



**DISTILLERY
TAX INCREMENT FINANCING (TIF) DISTRICT
REDEVELOPMENT PROJECT PLAN, AREA & PROJECTS**

“THE NEXT STEP TOWARD ECONOMIC EXPANSION AND GROWTH”

Prepared for
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DISTILLERY TIF DISTRICT REDEVELOPMENT PROJECT PLAN, AREA & PROJECTS

One of the most effective, locally controlled economic development tools available to municipalities in Illinois is Tax Increment Financing (“TIF”).

The Mayor and City Council of the City of Peoria, Peoria County, Illinois have concluded that it is in the best interest of the City and that the citizens of Peoria will benefit by the establishment of the **Distillery Tax Increment Financing (TIF) District**.

Pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*), this document sets forth a comprehensive and detailed description of the uses, structure, and potential impacts of implementing this TIF District Redevelopment Plan, Area & Projects in Peoria, Illinois.

The City of Peoria has undertaken an effort to design this Tax Increment Financing (TIF) Redevelopment Plan and Projects (the “Plan”) for the proposed Distillery Tax Increment Financing (TIF) District Redevelopment Project Area (the “Area” as illustrated in *Exhibit 1* and further described in *Exhibit 2*). The Area includes numerous sites for which TIF may be used to further encourage the redevelopment of underutilized and/or distressed commercial and residential properties, as well as to retain and expand commercial or light industrial employers within the Peoria community.

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Jacob & Klein, Ltd. and The Economic Development Group, Ltd., gratefully acknowledge assistance from Peoria County and the City of Peoria government officials, business leaders and residents who contributed time and assistance to the preparation of the Distillery TIF District Redevelopment Project Area, Plan and Projects.

Additional information about Tax Increment Financing may be obtained by contacting Jacob & Klein, Ltd. and The Economic Development Group, Ltd., 1701 Clearwater Avenue, Bloomington, IL 61704 (Ph: 309/664-7777). Specific inquiries about the Distillery TIF District should be directed to Ms. Kimberly Richardson, Assistant City Manager, or Ms. Debbie Van Sickle, Economic Development Manager, 419 Fulton St. Ste 207, Peoria, IL 61602 (Ph: 309-494-8943).

This document is formatted for duplex printing.

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CITY OF PEORIA, ILLINOIS
DISTILLERY
TAX INCREMENT FINANCING (TIF) DISTRICT
REDEVELOPMENT PLAN, AREA & PROJECTS

SECTION I. INTRODUCTION

The City of Peoria, Illinois (pop. 113,150, the “City”) is an Illinois Home-Rule Municipality and the 3rd largest metropolitan area within the State of Illinois (**Figure 1**).

The City is undertaking an effort to design this tax increment financing (TIF) redevelopment plan and projects (the “Plan”) for the proposed *Distillery Tax Increment Financing (TIF) District Redevelopment Project Area* (the “Area”).

The Area is generally located between the Illinois River and the alley between SW Washington Street and SW Adams Street from Sanger Street and extending northeasterly to the IL Rt. 116/Cedar Street Bridge (**Figure 2**), and as further illustrated in **Exhibit 1** and described in **Exhibit 2**). This *Distillery TIF Redevelopment Plan* (the “Plan”) represents an essential part of the City’s continuing efforts to retain and expand commercial and light industrial employers within the Peoria community.



Figure 1. The Central Illinois City of Peoria has a population of 113,150 and is located along the banks of the Illinois River.

Without tax increment financing, the City believes more advanced economic stagnation is anticipated to occur in the future, the Peoria area will be at a competitive disadvantage for attracting new industry that offers higher wages for a skilled workforce, and further decline of the proposed Redevelopment Project Area with respect to physical infrastructure and property value as a whole is anticipated. Avoiding such further decline and arresting certain socioeconomic trends affecting Peoria’s future economic vitality are among the several goals and objectives for this TIF Redevelopment Plan.



Figure 2. The proposed “Distillery TIF District Redevelopment Project Area” consists of properties adjacent to the Illinois River and SW Washington Street, and includes the former Hiram Walker Distillery site, which is currently owned by BioUrja Renewables, LLC and used, in part, to produce bio-fuels and other products derived from alcohol distillation.

The City has concluded that absent an influx of new private investment throughout the Area, and additional, substantial improvements to local public infrastructure, the deterioration of local properties and related amenities is likely to occur and will impair the value of private investments as well as the sound growth and tax base of all affected taxing districts. Pursuant to the Tax Increment Allocation Act (65 ILCS 11/74.4 *et. seq.*, and the “Act”), this Plan as is with most other TIF Redevelopment Plans within the City of Peoria is intended to promote and protect the health, safety, morals, and welfare of the public, address blighting conditions as defined in the Act, and institute conservation measures that will aid the City’s ongoing efforts to achieve the following long-term outcomes:

- the removal and alleviation of adverse or deteriorated conditions impeding economic growth;
- the restoration and enhancement of the tax base of the overlapping taxing districts by undertaking a series of public and private redevelopment projects within the specified Redevelopment Project Area;
- more effective assistance for retaining and expanding existing industries, further strengthening existing small businesses, and stimulating growth for local employers;
- greater capacity for inviting more private investment to occur that will introduce new commercial and light industrial development to the Area;
- the creation of new employment opportunities to vigorously stimulate expansion of the local workforce; and
- new and expanding commercial retail development that will generate new sales tax revenues for the State of Illinois, Peoria County, the City of Peoria, and area school districts; and
- To encourage the environmental remediation of existing properties within the redevelopment area and encourage environmentally-responsible industrial development.

SECTION II. CURRENT TRENDS AND CONDITIONS

Major Employment Base & Transportation Hub

The Peoria community is host to Bradley University, the National Center for Agricultural Utilization Research, numerous medical facilities, and large firms such as Caterpillar (the world’s leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives), Maui Jim (a premiere manufacturer of premium, polarized sunglasses and related products), RLI (a specialty property and casualty insurance and surety bond company), BioUrja Renewables, LLC (bio fuel production), OSF Ministry (an integrated health system owned and operated by The Sisters of the Third Order of St. Francis), and others.¹ OSF Saint Francis Medical Center in Peoria, Illinois, is a tertiary care teaching center providing numerous specialty services and extensive residency programs for physicians. The new \$237 million OSF HealthCare Cancer Institute, expected to open in 2024, will annually serve up to 15,000 patients and generate an estimated \$1 billion economic impact on the Peoria region over the following 10 years.

