Plan, including property assembly, demolition of existing buildings, construction of new buildings, and site improvements.
2. Prevent the recurrence of blighting conditions by continuing to implement the Redevelopment Plan.
3. Enhance the real estate tax base for the City and all other taxing districts that extend into the Redevelopment Project Area as amended.
4. Encourage and assist private investment for new development and to redevelop property and/or rehabilitate existing buildings within the Redevelopment Project Area through the provision of financial assistance as permitted by the Act.
5. Provide for safe and efficient vehicular and pedestrian traffic circulation within the Project Area and particularly the area added to said Project Area.

**D. Program to be Undertaken to Accomplish Objectives**

The City of Newton has determined that it is appropriate to continue its program to provide limited financial incentives for private investment within the Redevelopment Project Area. It has been determined, through private & public project implementation experience, that tax increment financing constitutes one of the most effective means available for enabling redevelopment and conservation within the Area. The Project Area, as modified by the 2021 Plan Amendment and the City as a whole, and all other local taxing bodies, will benefit from the implementation of this Redevelopment Plan. The City will incorporate appropriate provisions within any redevelopment agreement entered into between the City and private parties to assure that redevelopment projects make progress towards achieving the objectives stated herein.

## **E. Redevelopment Project**

To achieve the objectives proposed in the Plan, multiple Redevelopment Projects will be undertaken. A Redevelopment Project involves a combination of private investment, as well as public investment, to help overcome the extraordinary costs associated with new development and redevelopment. Activities necessary to implement the Plan, as amended, may include the following:

### **1. Private Redevelopment Activities:**

To achieve the Plan objectives and the overall project proposed in the Plan, both public and private activities will need to be undertaken, including a combination of private and public investment. Improvements and activities necessary to implement the Plan will include the following:

- a. *Land assembly and site preparation:* In order to facilitate redevelopment, it will be necessary for TIF to help finance property acquisition, site preparation and other steps to prepare the Project Area, as amended for redevelopment.
- b. *Construction of private buildings:* Construction of new commercial and residential buildings will take place in phases and in response to market demand.

### **2. Public Redevelopment Activities:**

Public improvements and support activities will be used to induce and complement private investment in the Area. These may include, but are not limited to, the following activities:

- a. *Public works improvements:* Construction of new streets and installation of new or improvements to existing utilities as necessary to support private development.

- b. *Marketing of properties and promoting development opportunities:* The City will help to promote the development opportunities within the Project Area, as amended.
- c. *Other programs of financial assistance as may be provided by the City:* The Act defines eligible redevelopment project costs that are summarized in Section F below. The City's involvement with redevelopment activities may include all those authorized by the Act.

### **3. Land Assembly, Displacement Certificate & Relocation Assistance:**

To achieve the objectives of the Plan, land assembly by the City and eventual conveyance to private entities may be necessary to attract private development interest in the area to be added or the balance of TIF No. 1. Therefore, any property located within Redevelopment Project Area No. 1 may be acquired by the City, as necessary, to assemble various parcels of land to achieve marketable tracts, or if such property is necessary for the implementation of a specific public or private redevelopment project. This may include the displacement of inhabited housing units located in the Project Area (see below).

#### ***Displacement Certificate:***

Under Sections 11-74.4-3 (n) (5) and 11-74.4-4.1 (b) of the Tax Increment Allocation Redevelopment Act, the City hereby certifies that this 2021 Plan Amendment will not result in the displacement of more than nine (9) inhabited residential units.

#### ***Relocation Assistance:***

In the event that households of low-income or very low-income persons inhabit any residential housing units where relocation of the occupants is required, relocation assistance will be provided to such persons. Affordable housing and relocation assistance shall not be less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the



regulations under that Act, including the eligibility criteria. Affordable housing may be either in existing or newly constructed buildings. For purposes of this requirement in the TIF Act, “low-income households”, “very low-income households” and “affordable housing” have the meanings set forth in the Illinois Affordable Housing Act.

