FOR DISTRIBUTION AT THE REGULAR CITY COUNCIL MEETING JANUARY 3, 2023

AGENDA NO. 2023-001

AN ORDINANCE AUTHORIZING THE EXECUTION OF A TEN-YEAR GYPSUM SALE AGREEMENT AND PARCEL LEASE BETWEEN THE CITY OF SPRINGFIELD AND SULAR-PLUS LLC FOR THE SALE OF GYPSUM BY-PRODUCTS, FOR THE OFFICE OF PUBLIC UTILITIES

AGENDA NO. 2023-002

A RESOLUTION FIXING A TIME AND PLACE FOR A PUBLIC HEARING ON THE ADIRONDACK TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT FOR THE OFFICE OF PLANNING AND ECONOMIC DEVELOPMENT

AN ORDINANCE AUTHORIZING THE EXECUTION OF A TEN-YEAR GYPSUM SALE AGREEMENT AND PARCEL LEASE BETWEEN THE CITY OF SPRINGFIELD AND SULAR-PLUS LLC FOR THE SALE OF GYPSUM BY-PRODUCTS, FOR THE OFFICE OF PUBLIC UTILITIES

WHEREAS, Sular–Plus, LLC, desires to enter into a ten-year gypsum sale agreement and parcel lease for property that is a part of 22-13-100-006 to allow Sular-Plus LLC to purchase and process gypsum by-products from the City of Springfield, Office of Public Utilities; and

WHEREAS, this Ordinance approves and authorizes the execution of a ten-year gypsum sale agreement and parcel lease with Sular-Plus LLC allowing Sular-Plus LLC to purchase and process gypsum by-products from the City of Springfield, Office of Public Utilities; and

WHEREAS, the City Purchasing Agent has made a determination that Sular-Plus LLC is a sole source vendor and is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.40 pertaining to sole source Procurement; and

WHEREAS, it is in the best interests of the City of Springfield to enter into a gypsum sale agreement and parcel lease with Sular-Plus, LLC for the sale and processing of gypsum by-products; and

WHEREAS, a copy of the ten-year gypsum sale agreement and parcel lease shall be on file in the Office of the City Clerk.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

Section 1: The Council of the City of Springfield, Illinois hereby approves and authorizes the execution of a ten-year gypsum sale agreement and parcel lease with Sular-Plus LLC allowing Sular-Plus LLC to purchase and process gypsum by-products from the City of Springfield, Office of Public Utilities.

Section 2: The Mayor and City Clerk are hereby authorized to execute and necessary documents.

PASSED: ____________________, **2023**

SIGNED: ____________________, **2023**

RECORDED: ________________, **2023**

____
Mayor James O. Langfelder

ATTEST: ___________________________
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

____
Office of Corporation Counsel / Date

Office of Budget and Management
Purchasing Department
City of Springfield, Illinois

MEMORANDUM

TO: Vanessa Pohlman

FROM: Dan Long – Central Purchasing

DATE: January 3, 2023

SUBJECT: Request for Sole Source Determination

I have reviewed the Ordinance Fact Sheet to Sular-Plus LLC, authorization and execution of a ten (10) year Gypsum Sale Agreement and Parcel Lease for the sale of Gypsum By-Products for the Office of Public Utilities.

Based on the information provided, I have determined that Sular-Plus LLC, is the sole source. Pursuant to Article 38.40 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed
Competitive bids.

SUL4R-PLUS, LLC Project Development

City of Springfield, CWLP Project Overview

SUL4R-PLUS

SUL4R-PLUS (S4+) is a crop nutrient producer headquartered in Louisville, KY. The Company is a wholly owned subsidiary of CEP Holdings, Inc.

Since 2013 S4+ has successfully operated an 80,000 tons per year (TPY) crop nutrient manufacturing plant near Louisville, KY (Mill Creek). S4+ upcycles synthetic gypsum, a waste byproduct from coal fired power plants that would otherwise be disposed of in landfills, along with an organic binder that is a waste by-product of the pulp industry, as feedstock to produce a high value non-NPK (Nitrogen/Phosphorus/Potassium) complementary fertilizer/crop nutrient (Fertilizer). S4+'s Fertilizer delivers key agronomic nutrients (calcium and sulfate) that are critical in plant metabolic processes. Not only does S4+ recycle waste byproducts into crop nutrients, our production methods and products reduce carbon emissions compared to generic NPK fertilizer products, via both production and application.

By repurposing the synthetic gypsum as well as the byproduct from the pulp industry, we're supporting a circular economy and diverting these byproducts from unsustainable landfills.

Project Overview

S4+'s CWLP expansion projects will increase production of its Fertilizer from 80,000 TPY to 180,000 TPY, an increase of 125%. The expansion entails building a 100,000 TPY facility constructed on a 5-acre parcel of land adjacent to the City Water, Light, and Power (CWLP) Dallman 4 power plant in Springfield, IL (on Adloff Lane south of Stevenson Drive). S4+ is in the process of finalizing Gypsum Supply and Site Lease agreements with the City of Springfield, IL, CWLP's owner.

Project Goals and Objectives

1. Increase S4+'s production of its Fertilizer from its existing 80,000 TPY to 180,000 TPY, expanding the availability of "Made in America" Fertilizer that would be applied on 5,600,000 acres of crop production land.
2. Enable S4+ to meet outstanding Fertilizer demand and to service a significantly larger share of the US market, with a focus on the Central Plains states. S4+ is currently sold out of capacity and the expansion is required to satisfy the unmet demand of the US market.
3. Reduce greenhouse gas emissions by approximately 150,000 MT CO_2e per year.
4. Repurpose waste product (gypsum) into a high-value agronomic nutrient product.
5. Increase employment in and around the site by adding nearly 25 new high paying jobs.

Compliance

S4+'s Fertilizer manufacturing process at its current site in Louisville, KY is, and will be, in accordance with all federal, state, and local regulations governing crop nutrient/fertilizer manufacturing, processing, storage, distribution, and waste management, and is compliant with all necessary permitting. Once operational, the crop nutrient processes at S4+'s new production facilities in Springfield and Marissa, IL, will similarly follow all above requirements.