¹ For more information online, visit <http://growpeoria.com/about-peoria/>.

Situated along the banks of the Illinois River, Peoria has a long history of being a major transportation hub that is essential to the Central Illinois economy. Extending approximately 273 miles, the Illinois River is a principal tributary of the Mississippi River along which local locks annually accommodate more than 3 million tons of bulk barge-cargo passing through between the Great Lakes and the Gulf of Mexico. Peoria is served by three Interstate highways: I-74, which runs through the downtown area to the northwest and connecting to I-80; I-474, a southern bypass of I-74 around the Peoria metro area; and I-155, which extends south from I-74 at Morton to I-55 at Lincoln, IL (see **Figure 1**). Illinois Rt. 6, which extends northward from I-474 serves as a northwest bypass around the City of Peoria.

The 3,500-acre Peoria International Airport hosts the longest runway and a 24-hour FAA control tower in Illinois outside of Chicago and offers a dozen non-stop destinations on three airlines. In 2019, Peoria International Airport set an all-time record high passenger count of 689,416 individuals who boards or exited an aircraft in Peoria. Peoria's public transportation provider, Greater Peoria Mass Transit District/CityLink, celebrated its 50th Anniversary in 2020. CityLink currently operates more than 20 bus routes and over 1,000 bus stops throughout portions of Peoria County and Tazewell County, Illinois, including one "intercity" route between the main network and the nearby Pekin, Illinois network.

The Toledo, Peoria & Western Railway offers heavy industrial freight rail service to the Peoria area and is located within 11 miles of I-74 at Mapleton, IL. The greater Peoria area is an important interchange point for coal trains and has developed into a major rail-to-barge and barge-to-rail transfer point for bulk commodities. Peoria is however the largest metropolitan area in the state that currently does not have passenger rail access. The last time passenger trains passed through Peoria was an experimental Amtrak route in 1981. Amtrak passenger service is available in nearby Illinois communities of Normal, Galesburg, Princeton, and Lincoln. As of late 2021, a multimillion-dollar "pre-feasibility study" was included in the state's capital construction bill to further study potential solutions for re-establishing passenger rail service in Peoria. Re-establishing active rail freight service within the proposed Area to serve new and expanding manufacturing and other light industrial firms is a significant objective of this Redevelopment Plan.

Population Trends

Rural Partners-Illinois, the State's federally designated rural development council, recently published a report relating to current trends occurring throughout rural areas.² The paper indicates several conditions that rural communities should be aware of, such as: *"Population projections show that rural Illinois will face serious issues in the next decade and beyond, with population declines, shrinking young population cohorts, and increasing proportions of elderly that may retire and/or move out of Illinois, closing many small businesses that have provided essential services for many years. This may result in loss of tax revenues needed to support infrastructure, education, and other services important to maintaining local quality of life in some areas."* The Rural Partners Report suggests that most rural Illinois counties can expect population declines in the next 10 to 15 years. These trends appear to be evident within the Peoria and Peoria County area.

As reported by the U.S. Census Bureau, the City of Peoria's population in 2020 was 113,150 residents. The City's 2020 population represents a **-10.9%** decline from Peoria's highest population of 126,963 in 1970 and a decline of residents (**-1.6%**) since 2010 when the total population was 115,007 (**Figure 3**). Likewise, Peoria County has experienced substantial population decline since 1970. As of the 2020 Census, Peoria County posted a total population of 181,830. This represents a loss of 18,636 residents

² Source: *A Briefing: Promise & Programs in Rural Illinois*, Rural Partners-Illinois, 2020 as found online at: <https://ruralpartners.org/current-activities/>

or a decline of **-9.3%** of the County’s population over the last 50 years. Most recently, the County appears to have lost 4,664 residents, a decline of **-2.5%** of its population, since the previous Census in 2010 (*Figure 4*).

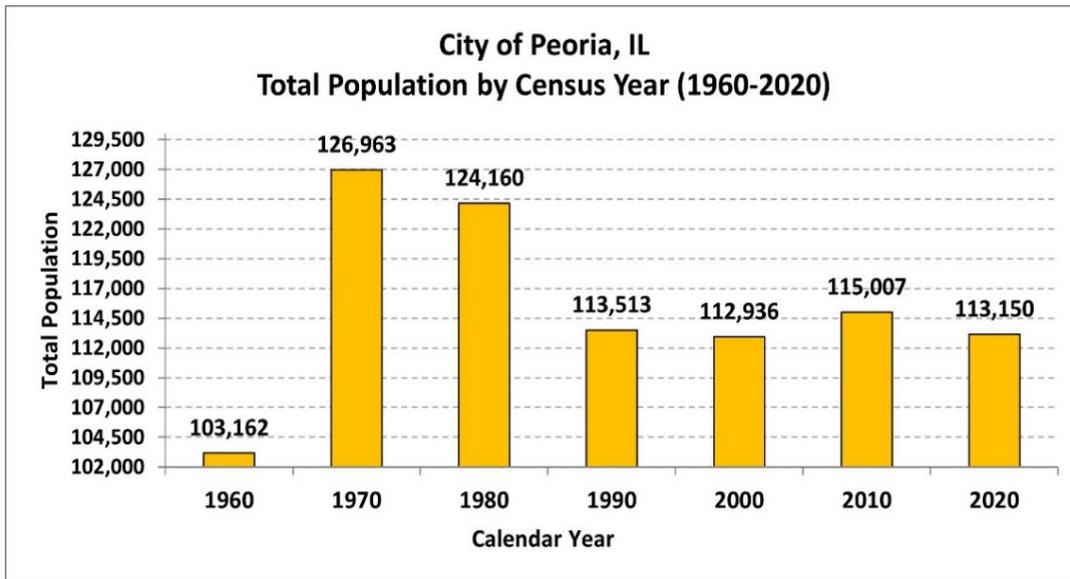


Figure 3. City of Peoria, Illinois – Total Population by Census Year 1960-2020 (Source: U.S. Census Bureau).