**F. Estimate of Redevelopment Project Costs**

**Exhibit E, Revised Estimated Redevelopment Project Costs**, reflects inflation-adjusted redevelopment project costs line item amounts as stated in the Ordinance 17-02, passed March 21, 2017. Ordinance 17-02 amended the Estimated Redevelopment Project Costs as contained in the Original Redevelopment Plan. The revised estimated costs include additional allowances for assisting the School District with repayment of future CSFO bonds and to cover potential School District increased cost associated with the additional proposed residential development. Note that unless otherwise funded from other sources, payment of any project cost will be limited to that which can be funded by the incremental revenues generated within the Project Area, as amended.

**G. Description of Redevelopment Project Costs**

Costs that may be incurred by the City in implementing the Redevelopment Plan may include project costs and expenses as itemized in Exhibit E, subject to the definition of “redevelopment project costs” as contained in the TIF Act as may be amended from time to time. Itemized below is the statutory listing of “redevelopment project costs” currently permitted by the Act [**bold typeface added for ease of reference**]:

- 1. 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 architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years.

**Exhibit E**

**REVISED ESTIMATED REDEVELOPMENT PROJECT COSTS**  
2021 Amendment to Redevelopment Project Area No. 1  
City of Newton, Illinois

<b>Description</b>	<b>Estimated Cost</b>
<b>A. Public Works or Improvements</b>	\$3,660,000
<i>(Improvement of streets, curb and gutters, utilities, and other public improvements)</i>	
<b>B. Property Assembly</b>	\$19,420,000
<i>(Acquisition of land or other property, real or personal, building demolition, and site preparation)</i>	
<b>C. Building Rehabilitation</b>	\$5,390,000
<b>D. Relocation</b>	\$80,000
<b>E. Taxing District Capital Costs</b>	\$110,000
<b>F. Job Training</b>	\$110,000
<b>G. School District Increased Costs</b>	\$500,000
<b>H. Library District Increased Costs</b>	\$100,000
<b>I. Interest Costs Incurred by Developers</b>	\$1,620,000
<b>J. Planning, Legal &amp; Professional Services</b>	\$270,000
<b>K. General Administration</b>	\$110,000
<b>L. Financing Costs</b>	See Note 3
<b>M. Contingency</b>	\$1,080,000
<b>Total Estimated Costs</b>	<b>\$32,450,000</b>

**Notes:**

1. All costs shown are in 2021 dollars.
2. Adjustments may be made among line items within the budget to reflect program implementation experience.
3. Municipal financing costs such as interest expense, capitalized interest and cost of issuance of obligations are not quantified herein. These costs are subject to prevailing market conditions and will be considered part of the total redevelopment project costs.
4. Private redevelopment costs and investment are in addition to the above.
5. The total estimated redevelopment project costs shall not be increased by more than 5% after adjustment for inflation from the date of adoption of the 2021 Plan Amendment, per subsection 11-74.4.5 (c) of the Act.

In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

- 1.5. After July 1, 1999, **annual administrative costs shall not include general overhead or administrative costs of the municipality** that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;
- 1.6. The **cost of marketing sites** within the redevelopment project area to prospective businesses, developers, and investors;
2. **Property assembly costs**, including but not limited to **acquisition of land** and other property, **real or personal**, or rights or interests therein, **demolition of buildings, site preparation**, 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**;
3. **Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings**, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct



or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;

4. **Costs of the construction of public works or improvements**, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November 1, 1999, redevelopment project costs **shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building** as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either
  - (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or
  - (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
5. **Costs of job training and retraining projects**, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
6. **Financing costs**, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

7. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a **taxing district's capital costs** resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.

7.5. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit **school district's increased costs attributable to assisted housing units** located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

(A) **for foundation districts**, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for **unit school districts** with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of

the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for **elementary school districts** with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for **secondary school districts** with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(B) For **alternate method districts, flat grant districts, and foundation districts** with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for **unit school districts**, no more than 40% of the total amount of property tax increment revenue produced by those housing



units that have received tax increment finance assistance under this Act;

(ii) for **elementary school districts**, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for **secondary school districts**, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

**(7.7) [Libraries]** For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005 (the effective date of Public Act 93-961), a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as au-

thorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph (7.7) applies only if

- (i) the library district is located in a county that is subject to the Property Tax Extension Limitation Law or
- (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph (7.7) shall be calculated by multiplying

- (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by
- (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita for the library in the previous fiscal year. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph (7.7) shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Tax Allocation Fund.