Preliminary CWLP Site Schedule

Activity Description	Start Date	End Date
Project development & approval- Project definition, design, capacity sizing, partner colocation, NTP	7.1.2022	1.5.2023
Site – identification, control/acquisition, access	9.1.2022	10.25.2022
Feedstock – gypsum and binder procurement agreements	7.1.22	3.9.2023
Contracting - size, layout, engineering, equipment fabricator selection, integrator agreement, construction firm agreement	10.25.2022	2.7.2023
Site engineering and development - plant foundations, road and rail work, utility work	12.7.22	2.9.2023
Permitting & licensing	1.6.2023	9.14.2023
Equipment - NTP, fabrication & integration, FAT, site delivery	1.6.2023	12.22.2023
Construction - plant, roads & railroad, utilities, modules, warehouse, mobile equipment	4.27.2023	11.24.2023
Commissioning	1.22.2024	1.26.2024
Operation acceptance	1.29.2024	2.6.2024

Project Description

Equipment- Springfield plant design basis will be predicated on the current production facility located in Louisville KY that has been in operation since 2013. Improvements & lessons learned design improvements will be incorporated. The current plant equipment includes:

Feedstock- S4+ Springfield Fertilizer production facility will be constructed on the 5-acre site adjacent to City Water, Light, and Power (CWLP) and will source gypsum waste byproduct from the 100,000 TPY produced by CWLP per year to manufacture the Company's non-NPK crop nutrient product. The agreements with CWLP include an off-take agreement giving S4+ access to this feedstock that will be truck to the S4+ site from the CWLP Dallman 4 Power Plant that is approximately 1 mile away by road.

Sales and Distribution- S4+ will market and sell its Fertilizer to fertilizer distributors who mix ***it*** with their NPK fertilizers. This network of fertilizer distributors then sells the product to U.S. agricultural commodity producers that apply the product in the spring and fall according to the farmer's soil amendment schedule. The Fertilizer is typically blended with dry NPK fertilizers for application in the spring, and/or blended with dry P&K (Phosphorus/Potassium) fertilizers for application in the fall.

Primary market for Fertilizer from the Springfield plant will be Illinois and neighboring states. Three (3) modes of transportation will distribute Fertilizer. The facility will truck most of the Fertilizer to nearby end-user destinations. Rail transportation will be used to distribute remaining product to more distant markets across the U.S.

Stage of Development

- S4+ has the capability to secure project financing.
- S4+ is in detailed discussions with two (2) vendors to provide engineering, procurement, fabrication, and erection services.
- Initial plant design and optimization work has been completed.
- Initial plant drawings and schematics for S4+'s two facilities have been completed.
  - Initial site development/permitting work will occur January-March 2023.
- Equipment procurement for the Springfield, IL site will commence in Q1 2023

Climate Impacts & Sustainability

S4+'s Fertilizer expansion project will support additional production volumes of low carbon, sustainable crop nutrients while also mitigating many of the environmental and climate impacts inherent in traditional nitrogen fertilizer production, application, and use.

Table 1 – Emissions comparison between nitrogen fertilizer and S4+ fertilizer

CO_2e GHG Emissions (tons emissions/tons fertilizer)	Nitrogen Fertilizer	S4+ Fertilizer
Production	4.07	0.10
Use/Field	6.15	0.00
Total	10.22	0.10

S4+'s project creates the opportunity to displace a total of 10.12 MT of CO2e per ton of fertilizer (3.97 displaced through production and 6.15 displaced by avoiding emissions at the field level).

Assuming a displacement ratio of 15%, each metric ton of S4+'s Fertilizer displaces 1.5 MT of CO2e. When this displacement ratio is applied to S4+'s additional production capacity (100,000 MT/year) related to this project, S4+'s Fertilizer has the potential to displace 150,000 MT of CO2e annually – the equivalent amount of carbon sequestered by nearly 2.5 million tree seedlings grown for 10 years.

Project Capital Cost

Total project costs are estimated at approximately $40m. S4+ is requesting financial assistance from the USDA-Rural Development Fertilizer Production Expansion Program-FPEP.

Requested Cost Assistance

S4+ requests the following considerations from CWLP & the City of Springfield to assist with defrayment of cost:

1. $450,000 of City provided infrastructure assistance either under Community Development Block Grant (CDGB) funding or other City identified funding sources. If CBDG, S4+ will comply with all required federal guidelines for use of funds in blighted areas and low- and moderate-income guidelines. But for this assistance, the project will not commence.
2. Extension of the Springfield Sangamon County Enterprise Zone to the project site to obtain standard benefits including sales tax exemption on building materials and the investment tax credit. But for this assistance, the project will not commence.
3. Extend Manufacturing Rates for electrical and water usage.

ORDINANCE FACT SHEET

REQUEST FORM NO:
DATE OF 1ST READING: 01/03/23

OFFICE REQUESTING: Office of Public Utilites

CONTACT PERSON:
PHONE NUMBER: 789-2393

EMERGENCY PASSAGE: No [X] Yes [ ] If yes, explain justification.