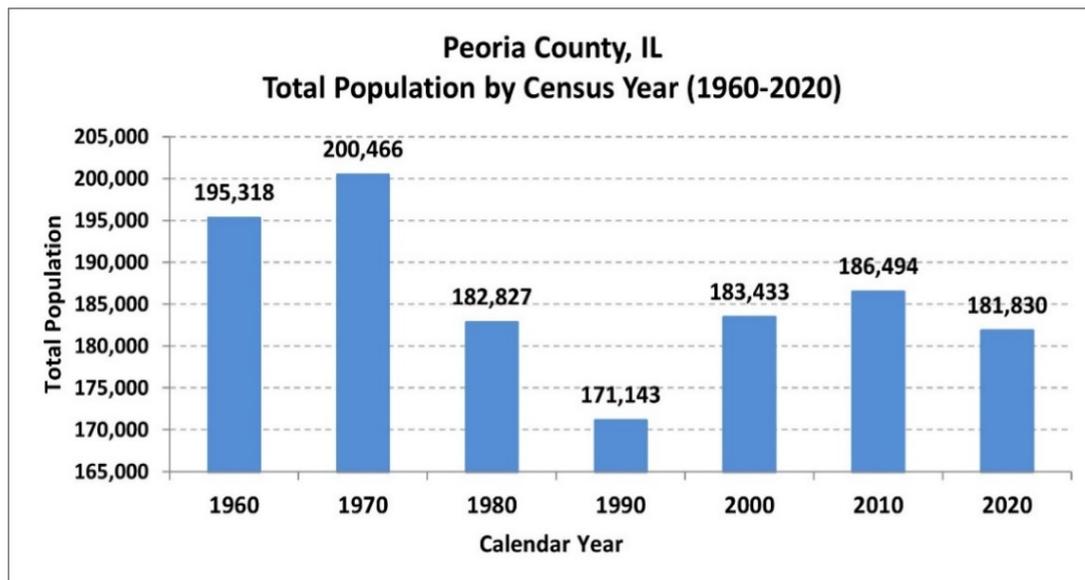


Figure 4. Peoria County, Illinois – Total Population by Census Year 1960-2020 (Source: U.S. Census Bureau).

While the overall population loss is a concern, the City of Peoria has continued to represent more than half of the County’s total population. As a percentage share of the Peoria County population, the City of Peoria accounted for 63% of the County’s population in 1970; and still accounted for 62% of the County’s population in 2020.

	Median Age		
	2010	2021	Change
U.S.	37.2	38.8	1.6
Illinois	36.6	39.0	2.4
Peoria County	36.7	38.6	1.9
City of Peoria	37.5	33.3	-4.2

Figure 5. Median Age Statistics (Source: U.S. Census Bureau, American Community Survey, 2010 and 2021).

The median age of Peoria and Peoria County residents as of the 2021 American Community Survey 1-Year Census Estimate was 33.3 years and 38.6 years, respectively (*Figure 5*). The median age for Illinois (39.0 years) and the U.S. (38.8 years) were higher than both the City of Peoria and Peoria County. An increasing median age – the point at which half the population is older and half younger – signifies an aging population that is often attributable to outmigration of younger residents, declining fertility rates and/or rising life expectancies. Although the total population within the City of Peoria has been in decline, a decline in the median age may offer some useful insight for planning future economic development. Median age is useful in summarizing whether a population is aging. However, it is important to note that there is more to understand with regard to the “age structure” than what the median age statistic alone can provide, and the City of Peoria’s age profile warrants closer examination.

The City’s population structures as shown below for 2010 and 2021 illustrate the size of the age groups and how they have changed over the last decade (*Figure 6*).

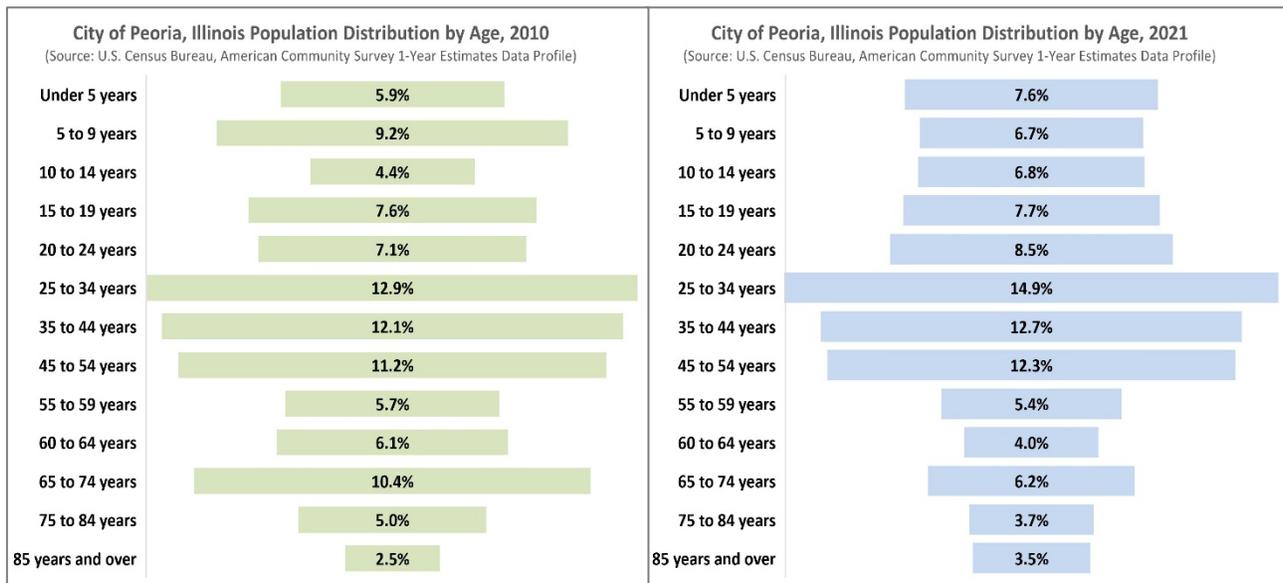


Figure 6. City of Peoria, Illinois Population Distribution by Age, 2010 and 2021 (Source: U. S. Census Bureau, American Community Survey 1-Year Estimates Data Profiles).

For this analysis, the working age population is defined as those aged 15 to 64. This indicator measures the share of the working age population within the total population. The change in the working age population between 2010 and 2021 as illustrated above, suggests the City of Peoria has experienced a fragile improvement in the number of working age population it may be able to rely on for attracting and staffing an expanding commercial and industrial base.

Peoria's working age population increased from approximately 62.6% of the total population in 2010 to 65.5% in 2021. This may be due to losses of population in smaller, nearby communities, some of which may have shifted from those areas in search of jobs within Peoria's larger employment base. While this shift may present a brief opportunity for the City of Peoria to intensify and expand its industrial development, the wider outmigration trend of residents leaving Illinois is a long-term challenge for the City to overcome.

