

RESOLUTION NO. 17-003

**RESOLUTION PROVIDING FOR A FEASIBILITY STUDY ON THE
DESIGNATION OF A PORTION OF THE CITY OF MONMOUTH AS A
REDEVELOPMENT PROJECT AREA
AND
TO INDUCE DEVELOPMENT INTEREST
WITHIN SUCH AREA**

WHEREAS, the City of Monmouth (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 been approached by an out of town business (the "Developer") that is interested in acquiring the former K-Mart property, located at the northeast corner of N. 6th Street and U.S. Highway 34, and renovate/retrofit the building thereon into retail use (the "Project"); and

WHEREAS, the Developer has proclaimed that the construction of said Project is conditioned on receiving TIF financial incentives to help offset extraordinary redevelopment project costs; and

WHEREAS, the City desires to undertake a feasibility study to determine whether findings may be made with respect to the area referred to herein as the "N. 6th Street Redevelopment Project Area", which may be designated as a redevelopment project area, to qualify the area as a blighted area as defined in the Act and applied to vacant land, and other research necessary to document the lack of growth and development through private enterprise; and

WHEREAS, the exact extent and boundaries of the redevelopment project area 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

if the City decides to implement tax increment financing for all or a portion of the proposed TIF area; and

WHEREAS, the Developer will be expending certain funds for professional services, legal services and other project costs in advance of the City officially approving a TIF Plan, establishing the TIF Area, and adopting tax increment financing (the "TIF Program"); and

WHEREAS, it is the intent of the City to allow the Developer and the City to recover these expenditures from proceeds of the TIF Program after it is established and incremental tax revenues are being generated by the Project; and

WHEREAS, the City wishes to encourage Developer to pursue its plans for the redevelopment/retrofit/renovation of the Property and make such expenditures as are reasonably necessary in that regard with confidence that TIF eligible expenditures, including building demolition and certain other costs 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 Project would convert a tax-exempt property into taxable property and 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 Monmouth, Illinois as follows:

1. That the City Council has examined the proposed 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 and potential development should be allowable project costs under the plan, 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 redevelopment project area and who should receive all comments and suggestions regarding the redevelopment of the area shall be:

Lew Steinbrecher
City Administrator
City of Monmouth
100 E. Broadway St.
Monmouth, IL 61462
Telephone (309) 734-2141

3. The Mayor and appropriate City officials are hereby authorized and directed to negotiate the terms of a redevelopment agreement between the City and the Developer that is suitable to both parties and bring such agreement before the City Council for its consideration and approval, provided that any such agreement shall not be effective unless and until the TIF Program is officially established by the City.

4. 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 this _____ day of _____ 2017.

YEAS: _____
NEAS: _____
ABSENT: _____
ABSTAIN: _____

Rod Davies, Mayor

ATTEST:

Susan Trevor, City Clerk

Exhibit A:
Proposed TIF Redevelopment Project Area Boundary



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Exhibit A
Proposed TIF Redevelopment Project Area

City of Monmouth, Illinois