TYPE OF ORDINANCE: AGREEMENT / LEASE

FISCAL IMPACT: $ -

(If amending a previous ordinance, please attach a copy of the previous ordinance)

SUGGESTED TITLE:

AN ORDINANCE AUTHORIZING THE EXECUTION OF A TEN-YEAR SALE AGREEMENT AND PARCEL LEASE BETWEEN THE CITY OF SPRINGFIELD AND SULAR-PLUS LLC FOR THE SALE OF GYPSUM BY-PRODUCTS, FOR THE OFFICE OF PUBLIC UTILITIES

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME:
VENDOR NO:
CONTRACT TERM:
CONTRACT #
Change in Scope Yes [ ] No [ ]

CONTRACT AMOUNT:
(Original amount if change order)
Change Order #
Additional Amount

Method of Purchase (check one)
Previous Ord #'s

[ ] Low Bid
[ ] Other:
Is Purchasing Agent approval required? No [ ] Yes [ ]
[ ] Low Bid Meeting Specs
[ ] Exception:
Is Purchasing Agent approval attached? No [ ] Yes [ ]
[ ] Low Evaluated Bid
Code Provision:

Accounting information (if more than four accounts, please attach list)

REVENUE

	Fund	Agency	Org	Activity	Source	Amount
1						
2						
3						
4						

EXPENDITURE

	Fund	Agency	Org	Activity	Object	Amount
1						
2						
3						
4						

FUNDS CHECK BY:	Date:
DIRECTOR / SUPERVISOR SIGNATURE	Date:
CITY PURCHASING AGENT:	Date:

COMMENTS

AN ORDINANCE AUTHORIZING THE EXECUTION OF A TEN-YEAR SALE AGREEMENT AND PARCEL LEASE BETWEEN THE CITY OF SPRINGFIELD AND SULAR-PLUS LLC FOR THE SALE OF GYPSUM BY-PRODUCTS. THIS PROVIDES FOR A TEN YEAR AGREEMENT FOR THE SALE OF GYPSUM BYPRODUCTS TO SULAR-PLUS LLC AND FOR A PRICE OF $10.00 PER TON WITH ANNUAL ADJUSTMENTS AND PACEL LEASE FOR THE OPERATION OF THE GYPSUM PROCESSING BY SULAR-PLUS LLC.

SIGN OFF:
(Mayor's Signature)
(Director of OBM)

S:\Excel\Fact Sheets\SULAR-PLUS LLCSULAR-PLUS LLC

The information supplied on this form is not confidential information.

Revised 5/26/04

17364

2023-001 Add 1/3/23

A RESOLUTION FIXING A TIME AND PLACE FOR A PUBLIC HEARING ON THE ADIRONDACK TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT FOR THE OFFICE OF PLANNING AND ECONOMIC DEVELOPMENT

WHEREAS, the city of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

WHEREAS, the City of Springfield (the "City") is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 11-74.4-1, *et seq.* (the "Act"), the 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, it is necessary for the City to adopt redevelopment plans(s), redevelopment project(s), designate redevelopment project area(s) on the basis of finding that the area(s) qualify pursuant to statutory requirements and make a finding that the redevelopment project area(s) on the whole have not been subjected to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan, which plan contains a commitment to use public funds; and

WHEREAS, the City desires to pursue the adoption of a redevelopment plan and redevelopment project for an area of the City to be known as the Adirondack Tax Increment Financing Redevelopment Project Area, generally described herein, which may qualify as a blighted area or a conservation area or a combination thereof as defined in the Act; and

WHEREAS, the boundaries of the redevelopment project area are precisely defined in the proposed plan that is on file with the Springfield City Clerk; and

WHEREAS, Section 11-74.4-5 of the Act requires that the City Council fix a time and place for public hearings to allow public comment on the proposed plans for the Tax Increment Financing.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

Section 1: The City Council hereby fixes March 6, 2023, at 1:00 p.m., in City Council Chambers, 300 S. Seventh Street, Springfield, Illinois, 62701, as the time and place for a public hearing on the Adirondack Tax Increment Financing Redevelopment Plan and Project for the Redevelopment Area.

Section 2: From and after the effective date of the Resolution, the proper officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts, including the sending of appropriate notices as required by the Act, and to execute all such documents as may be necessary to carry out the intent and accomplish the purposes of the Resolution.

Section 3: This Resolution shall become effective immediately upon its passage and recording by the City Clerk.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

PASSED: ____________________, 2023

RECORDED:__________________, 2023

ATTEST: __________________________
City Clerk Frank Lesko

Requested by: Mayor James O. Langfelder

SIGNED: ____________________, 2023

____
Mayor James O. Langfelder

Approved as to legal sufficiency:

____
Office of Corporation Counsel / Date

Tax Increment Financing Redevelopment Plan & Project

Adirondack TIF Redevelopment Project Area

Prepared for

City of Springfield, Illinois

Prepared by

PGAV PLANNERS

December 23, 2022

ACKNOWLEDGMENTS

MAYOR

James O. Langfelder

CITY COUNCIL

Chuck Redpath – Ward 1

Shawn Gregory – Ward 2

Roy Williams, Jr. – Ward 3

John Fulgenzi – Ward 4

Lakeisha Purchase – Ward 5

Kristin DiCenso – Ward 6

Joe McMenamin – Ward 7

Erin Conley – Ward 8

Jim Donelan – Ward 9

Ralph Hanauer – Ward 10

CITY CLERK

Frank Lesko

CORPORATION COUNSEL

James Zerkle

BUSINESS PROJECTS MANAGER & TIF ADMINISTRATOR

Ravi Doshi

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SECTION I - INTRODUCTION

The area being considered for designation as a TIF district consists of six parcels and the adjacent street right-of-way, amounting to a total of approximately 4.19 acres. These properties are predominantly used for parking and the northernmost part contains three vacant building formerly occupied by Ace Sign Co. The area proposed for inclusion in the TIF district is bounded by structures to the north; N. 4th Street to the west; E. Madison Street and Illinois Highway 29 to the south; and roughly N. 5th Street and to the east, but it does not include the building located at 317 N 5th Street. The area is referred to herein as the Adirondack TIF Redevelopment Project Area, "TIF Area," or just the "Area." The boundaries of the Area are shown on **Exhibit A - Redevelopment Project Area Boundary**. Refer also to the **Boundary Description** contained in the **Appendix** as **Attachment A**.

All of the properties contained in the Area are currently part of the Central Area TIF Redevelopment Project Area. They will be removed from the Central Area TIF and placed into the new TIF Area with the most recent equalized assessed valuation (or "EAV") becoming the new initial, base EAV. Any TIF EAV (any EAV above the original value in 1981) for these properties will become rate-setting EAV and be treated as such by Sangamon County for taxation purposes. The new base value for these six parcels will be established upon the creation of this TIF Area and any increase in value beyond the base value will be treated as TIF EAV.