As reported by the Chicago Tribune in December of 2016,³ U.S. Census Bureau data indicated that Illinois had lost more residents than any other state for the third consecutive year, losing **-37,508** people in 2016, which placed its population at the lowest it had been in nearly a decade. Citing recent research undertaken by the Brookings Institution: *"Illinois is among just eight states to lose residents, putting its population at 12,801,539 people, its lowest since about 2009. Illinois' population first began to drop in 2014, when the state lost 11,961 people. That number more than doubled in 2015, with a loss of 28,497 people, and further multiplied in 2016."*⁴

In December of 2021, the U.S. Census Bureau reported that the population of the United States grew in the past year by 392,665, or just 0.1%. That was the first time since 1937 that the U.S. population grew by fewer than one million people and was the lowest numeric growth since at least 1900, when the Census Bureau began tracking annual population estimates. This low rate of growth for the U.S. is attributable to decreased net international migration, decreased fertility, and increased mortality due in part to the COVID-19 pandemic. Census demographer Kristie Wilder said in a statement:

*"Population growth has been slowing for years because of lower birth rates and decreasing net international migration, all while mortality rates are rising due to the aging of the nation's population. Now, with the impact of the COVID-19 pandemic, this combination has resulted in a historically slow pace of growth."*⁵

According to the same U.S. Census report, the population of Illinois declined by about **-113,776** in the year between July 2020 and July 2021. At that time, Illinois was one of just 20 states, plus the

Was Illinois Population Undercounted in 2020?

The official 2020 Decennial Census estimated Illinois' population to be 12,812,508 as of April 1, 2020.

According to a Post Enumeration Survey, which is always conducted after each decennial census, Illinois' household population was undercounted by 1.97%, thereby suggesting the accuracy of the 2020 Census missed 250,000 residents and the total population of the state actually exceeded 13 million.

Despite the conclusions of the Post Enumeration Survey, Illinoisans are still leaving the state. The U.S. Census annually estimates state populations through the Population Estimates Program which uses head count and other federal data on births, deaths and moves to estimate the population each year. The 2021 estimate showed the largest population decline in Illinois history.

³ Marwa Eltagouri, Contact Reporter, "Illinois Loses More Residents in 2016 than Any Other State," *Chicago Tribune*, December 21, 2016 (<http://www.chicagotribune.com/news/local/breaking/ct-illinois-population-decline-met-20161220-story.html>).

⁴ Ibid.

⁵ U.S. Census Bureau, Release No. CB21-208, "New Vintage 2021 Population Estimates Available for the Nation, States and Puerto Rico: Estimates Show Slowest Growth on Record for the Nation's Population," December 21, 2021 (<https://www.census.gov/newsroom/press-releases/2021/2021-population-estimates.html>).

District of Columbia, that was reportedly losing residents by domestic migration. Domestic (internal) migration is the movement of people within the United States. The largest net domestic migration gains in the U.S. during that same period were in Florida (+220,890), Texas (+170,307) and Arizona (+93,026). According to an annual survey conducted by United Van Lines, the most popular states where Illinois residents moved to in 2020 included Florida, Texas, California, Arizona, Washington, and North Carolina.⁶

The most common reasons the United Van Lines study cited for why people moved from Illinois in 2020 was to seek a new job, retire, and to be closer to family. The study indicated that most of the people moving out of Illinois were 55 years of age or older and had an annual income of \$100,000 or more. According to Michael A. Stoll, an economist and professor in the Department of Public Policy at the University of California: *“We’re seeing that the COVID-19 pandemic has without a doubt accelerated broader moving trends, including retirement driving top inbound regions as the Baby Boomer generation continues to reach that next phase of life.”*

The U.S. Census Bureau’s American Community Survey 1-Year Estimate for 2021 most recently marked a population loss for Illinois at -141,039, a -1.1% decline from the official 2020 Census Count for the State (see *Figure 7*).

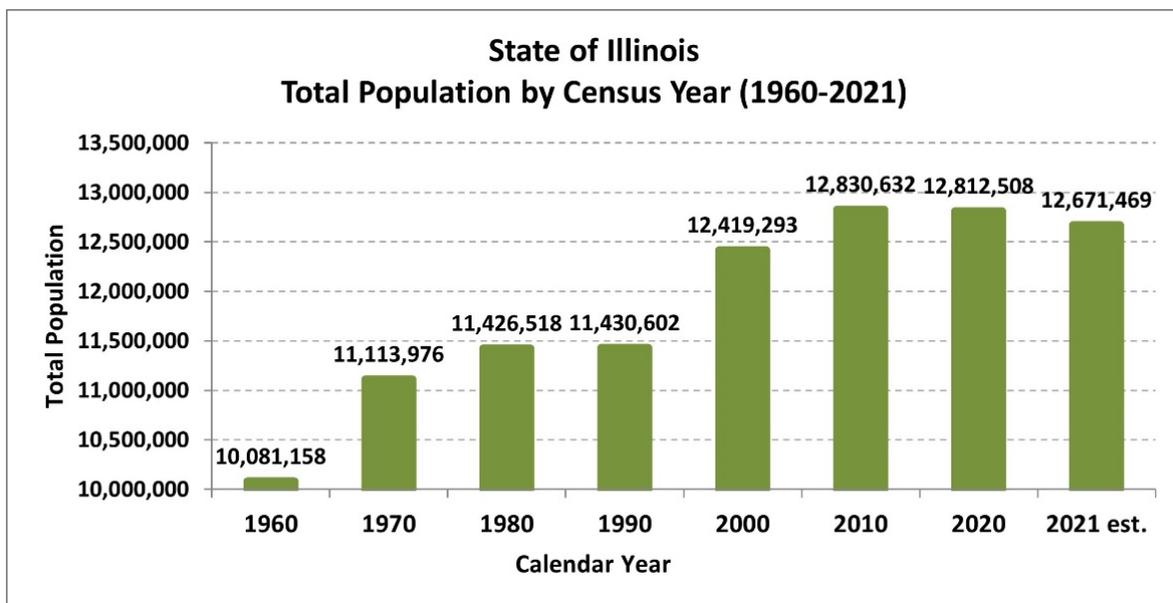


Figure 7. State of Illinois, Total Population by Census Year, 1960-2021 (Source: U.S. Census Bureau).

Despite its recent population statistics, Illinois is still about the fifth most populous state in the country. The economy of Illinois is the fifth largest by GDP in the United States and one of the most diversified economies in the world. There are numerous attributes that make Illinois and Peoria’s Central Illinois location an ideal location for new commercial and industrial development:

⁶ WIFR Newsroom, “Illinois ranks third among ‘Most Moved Out States’ in 2020, study says,” January 7, 2021 (<https://www.wifr.com/2021/01/08/illinois-ranks-third-among-most-moved-out-states-in-2020-study-says/>).