A library district is not eligible for any payment under this paragraph (7.7) unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph (7.7) shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.7). By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

8. **Relocation costs** to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n);
9. **Payment in lieu of taxes** [see Sec. 11-74.4-3 (m) of the Act];
10. **Costs of job training**, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, **incurred by one or more taxing districts**, provided that such costs
  - (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 mu-



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;

**11. 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 (11) 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; and
- (E) the cost limits set forth in subparagraphs (B) and (D) of paragraph (11) shall be 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) of paragraph (11).

- (F)** Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing.

The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property.

For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

12. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
13. After November 1, 1999 (the effective date of Public Act 91-478), **none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location** within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.

For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

14. **No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource,** after August 26, 2008 (the effective date of Public Act



95-934), unless no prudent and feasible alternative exists. “Historic resource” for the purpose of this item (14) means

- (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or
- (ii) a contributing structure in a district on the National Register of Historic Places.

This item (14) does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

## SECTION IV

### OTHER FINDINGS AND REQUIREMENTS

#### A. Conformance with Comprehensive Plan

Development and redevelopment projects proposed to be undertaken in the area added to the Project Area pursuant this 2021 Plan Amendment is consistent with the 2019 Revision to Comprehensive Plan for the City. In particular, the 2021 Plan Amendment is consistent with the following Comprehensive Plan objectives:

*Objective E.2.C. – Actively seek opportunities to attract new industry*

*Objective E.4.B. – Focus on recruiting small manufacturers and precision manufacturing operations*

*Objective C.2.B – Work together with JEDI to support future developments*

In addition, all development in the Amended Redevelopment Project Area will comply with applicable codes and ordinances.

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

The area to be added to the Redevelopment Project Area have not been subject to growth and development through investment of private enterprise. Clearly, the added areas suffer from lack of investment. Upon examination of equalized assessed valuation (EAV) data for the added area, the lack of investment is evident in the declining EAV (see **Exhibit F– EAV Trends (2014-2019)**).

The added area declined in value by 1.91% between 2014 and 2019, or at an annualized rate of 0.38%. By comparison, this rate of increase is far below the balance of the City and inflation. The above evidence, plus the fact that the most of the added area is farmland, clearly indicates that the added area lacks private investment necessary to make a material difference in property values.

**Exhibit F**  
**EAV Trends (2014 - 2019)**  
Area Added to Redevelopment Project Area No. 1  
City of Newton, Illinois

	2014	2019	Change	Percent	Annual Percent Rate
Redevelopment Project Area <sup>1</sup>	\$ 293,614	\$ 299,234	\$ 5,619	1.91%	0.38%
Balance of City <sup>2</sup>	\$ 29,566,158	\$ 31,113,668	\$ 1,547,511	5.23%	1.03%
CPI - All Urban Consumers <sup>3</sup>	236.74	255.66	18.92	7.99%	1.55%

<sup>1</sup>Equalized Assessed Valuation (EAV) of the Redevelopment Project Area ("RPA").

<sup>2</sup>City wide EAV minus the EAV of the Redevelopment Project Area.

<sup>3</sup>Consumer Price Index for All Urban Consumers. Source: U.S. Bureau of Labor Statistics.

**C. Would Not be Developed "but for" TIF**

The City of Newton does not have sufficient financial resources to address the infrastructure needs of the area being added to the Project Area. The City has previously used TIF to assist with installing the necessary streets and infrastructure associated with developing the subdivision. Such assistance is necessary to bring the average development cost per lot down to a price point that will be marketable for new business and home construction. Absent tax increment revenues, the proposed development cannot be completed and there will not be commitments for private development. It is the intent of this TIF plan amendment to help overcome the economic disincentives for redeveloping the area being added to the Project Area.

**D. Assessment of Financial Impact**

The City finds that the Plan and Redevelopment Projects proposed by this 2021 Amendment will not place significant additional demands on facilities or services for any local taxing body. Currently, police and fire services and facilities appear to be adequate for the foreseeable future.