The City may consider the use of tax increment financing, as well as other economic development resources as available, to facilitate private investment within the Area. It is the intent of the City to induce the investment of significant private capital in the Area, which will serve to redevelop aging properties and infrastructure that will likely enhance the tax base of the community. Furthermore, in accordance with Section 11-74.4-3(n)(5) of the Act, a housing impact study need not be performed since the redevelopment plan will not result in the displacement of more than 9 inhabited residential units.

The Act sets forth the requirements and procedures for establishing a Redevelopment Project Area and a Redevelopment Plan. The following sections of this report present the findings of eligibility and the Redevelopment Plan and Project for the Area, as well as other findings, evidence, and documentation required by the Act.

Exhibit A – Redevelopment Project Area Boundary

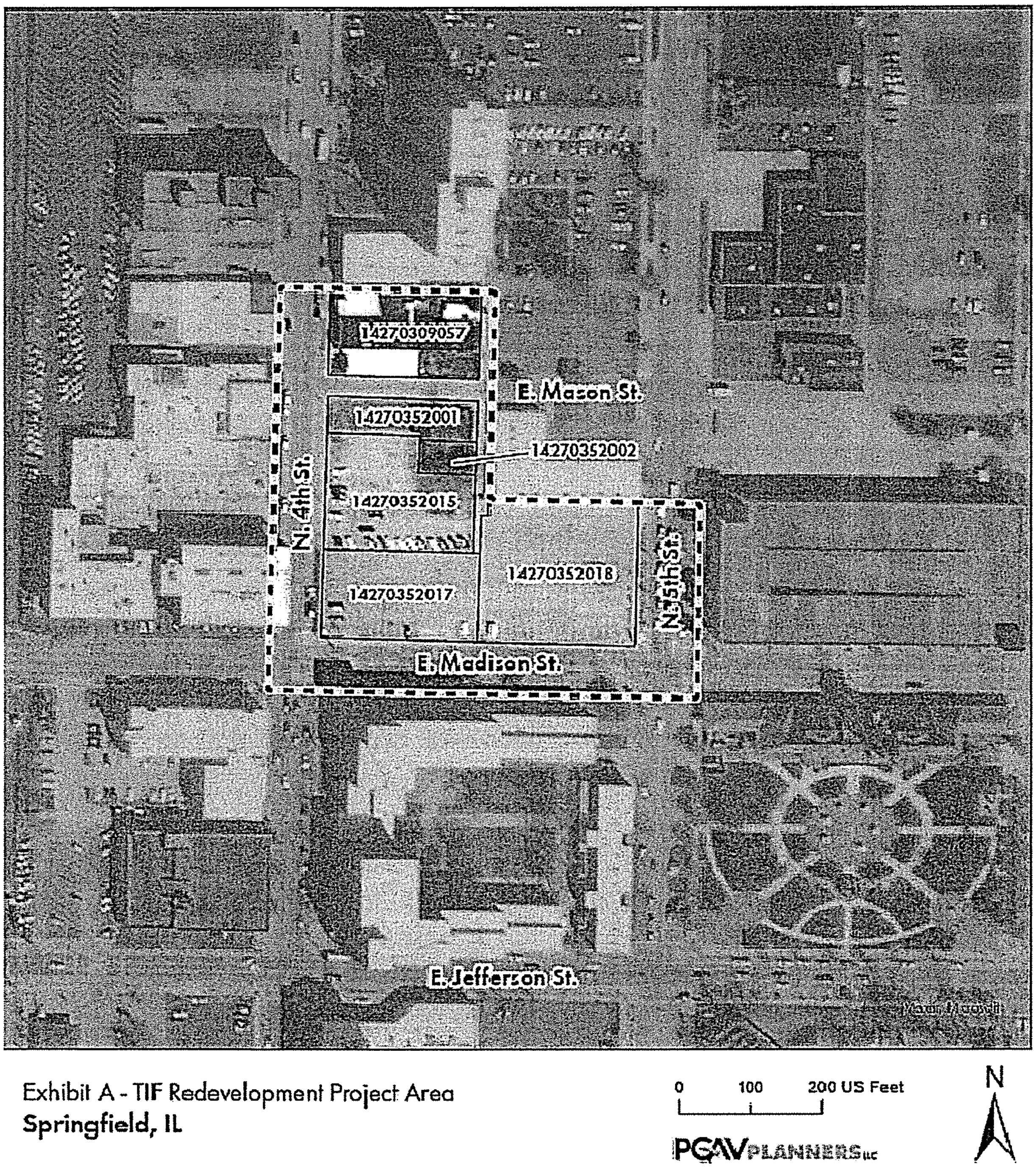

Exhibit A - TIF Redevelopment Project Area
Springfield, IL

SECTION II - BASIS FOR ELIGIBILITY OF THE AREA

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 section documents the relevant statutory requirements and how the Area meets the eligibility criteria as a combination of blighted and conservation areas.

Definition of a Blighted Area

The TIF Act states that a "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:"

1. "**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:"

   A. "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."

   B. "Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use."

   C. "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."

   D. "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."

E. "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."

F. "Excessive vacancies. The presence of buildings that are unoccupied or underutilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies."

G. "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."

H. "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."

I. "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 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."

J. "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."

K. "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."

L. "<u>Lack of community planning.</u> 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."

M. "<u>The total equalized assessed value of the proposed redevelopment project area has declined</u> for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, <u>or</u> 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, <u>or</u> 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."