- ✓ Illinois is literally the logistical crossroads of America with multi-modal logistical access via rail, interstate, rivers, and airports. The centralized location of Illinois made it a key manufacturing hub, especially for farm machinery and specialty motor vehicles.
- ✓ Illinois is a very flat state. With its highest point at 1,235 feet above sea level, about 75% of Illinois is farmland thereby making the state: a leading producer of soybeans, corn, swine; a significant producer of a variety of specialty crops, such as buckwheat, horseradish, wheat, oats, sorghum, hay, fruits, and vegetables; a diverse producer of cattle, sheep, ostriches, fish and Christmas trees; and Illinois is the largest producer of pumpkins in the country. Overall, Illinois markets more than \$19 billion of agricultural commodities annually.
- ✓ The State of Illinois currently ranks second in the Midwest for total installed renewable power capacity and fifth nationally for installed wind power capacity.
- ✓ Many of the United States' largest companies have facilities in Illinois, including Abbott Laboratories, AbbVie Inc., Allstate, Baxter International, Boeing, Caterpillar, Conagra, Crate and Barrel, Kraft Heinz, McDonald's, CNH Industrial, GE Healthcare, Aon PLC, Willis Towers Watson, Mondelez International, Motorola, United Airlines, US Foods, and Walgreens.
- ✓ In 2018 and prior to the COVID-19 pandemic, Illinois set a new tourism record with 117 million tourists who spent about \$42 billion during their visits.

Major Commercial-Retail Trade Center

Commercial growth and retail trade is among Peoria's many significant contributions to the Central Illinois economy and retail sales tax is a vital source of revenue for the City of Peoria that helps provide high quality public services to residents of the area. The City of Peoria currently receives \$2.75 in municipal sales tax for every \$100 of retail sales.

The total retail sales generated in the City of Peoria during calendar year 2022 amounted to \$2,571,284,771 as reported by the Illinois Department of Revenue. Total annual retail sales expressed in nominal dollars between 2006 and 2022 increased by \$418,877,510 or 19.2% (**Figure 8**). However, in terms of real, inflation-adjusted dollars, the City's total retail sales actually declined by **-14.1%** over the same sixteen (16) year period.

Peoria's inflation-adjusted retail sales tax trends in recent years reflect many of the same economic trends and conditions affecting much of the State of Illinois and the Midwest region. The construction of new or expanded (physical) retail space that has occurred in Peoria over the last several years is being challenged by a dramatic shift in consumer behavior. This is especially true during times of restricted access because of public health concerns, such as what was experienced during the COVID-19 pandemic.

Shoppers are increasingly expecting more from retailers in terms of both their online and physical, in-store experiences. The Internet, home shopping and related new technologies are causing changes to occur in how people acquire their everyday goods and services. The growing popularity of online retail shopping is causing retailers to redesign store formats and payment methods, as well as adjust to how technology-driven shopping preferences are affecting the inherent value of physical locations in populated areas, or along busy transportation corridors.

Such shifts in consumer behavior is also evidenced by the number of commercial retail taxpayers. Recent Illinois Department of Revenue data indicates the number of retail taxpayers declined in the City of Peoria by **-174** between 2006 and 2020 (*Figure 9*).

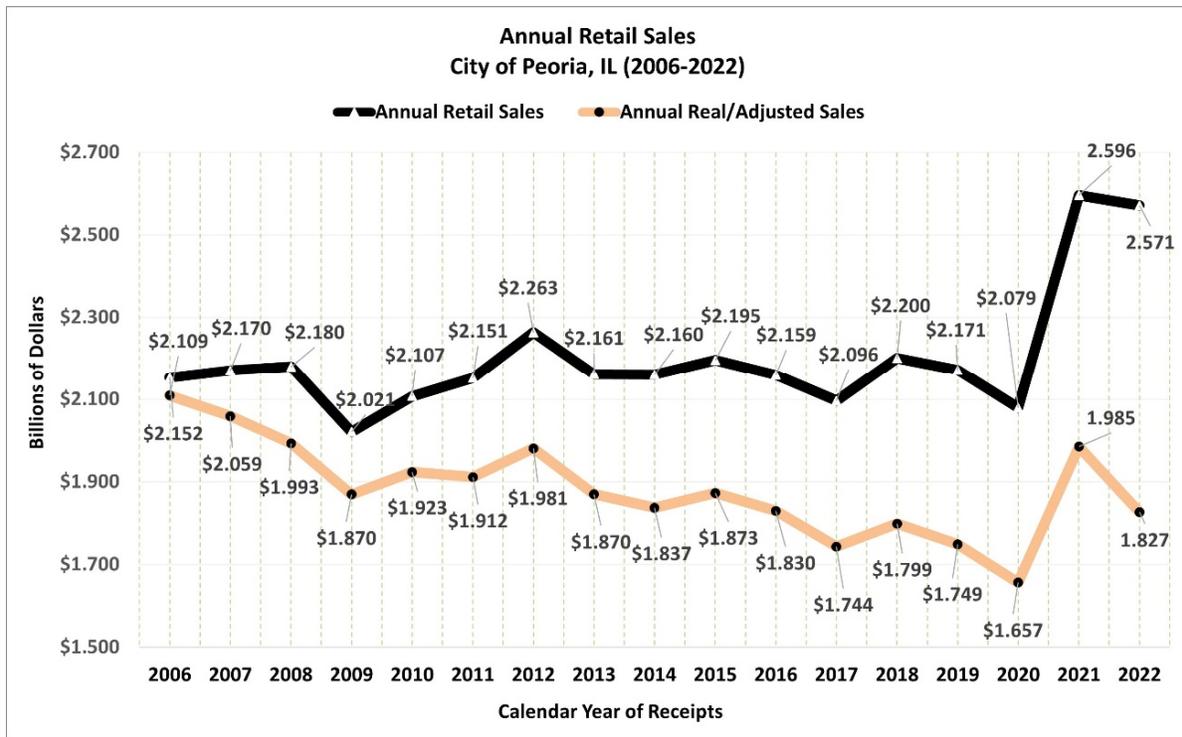


Figure 8. City of Peoria, Illinois – Annual Retail Sales, 2006-2022 (Source: Illinois Department of Revenue).