To the extent that the new housing units to be built as part of the proposed project generates a net increase in new students, the Newton High School District #200 and the Newton School District #135 may be entitled to receive a portion of the tax increment generated by TIF assisted housing units that create the net increase in new students (see 65



ILCS 11-74.4-3 (q) (7.5)). The Estimated Redevelopment Project Costs, as itemized in Exhibit E, has been increased for such school district increased costs line item. In lieu of this provision of the Act, the City and/or developers may seek other arrangements with the School District to offset any increase costs that may occur because of this project.

In a similar manner to the potential for payments that may be made to the school districts, the TIF Act also provides for certain payments to the Library District if the District experiences increased costs associated with TIF assisted housing development (see 65 ILCS 11-74.4-3 (q) (7.7)). The Revised Estimated Redevelopment Project Costs as shown in Exhibit E, has a line item for the Library District.

In addition, the City and Joint Review Board will monitor the progress of the TIF program and its future impacts on all local taxing bodies. In the event significant adverse impacts are identified that increase demands for facilities or services in the future, the City will consider utilizing tax increment proceeds or other appropriate actions, to the extent possible, to assist in addressing the needs. To the extent that surplus revenues become available from the Project Area, the City will return these surplus revenues to the County to distribute on a pro-rata basis to local taxing bodies.

**E. Estimated Date for Completion of the Redevelopment Projects**

The estimated date for the completion of the redevelopment projects or retirement of obligations issued shall not be later than December 31 of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the original Redevelopment Project Area No. 1 was adopted. Ordinance Number 008-48 approving the original Project Area was passed on May 12, 2008. There the estimated date of completion of Redevelopment projects or retirement of obligations issued shall not be later than December 31, 2032

**F. Sources of Funds**

The primary source of funds to pay for redevelopment project costs associated with implementing this Plan shall be funds collected pursuant to tax increment financing to be adopted by the City. Under such financing, tax increment revenue resulting from an increase in the EAV of property in the 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 and retire any obligations incurred to finance redevelopment project costs.

To expedite implementation of this Redevelopment Plan and construction of the public improvements, the City, pursuant to the authority granted to it under the TIF Act, may issue bonds or other obligations to pay for the eligible redevelopment project costs. These obligations may be secured by future revenues to be collected and allocated to the Special Tax Allocation Fund.

If available, revenues from other economic development funding sources, public or private, may be utilized. These may include State and Federal programs, local retail sales tax, applicable revenues from any adjoining tax increment financing areas, and land disposition proceeds from the sale of land in the Area, as well as other revenues. The final decision concerning redistribution of yearly tax increment revenues may be made as part of a bond ordinance.

#### **G. Nature and Term of Obligations**

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

#### **H. Most Recent EAV and Redevelopment Valuation**

The most recent total equalized assessed valuation (EAV) for the added area has been estimated to be \$299,234 (2019 tax year). After adoption of the 2021 Plan Amendment, establishing the revised boundaries of the Redevelopment Project Area and adopting tax increment financing for added area, the City will make a request to the County Clerk of

Jasper County to certify the base EAV for parcel of real estate added to the Project Area. This parcels within the added area will have a different “base” year value than all of the other parcels located in TIF No. 1.

Contingent on the adoption of this Tax Increment Redevelopment Plan and commitment by the City to the Redevelopment Program, it is anticipated that the private redevelopment investment in the added area will cause the equalized assessed valuation of amended Project Area to increase by \$22 to \$27 million (2021 dollars) upon completion of the redevelopment project (estimate in Original Plan increased by inflation).

**I. Fair Employment Practices and Affirmative Action**

The City of Newton will ensure that all private and public redevelopment activities are constructed in accordance with fair employment practices and affirmative action by any and all recipients of Tax Increment Financing assistance. Furthermore, the City of Newton will require compliance with its prevailing wage ordinance in effect at the time TIF eligible redevelopment project costs are incurred.