1. "**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:"

   A. "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."

   B. "Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development."

   C. "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."

   D. "Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land."

E. "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."

F. "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. "**If vacant**, the sound growth of the redevelopment project area is impaired by one of the following factors that: (i) is 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) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

A. The area consists of one or more unused quarries, mines, or strip mine ponds.

B. The area consists of unused rail yards, rail tracks, or railroad rights-of-way.

C. The area, prior to its designation, is subject to

a. chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency; or

b. surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

D. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

E. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or City center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

F. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

Definition of a Conservation Area

1. **"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 or more of the following factors, the area is detrimental to the public safety, health, morals or welfare, and such an area may become a blighted area:

   A. 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.

   B. Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

   C. 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.

   D. 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.

   E. 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.

   F. Excessive vacancies. The presence of buildings that are unoccupied or underutilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

G. 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.

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five 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 of the last five 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 of the last five calendar years prior to the year in which the redevelopment project area is designated.

Findings

In determining if the Area meets the eligibility requirements of the Act, research and photograph analysis were conducted. These included:

- Contacts with City officials knowledgeable about area conditions and history and age of buildings and site improvements.
- Site condition photographs were received from the City on December 16th and 20th of 2022 and examined 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 Sangamon County real property tax assessment records.

PGAV staff reviewed photographs of the Area to document existing conditions of the properties proposed for the Area. The following narrative summarizes the factors found to be present to a meaningful extent within the Area.

Eligibility of Improved Parcels

1. 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 to meet this criterion. The Area contains three buildings on one parcel, of which two (66.67%) are 35 years of age or older, according to the Sangamon County Clerk online property data. These two buildings were built in 1925 and amount to 82.89% of the total building floor area within the Area. More than 50% of the buildings exceed 35 years of age; therefore, the age threshold is met for qualifying the improved property within the Area as a conservation area.

2. Summary of Findings on Dilapidation (Improved Land Factor #1)

Dilapidation is evident on 3 out of 6 (50%) improved parcels. The photographic analysis of existing site conditions found an advanced level of decay of parking surfaces within the TIF Area. Complete reconstruction of the surfaces is necessary if they are to be returned to their original use or used for any other land uses.

3. Summary of Findings on Deterioration (Improved Land Factor #2)

Deteriorating conditions were recorded on 6 out of 6 (100%) improved parcels. Deteriorated and crumbling parking surfaces are present throughout the area. Photographic evidence of deteriorating conditions in the Area can be found in **Attachment B** in the **Appendix**.

4. Summary of Findings on Excessive Vacancies (Improved Land Factor #3)

Within the Area, 3 (100%) out of 3 structures are wholly vacant. The buildings formerly occupied by Ace Sign Co. are completely vacant. This vacancy can have adverse influence on the Area because of the duration of the vacancy.

5. Declining or Sub-par EAV Growth (Improved Land Factor #4)

The Area, on the whole, contains property whose equalized assessed valuation has grown at a lower rate than the balance of the City. The area exhibited this characteristic for 4 out of the last 5 years. Additionally, the Area, on the whole, contains property whose equalized assessed valuation has grown at a lower rate than the Consumer Price Index for 5 out of the last 5 years. See **Exhibit B – Comparison of EAV Growth Rates (2016-2021)**.

Exhibit B – Comparison of EAV Growth Rates (2016-2021)

Adirondack TIF Redevelopment Project Area
Springfield, Illinois

Assessment Year	Project Area EAV *	EAV Declined?	Balance of City**	Area Growth Rate Less Than Balance of City?	Area Growth Rate Less Than CPI Index for All Urban
2016	$ 443,204		$ 2,341,043,498		
2017	$ 449,764		$ 2,411,411,042		
Annual Percent Change	1.5%	NO	3.0%	YES	YES
2018	$ 455,657		$ 2,452,509,864		
Annual Percent Change	1.3%	NO	1.7%	YES	YES
2019	$ 296,420		$ 2,433,651,336		
Annual Percent Change	-34.9%	YES	-0.8%	YES	YES
2020	$ 297,552		$ 2,441,430,282		
Annual Percent Change	0.4%	NO	0.3%	NO	YES
2021	$ 297,136		$ 2,442,516,654		
Annual Percent Change	-0.1%	YES	0.0%	YES	YES

* Source: Sangamon County Clerk data.

** Source: Sangamon County Tax Levy and Rate Reports 2016-2021.

SECTION III - REDEVELOPMENT PLAN AND PROJECT

Section III and Section IV constitutes the Redevelopment Plan and Project for the Adirondack TIF Redevelopment Project Area.

General Land Uses to Apply

The general land uses to apply for the Area are higher density residential, commercial, office, and service uses. The expected use for the two southernmost lots (PIN 14270352017 and 14270352018) in the Area is higher density residential. Possible uses for the remaining four lots are commercial, office, or service uses in conformance with the City of Springfield 2017-2037 Comprehensive Plan and local zoning restrictions. This could include the possible rehabilitation and re-use of the Ace Sign Co buildings.

Objectives

The objectives of this Plan are as follow:

1. To provide adequate infrastructure to alleviate blight, ensure safe conditions, and enhance the efficiency of the infrastructure networks. This infrastructure could include, but is not limited to, sidewalks, streets, and streetlights.
2. Enhance the tax base for the City and all other taxing bodies.
3. Encourage and assist private investment and redevelopment within the Area through the provision of financial assistance as permitted by the Act.
4. Complete all public and private actions required in this Plan in an expeditious manner.
5. Maintain transparency and accountability with residents and taxing bodies by reporting annually on Area projects to the State of Illinois and the Joint Review Board.
6. Enter into agreements with private parties and public agencies that protect the long-term financial health and wellbeing of the City.

Program to be Undertaken to Accomplish Objectives

The City has determined that it is appropriate to create a program to provide financial incentives for private investment within the 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 development in the Area. Local taxing bodies are expected to benefit from the implementation of this Plan. The City will incorporate appropriate provisions within any redevelopment agreement entered into between the City and private parties ensuring redevelopment projects make progress towards achieving the objectives stated herein.

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Redevelopment Project

Activities necessary to implement the Plan may include the following:

1. **Private Redevelopment Activities:**
   Construction of new private buildings at various locations in the Area.