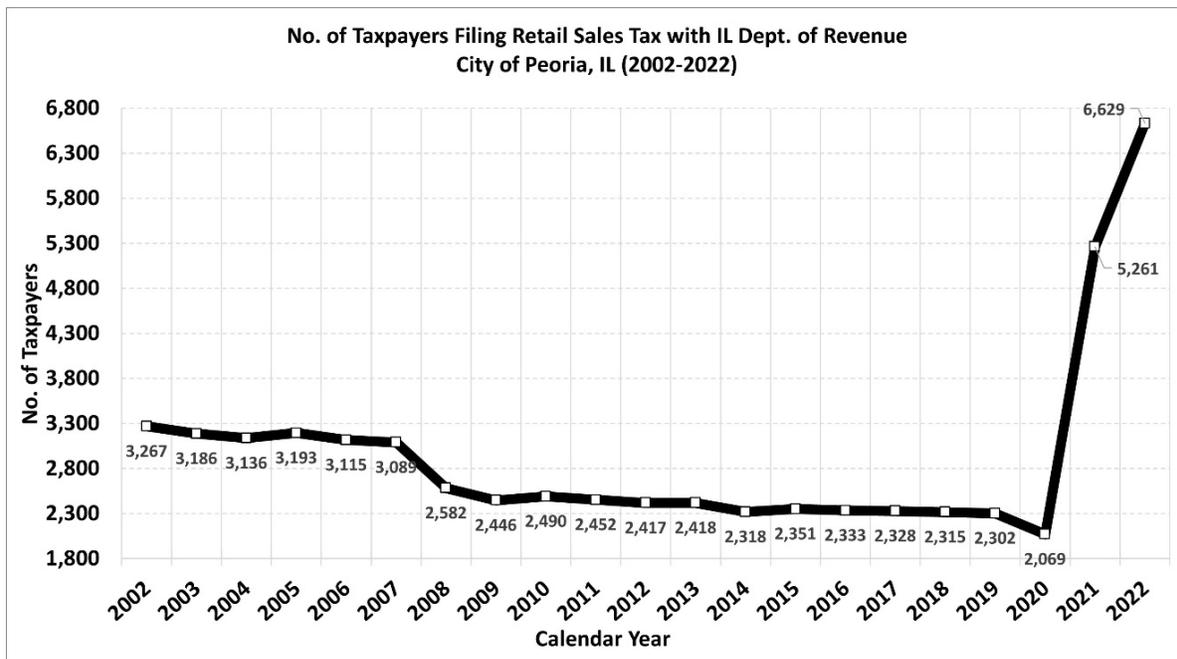


Figure 9. City of Peoria, Illinois – Annual Number of Retail Taxpayers, 2002-2022 (Source: Illinois Department of Revenue).

Why the spike in retail sales and the number of retail taxpayers in 2021 and 2022? The State of Illinois enacted the “*Leveling the Playing Field for Illinois Retail Act*” in 2021 (see sidebar at right).

Absent new, innovative approaches at the local level, ever-evolving online shopping practices may result in a cascade of negative effects on communities like Peoria for future business development, job creation, population growth and the sustainability of high-quality public services for its residents.

Unemployment

The unemployment rate is the number of people unemployed which is expressed as a percentage of the total civilian labor force.

With the Great Recession of 2008-2009, the average annual unemployment rate in Peoria County dramatically increased from 4.2% in 2006 to 11.1% in 2009. Although the economic recovery proceeded to occur each year thereafter, the County’s unemployment numbers continued to fluctuate and generally recede back down to 4.9% in 2019. The unemployment rate in Peoria County has remained notably higher than the U.S. average between 2019 and 2022 and higher than the annual average unemployment rate of the State of Illinois since 2013.

During 2020, the unemployment rate for Peoria County substantially increased to 10.5%, largely due to the widespread economic impact of the COVID-19 pandemic. As of 2022, the average annual unemployment rate in Peoria County was reported as 5.0% but continued to exceed the unemployment rate of Illinois and the U.S. at 4.6% and 3.6%, respectively (see **Figure 10**).

Many analysts agree that the official definition of the “unemployed” omits many workers who were deprived of pay amid the pandemic. While unemployment rates jumped in April 2020 throughout the U.S. to levels not seen since the 1930’s, more recent official unemployment rates are believed to be substantially understated, because they too omit workers who exited the labor force in the previous 12-24 months and who are either absent or no longer looking for work. The majority of jobs lost in the pandemic crisis were in industries that typically paid low average wages. The lowest-paying industries accounted for 30 percent of all job losses and 56 percent of the jobs lost from February 2020 to September 2021.

Leveling the Playing Field Legislation

Illinois Public Acts 101-31 and 101-604 amended the Retailers' Occupation Tax and enacted the “Leveling the Playing Field for Illinois Retail Act” to implement a series of structural changes to the Illinois sales tax laws to require "remote retailers" to remit State and local retailers' occupation taxes beginning January 1, 2021. The changes are intended to "level the playing field" between Illinois-based retailers and remote retailers by imposing State and local retailers' occupation taxes on Illinois retailers and remote retailers alike. Remote retailers who meet certain thresholds are required to register to collect and remit Illinois Retailers' Occupation Tax (ROT) for sales of tangible personal property made on or after January 1, 2021.

A substantial portion of the City’s increased retail sales tax revenues during calendar year 2021 may be attributable to online sales which were subject to the “Leveling the Playing Field” legislation.