**J. Reviewing and Amending the TIF Plan**

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



## APPENDIX

## **ATTACHMENT A**

### **Resolution 21-04**

**FEASIBILITY AND INDUCEMENT RESOLUTION REGARDING THE  
EXPANSION OF TIF REDEVELOPMENT PROJECT AREA NO. 1 OR THE  
CREATION OF A NEW TIF REDEVELOPMENT PROJECT AREA AND  
TO INDUCE DEVELOPMENT INTEREST  
WITHIN SUCH AREA**

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

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

**WHEREAS**, the City has an option to purchase approximately 62 acres of land from the estate of Anthony F. Griffith (the “Griffith Land”) for the purpose of marketing such land for private development that would create jobs, increase the tax base and otherwise enhance the long-term economic vitality of the City; and

**WHEREAS**, the City, based on experience of developing other business parks and a residential subdivision, has determined that TIF financing to help offset property acquisition and infrastructure costs is necessary to make such development financially feasible for inducing private investment in such development; and

**WHEREAS**, the City desires to undertake a feasibility study to determine whether findings may be made with respect to the Griffith Land and several adjoining parcels of real estate south of the Griffith Land (the “Study Area”) that would enable the City to designate the Study Area as a redevelopment project area, to qualify the area as a blighted area, conservation area or combination blighted area and conservation area as defined in the Act, and other research necessary to document the lack of growth and development through private enterprise; and

**WHEREAS**, the exact extent and boundaries of the Study are not precisely defined at this time but the area being considered is generally delineated on **Exhibit A** attached hereto, and that the actual redevelopment project area to be established may contain more less land than that shown on Exhibit A; and

**WHEREAS**, the City will be expending certain funds to determine eligibility of the proposed redevelopment project area and to prepare the required redevelopment plan



or to prepare an amendment to TIF Redevelopment Project Area No. 1 ("TIF 1") if it's determined that expanding the boundaries of TIF 1 is an appropriate alternative to creating a new TIF and if the City decides to implement tax increment financing for all or a portion of the Study Area; and

**WHEREAS**, the City will be, and property owners within the Study Area may be, expending certain funds for professional services, legal services and other project costs in advance of the City officially approving a new TIF Plan or a TIF 1 Plan amendment, establishing new TIF redevelopment project area or expanding TIF 1, and adopting tax increment financing for Study Area; and

**WHEREAS**, it is the intent of the City to allow the City and property owners to recover these expenditures from proceeds of the new TIF and/or TIF 1 after it is established; and

**WHEREAS**, the City wishes to encourage property owners and any interested developer or business to pursue plans for the development of the Griffith Land and redevelopment/retrofit/renovation of the other properties within the Study Area and make such expenditures as are reasonably necessary in that regard with confidence that TIF eligible expenditures will be allowable redevelopment project costs, provided that such costs are included in the Plan and meet the definition of "redevelopment project costs" as defined in the Act; and

**WHEREAS**, the implementation of the proposed new TIF area or expansion of TIF 1 will ultimately enhance the City's tax base as well as the tax base of other affected taxing districts, provide new job opportunities for its residents, grow the commercial base of the City, and improve the general welfare and prosperity of the community; and

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

**WHEREAS**, given that the proposed TIF Plan or proposed Project will not result in the displacement of residents since there are no inhabited residential units within the proposed TIF Area, the feasibility study is not required to include the preparation of a housing impact study as described in Section 11-74.4-4.1 (b) of the Act; and

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

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

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

Mark Bolander  
Mayor  
City of Newton  
108 N. Van Buren  
Newton, IL 62448  
Telephone (618) 783-8451

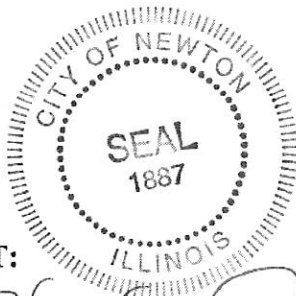
3. That this resolution does not constitute a financial obligation of the City with respect to the Developer or the Project, but rather an expression of intent of the City at this time.

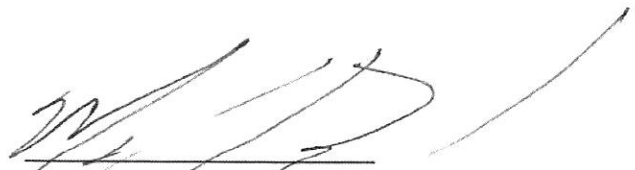
**PASSED**, approved, and adopted on a roll call vote on this 16 day of March 2021