2. **Public Redevelopment Activities:**
   Public improvements and support activities will be used to induce and complement private investment. These may include but are not limited to: street and sidewalk improvements, land assembly including site acquisition and site preparation, public utilities (e.g., water, sanitary and storm sewer facilities), traffic signalization, and marketing of properties, as well as other programs of financial assistance provided by the City.

3. **Land Assembly, Displacement Certificate, and Relocation Assistance:**
   To achieve the objectives of the Plan, land assembly by the City and eventual conveyance to private entities may be necessary in order to attract private development interest. Therefore, any property located within the Redevelopment Project Area may be acquired by developers or 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. Activities of this type 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 Redevelopment Plan will not result in the displacement of more than nine (9) inhabited residential units.

Relocation Assistance:

If 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.

Exhibit C – Estimated Redevelopment Project Costs

Description	Estimated Cost [1, 2, & 3]
A. Public Works or Improvements	$1,500,000
B. Property Assembly	$2,500,000
C. Building Rehabilitation/Retrofit	$2,500,000
D. Relocation costs	$0
E. Taxing District Capital Costs	$0
F. Job Training	$0
G. Interest Costs Incurred by Developers *(30% of interest costs)*	$7,000,000
H. Planning, Legal & Professional Services	$750,000
I. General Administration	$250,000
J. Financing Costs	$1,200,000
K. Contingency (10%)	$1,578,000
Total Estimated Costs [4]	$17,278,000

Notes:

1. All costs shown are in 2023 dollars.

2. Adjustments may be made among line items within the budget to reflect program implementation experience.

3. Private redevelopment costs and investment are in addition to the above.

4. The total estimated redevelopment project costs shall not be increased by more than 5% after adjustment for inflation from the date of the Plan adoption, per subsection 11-74.4.5 (c) of the Act.

Description of Redevelopment Project Costs

Costs that may be reimbursed are defined as "redevelopment project costs" in the Act as, may be amended from time to time. Itemized below is the statutory listing of "redevelopment project costs" currently permitted by the Act:

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.

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.

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 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.

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

Conformance with Comprehensive Plan

The General Land Use Plan conforms with the goals of the City of Springfield's 2017-2037 Comprehensive Plan ("Comprehensive Plan") and uses permitted by the City's zoning code.

The Proposed Land Use Plan in the Comprehensive Plan designates parcels within the Area as Office-Service and Commercial. The plan references an increase in vacant office buildings downtown and suggests repurposing these buildings "with mixed uses designed to attract new residences and businesses to the city core." As a result of the COVID-19 pandemic, cities around the country are also seeing significant declines in demand for office space as remote work becomes more commonplace. The combination of these two factors provides reason to consider alternatives to office uses that can still attract residents and businesses to Downtown.

Since the parcels directly to the north and south of the Area are designated as Higher Density Residential, the development of apartments within the Area would be in alignment with the surrounding land uses. Higher density residential use in the Area on the southernmost parcels (PINs 14270352017 and 14270352018) is in compliance with the existing zoning for those parcels.

The Area is also located within the Special Area of the Downtown Central Business District which is currently undergoing a joint master planning process with the Medical District. Should this master plan become adopted as an amendment to the Comprehensive Plan, it may provide additional guidance on future development within the Area.

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

The properties in the Area have not been subject to growth and development through investment of private enterprise. Upon examination of equalized assessed valuation (EAV) data for the properties to be added, the lack of investment is evident in the stagnant EAV values (see **Exhibit D – EAV Trends (2016-2021)** below).

Exhibit D – EAV Trends (2016-2021)

Adirondack TIF Redevelopment Project Area
City of Springfield, Illinois

	EAV 2016	EAV 2021	Change	Percent Change	Annual Percent Change
RPA[1]	$ 443,204	$ 297,136	$ (146,068)	-33.0%	-7.7%
CPI[2]	240.007	270.97	31.0	12.9%	2.5%
Balance of City[3]	$ 2,341,043,498	$ 2,442,516,654	$ 101,473,156	4.3%	0.9%

[1] Equalized Assessed Valuation (EAV) of the Redevelopment Project Area

[2] Consumer Price Index for All Urban Consumers. Source: U.S.Bureau of Labor Statistics

[3] Total City EAV minus Project Area EAV.

The above evidence presented on assessed valuation shows that the properties in the Area have not been subject to a level of private investment that would result in valuation increases.

Would Not be Developed "but for" TIF

The properties in the Area are not reasonably anticipated to be improved without the direct participation of the City to provide funding in the form of financial incentives and infrastructure spending.

Assessment of Financial Impact

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.

All overlapping taxing bodies will continue to receive property tax revenues on the base values of properties to be added to the Area during the balance of the life of the TIF program. In addition, it is reasonable to assume that the economic and financial benefits resulting from redevelopment efforts in the Area will spill into other sections of the community and generate additional revenues for the above listed government entities. In addition, after the expiration of the TIF program, the taxing districts will receive the benefits of an increased property tax base. It is also reasonable to assume that the benefits of the increased property tax base would not occur without the implementation of the Plan and the use of tax increment financing.

Estimated Date for Completion of the Redevelopment Project

The estimated date for the completion of the Redevelopment Project or retirement of obligations issued may not be later than December 31st of the year in which the payment to the municipal 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 redevelopment project area was adopted.

Sources of Funds

The sources of funds to pay for redevelopment project costs associated with implementing the Plan will come from the increment generated by increasing property values due to new construction and renovated structures. 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, revenues from any adjoining tax increment redevelopment project 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.

Nature and Term of Obligations

Without excluding other methods of City or private financing, the principal source of funding will be those deposits made into the Special Allocation Fund of monies received from the taxes on the increased value (above the initial equalized assessed value) of real property in the Area. These monies may be used to repay private or public sources for the expenditure of funds made as Redevelopment Project Costs for applicable public or private redevelopment activities noted above or may be used to amortize Tax Increment Revenue obligations, issued pursuant to this Redevelopment Plan, for a term not to exceed the expiration date of this TIF Program, bearing an annual interest rate as permitted by law.

Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the bonds and not needed for other redevelopment project costs or early bond retirements shall be declared as surplus and become available for distribution annually to the taxing bodies to the extent that this distribution of surplus does not impair the financial viability of the project. One or more bond issues may be sold at any time in order to implement this Redevelopment Plan. The City may utilize revenues from any other source, including City, State, or Federal funds, or tax increment revenues from this Project or adjoining TIF areas to pay for the costs of completing this Project.

Most Recent EAV of Properties

1. Most Recent EAV of Properties:

The most recent total equalized assessed valuation (EAV) for the properties in the Area is estimated to be $297,136. A list of the parcel identification numbers and 2021 tax year EAVs for the parcels in the Area are included below in **Exhibit E - Property Identification Number and 2021 EAV.** After the approval of the Plan by the City, the City will make a request to the County Clerk of Sangamon County to certify the base EAV for each parcel of real estate added to the Area.

Exhibit E – Property Identification Number and 2021 EAV

Adirondack TIF Redevelopment Project Area

City of Springfield, Illinois

Parcel Identification Number	2021 EAV*
14270352017	$ 68,713
14270352018	$ 69,963
14270352001	$ 17,942
14270352002	$ 5,516
14270352015	$ 51,450
14270309057	$ 83,552

*Source: Sangamon County Clerk data.

2. Estimate of Valuation After Redevelopment:

Contingent on the adoption of this Plan and commitment by the City to the Redevelopment Program, it is anticipated that the private redevelopment investment in the Area, will cause the equalized assessed valuation of said Area to increase to approximately $9,500,000.

Fair Employment Practices and Affirmative Action

The City 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 TIF assistance.

Reviewing and Amending the TIF Plan

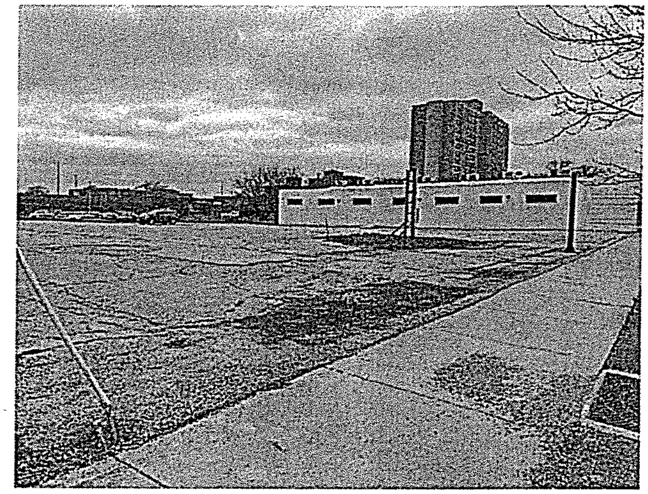
This Redevelopment Plan may be amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq. Also, the City shall adhere to all reporting requirements and other statutory provisions.

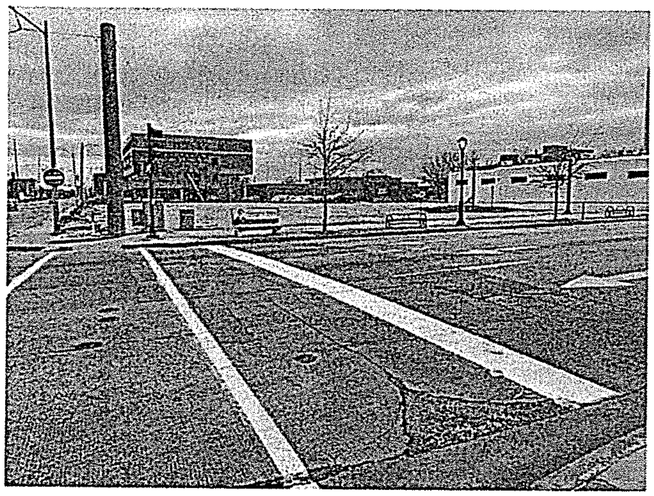
APPENDIX

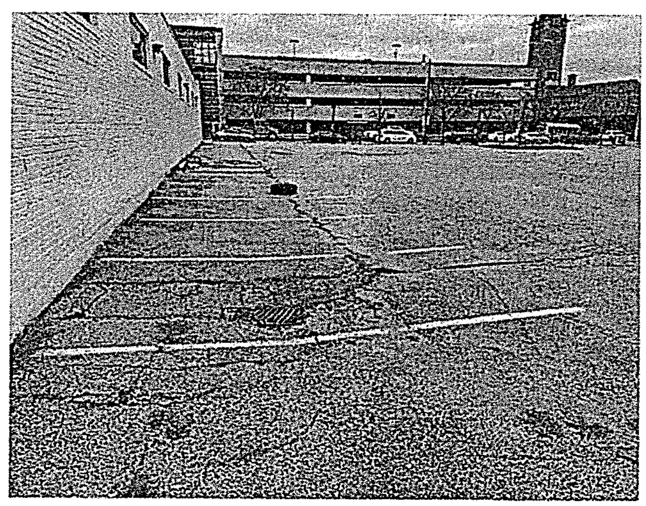
ATTACHMENT A
LEGAL DESCRIPTION

[to be added later see Exhibit A for a map of the area]