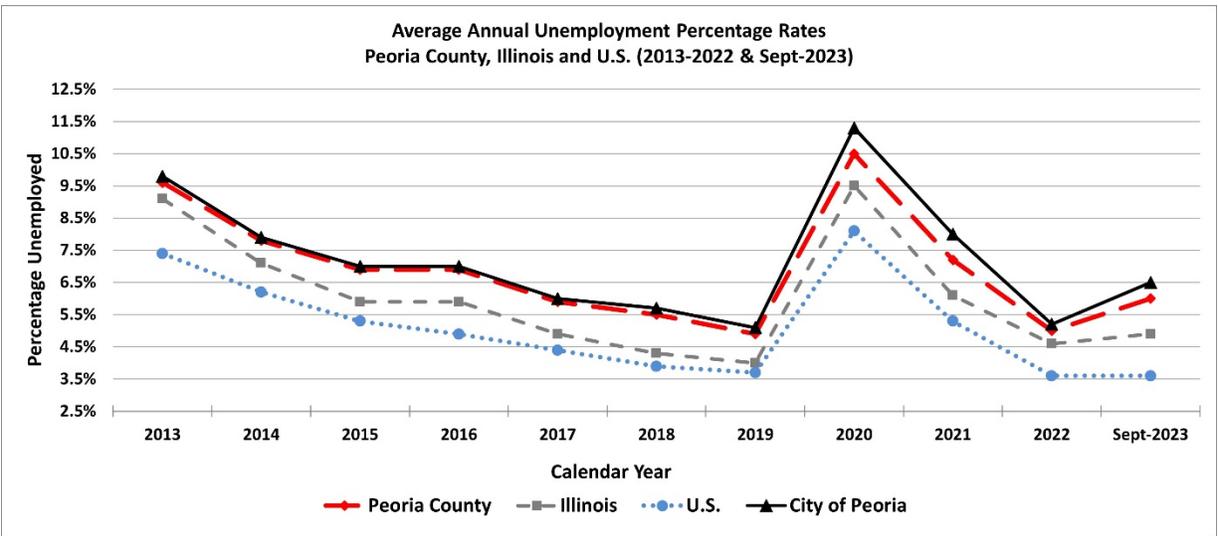


Figure 10. Average Annual Unemployment Rates for Peoria County, State of Illinois, and U.S., 2013-2022 and Sept-2023 (Source: Illinois Department of Employment Security).

The proposed Distillery TIF District includes an Industrial Park Conservation Area. The Industrial Park Conservation Area:

- is an area within the boundaries of the proposed redevelopment project area;
- is located within the territorial limits of the City, which is also a “labor surplus municipality”;
- is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area; and
- includes both vacant land suitable for use as an industrial park and a blighted area or conservation area that is contiguous to such vacant land.

As of September-2023, the Illinois Department of Employment Security (IDES) reported an unemployment rate within the City of Peoria as being **6.5%** and the U.S. rate for that same month was **3.6%**. As of January-2024, IDES reported City of Peoria unemployment rate as **6.8%** and the U.S. rate for that month as being **4.1%**. Pursuant to the TIF Act, if at any time during the six (6) months before the City designates an industrial park conservation area within a proposed TIF redevelopment project area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication, then the City is defined as a Labor Surplus Municipality.

Therefore, the City of Peoria is defined as a Labor Surplus Municipality and **thirty-six (36) vacant parcels** zoned for industrial use that are within the **Distillery TIF District Redevelopment Project Area** qualify as an *Industrial Park Conservation Area* as provided in the Act (see **Appendix A** for definitions).

In addition to reduced population counts in the Peoria area, chronic outmigration from Illinois, the pandemic-accelerated retirement statistics, and the City’s status as a Labor Surplus Municipality, it is also important to note that the Peoria County labor force had already been declining for several years. As evidenced by data obtained from the Illinois Department of Employment Security, the total labor

force count in Peoria County peaked in 2011 at 96,158 workers (**Figure 11**). The government only counts people as “unemployed” if they are actively looking for work. Everyone else who is not working is considered out of the labor force entirely, which could of course help explain the additional drop shown for 2020 if more workers stopped looking for jobs as a result of the COVID-19 crisis. In any case, by 2022 the Peoria County labor force declined to 82,158, a decline of **-14.6%** since 2011.

The total labor force in Peoria County as of September-2023 reflected a higher figure, though encouraging, may simply be attributable to seasonal variability in the statistics. As a percentage of the total labor force within Peoria County, the City of Peoria has consistently accounted for nearly 60% (see **Figure 12**). As of Sept-2023, the Peoria labor force was 50,694, which represented 60.4% of the total labor force within Peoria County.

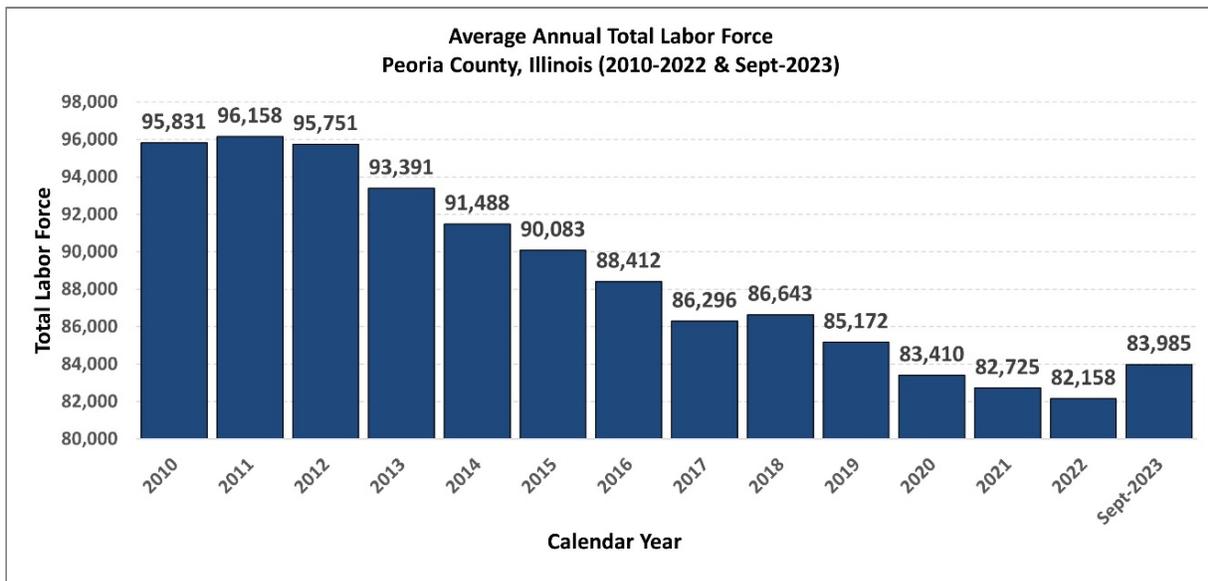


Figure 11. Average Annual Total Labor Force in Peoria County, 2010-2022 and Sept-2023. (Source: Illinois Department of Employment Security).