AYES: Marlene Harris, Gayle Glumac, David Brown, Mark Bolander


NAYS: Eric Blake

ABSENT: Larry Brooks

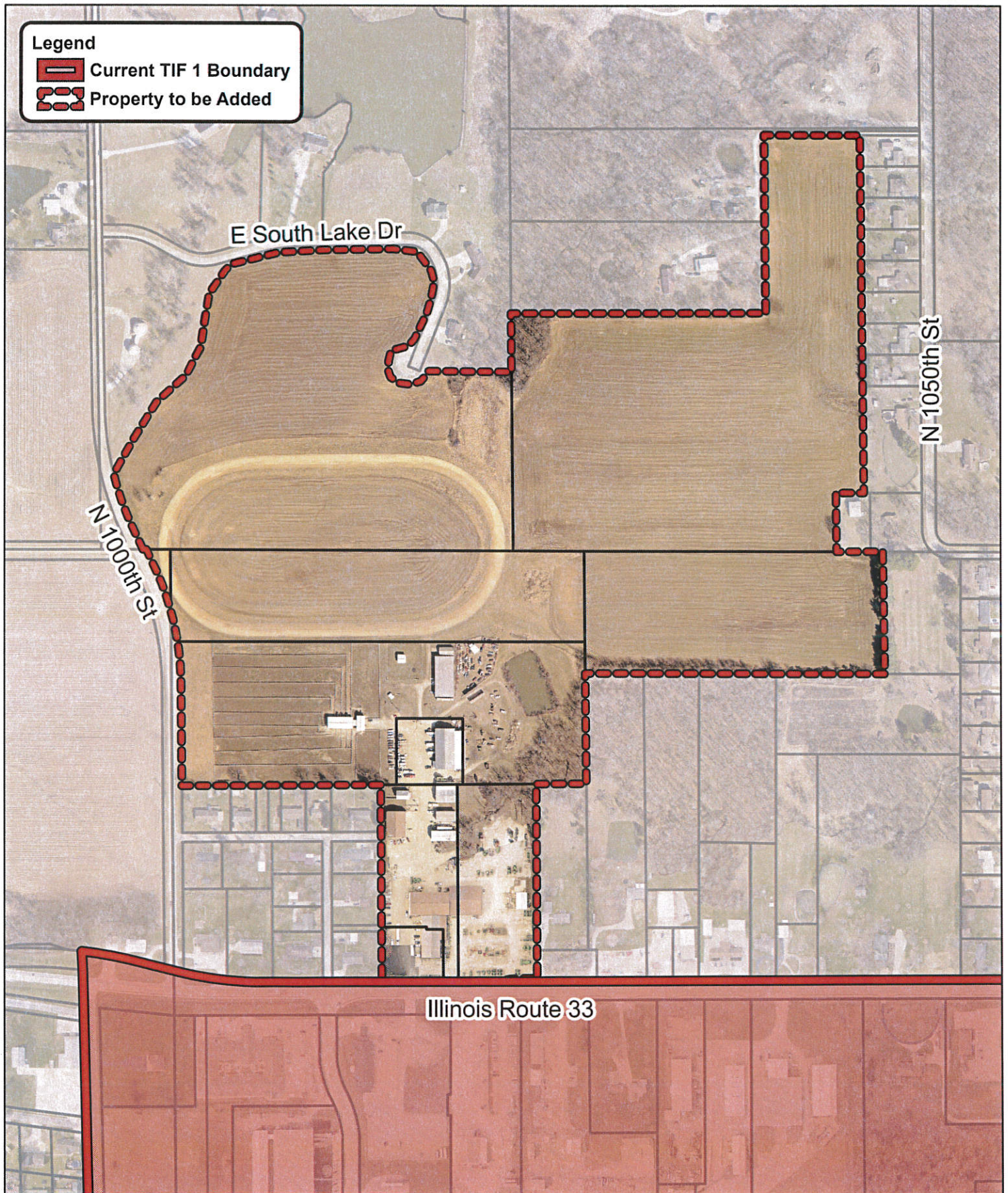


  
Mark Bolander, Mayor

**ATTEST:**

  
Rosetta M. York, City Clerk





**Exhibit A - Proposed Addition to  
Redevelopment Project Area No. 1**

**Newton, IL**



0 250 500 US Feet



## **ATTACHMENT B**

### **Boundary Description of the Amended Redevelopment Plan and Project No. 1 (to be added later)**

## **ATTACHMENT C**

### **Photographs of Existing Conditions (to be added later)**