ATTACHMENT B
PHOTOGRAPHIC EVIDENCE





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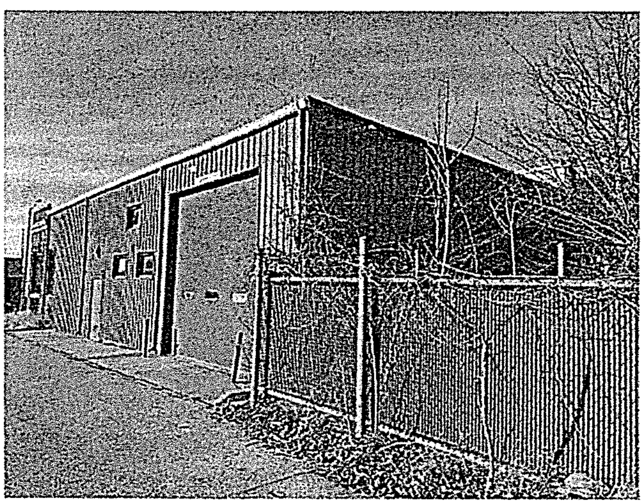
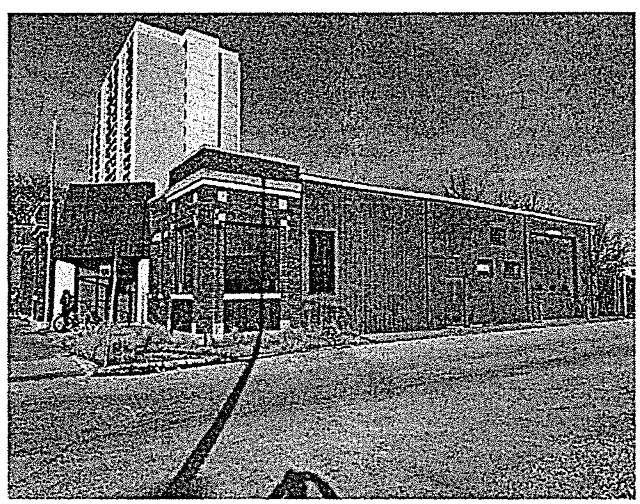
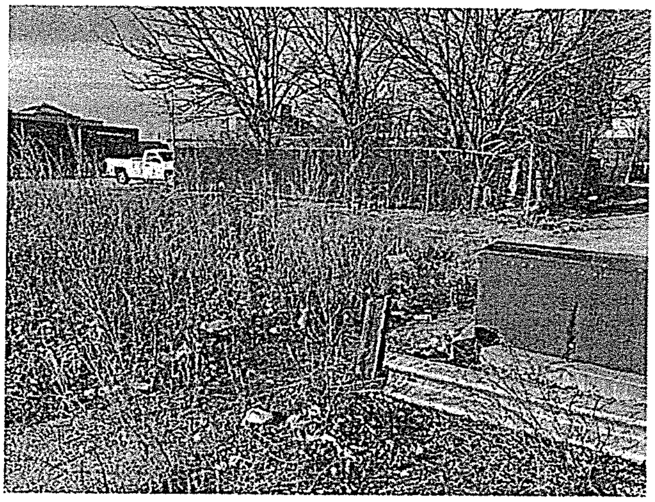
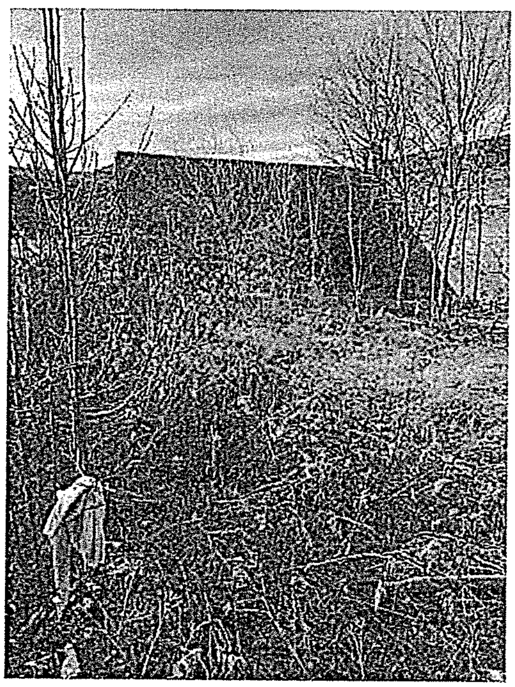
SALE









ORDINANCE FACT SHEET

REQUEST FORM NO: ____________
DATE OF 1ST READING: 01/03/23

OFFICE REQUESTING: MAYOR
CONTACT PERSON: ____________
PHONE NUMBER: ____________

EMERGENCY PASSAGE: No [X] Yes [ ] If yes, explain justification.

TYPE OF ORDINANCE: RESOLUTION
FISCAL IMPACT: $ -

(If amending a previous ordinance, please attach a copy of the previous ordinance)

SUGGESTED TITLE:
A RESOLUTION FIXING A TIME AND PLACE FOR A PUBLIC HEARING ON THE ADIRONDACK TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT FOR THE OFFICE OF PLANNING AND ECONOMIC DEVELOPMENT

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: ____________ **VENDOR NO:** ____________
CONTRACT TERM: ____________ **CONTRACT #** ____________ **Change in Scope** Yes [ ] No [ ]

CONTRACT AMOUNT: ____________ (Original amount if change order) | Change Order # | Additional Amount

Method of Purchase (check one)
[ ] Low Bid
[ ] Low Bid Meeting Specs
[ ] Low Evaluated Bid
[ ] Other: ____________
[ ] Exception: ____________
Code Provision: ____________

Previous Ord #'s ____________
Is Purchasing Agent approval required? No [ ] Yes [ ]
Is Purchasing Agent approval attached? No [ ] Yes [ ]

Accounting information (if more than four accounts, please attach list)

REVENUE

	Fund	Agency	Org	Activity	Source	Amount
1						
2						
3						
4						

EXPENDITURE

	Fund	Agency	Org	Activity	Object	Amount
1						
2						
3						
4						

FUNDS CHECK BY:	Date:
DIRECTOR / SUPERVISOR SIGNATURE	Date:
CITY PURCHASING AGENT:	Date:

COMMENTS

Pursuant to the Tax Increment Allocation Redevelopment Act 65 ILCS, Section 11-74.4-5 requires that the City Council fix a time and place for public hearings to allow public comment on the proposed plans for the Tax Increment Financing.

SIGN OFF: ____________ (Mayor's Signature) ____________ (Director of OBM)

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