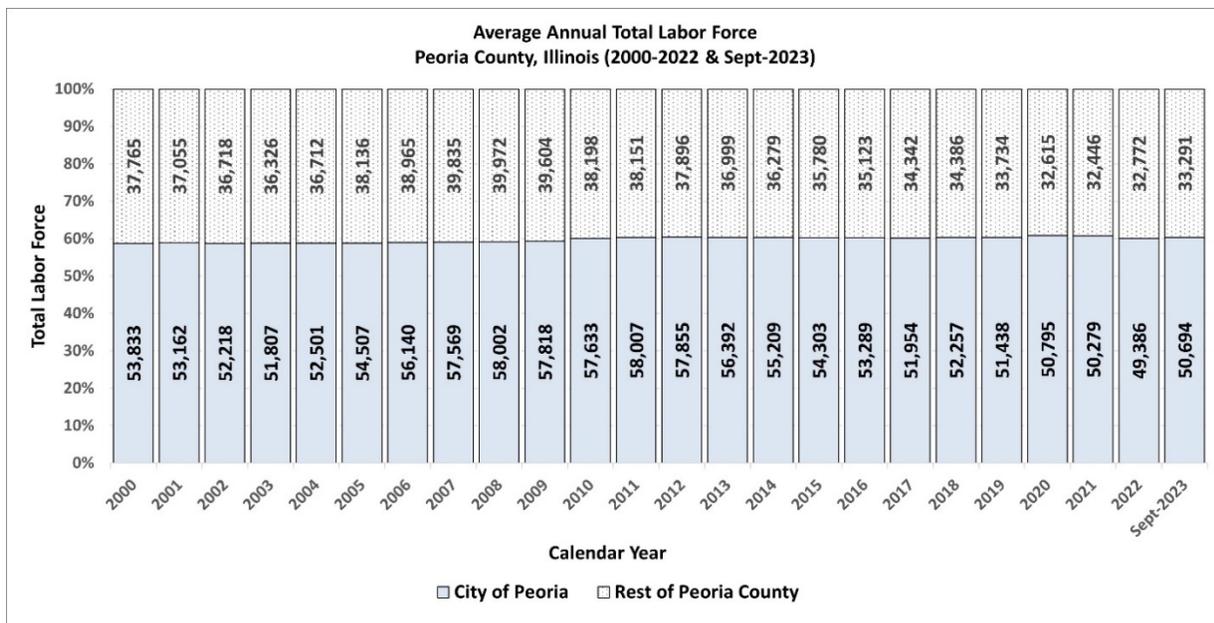


Figure 12. Average Annual Total Labor Force in City of Peoria and Remainder of Peoria County, 2000-2022 and Sept-2023. (Source: Illinois Department of Employment Security).

The Illinois Department of Employment Security recently documented an inverse relationship between unemployment rates and educational attainment; the higher the level of educational attainment, the lower the unemployment rate.⁷ The National Center for Educational Attainment reported that in 2022, that the employment rate was higher for those with higher levels of educational attainment about 80 percent of 25 to 34-year-olds in the U.S. were employed and the employment rate was higher for those with higher levels of educational attainment (i.e., highest for those with a bachelor's or higher degree and lowest for those who had not completed high school).⁸

Although Illinois will likely continue to face shrinking workforce numbers during the next 10 years, thereby making efforts to improve Peoria's job base an increasingly more complicated and difficult challenge, the urgency for the City of Peoria to partner with educational resources to assist potential workers with attaining the educational background and skills necessary to fill those positions has perhaps never been greater. Peoria hosts multiple public and private schools, as well as several post-secondary educational resources, such as Bradley University, Illinois Central College, and University of Illinois College of Medicine-Peoria. Therefore, this Redevelopment Plan purposefully encourages the creation of good-paying jobs, along with the education and training opportunities needed to increase the supply of well-skilled workers to fill them.

City of Peoria Accepts the Challenge

New private investment in light industrial facilities, commercial businesses, and related amenities within the proposed **Distillery TIF District Redevelopment Project Area** will help create a more effective path for the Peoria employment base to expand. New tax revenues resulting from such economic growth will also further enable the City of Peoria and other taxing bodies to fund high-quality public services for their residents.

As part of an ongoing effort to encourage new economic vitality throughout the community, the City of Peoria proposes to use tax increment financing to establish itself as a stronger retail center and further stimulate commercial/retail and industrial development within the proposed Distillery TIF District Redevelopment Project Area. By using TIF to attract new private investment and improve public infrastructure within the designated Redevelopment Project Area, the City intends to:

- create new employment opportunities;
- expand the real estate tax assessment base within the Redevelopment Project Area;
- generate new sales tax revenues for the City, School Districts, and the County;
- expand and update public infrastructure and related services; and
- improve pedestrian access between residential areas, parks, and industrial and commercial areas, thereby improving the overall quality of life for its residents.



⁷ Illinois Department of Employment Security. (2018). *The Relationship Between Educational Attainment and Labor Force Status in Illinois*. Retrieved 12/4/2023, from <https://ides.illinois.gov/>.

⁸ National Center for Education Statistics. (2023). *Employment and Unemployment Rates by Educational Attainment*. *Condition of Education*. U.S. Department of Education, Institute of Education Sciences. Retrieved 12/4/2023, from <https://nces.ed.gov/programs/coe/indicator/cbc>.

The City of Peoria has prepared this TIF Redevelopment Plan to especially support its ongoing commitment to expanding the community's business and manufacturing capabilities. According to the Illinois Manufacturers' Association⁹:

- more than 650,000 women and men work on factory floors producing more than \$600 billion in annual economic output, the single largest share of Illinois' economy; and Peoria County is the eighth largest county for hosting manufacturing jobs in the state of Illinois which generates \$12.4 billion in total annual economic output;
- the Peoria County manufacturing industry maintains an employment multiplier of 2.1. This implies that for every 10 jobs that are supported directly by the manufacturing industry, an additional 11 jobs are created elsewhere in in the county; and
- in general, every manufacturing job leads to an additional 1.8 jobs and every dollar invested in manufacturing generates approximately \$1.89 in additional economic activity.

“The City has prepared this TIF Redevelopment Plan to especially support its ongoing commitment to expanding the community’s business and manufacturing capabilities.”

A Storied History

“Distillation” is a chemical process involving the conversion of a liquid into vapor, which is then subsequently condensed back to a liquid form. American history will forever note that Peoria, Illinois, along with its plentiful access to corn, water, and an expanding railroad system, was once known as one of the most prominent locations in the world for the distillation of bourbon whiskey.

After a steamboat captain constructed Peoria's first distillery in 1843, he later built a second distillery that became the largest in Illinois outside of Chicago. By 1880, Peoria and the surrounding area annually produced approximately eighteen million gallons of bourbon and other distilled spirits, which at that time was more production than that of the entire State of Kentucky. There were so many distilleries along the Illinois River that the area eventually became known as Distillery Row.¹⁰ From 1844 to 1919 there were roughly 73 distilleries on the Peoria County tax roll¹¹ and Peoria had become a boomtown.

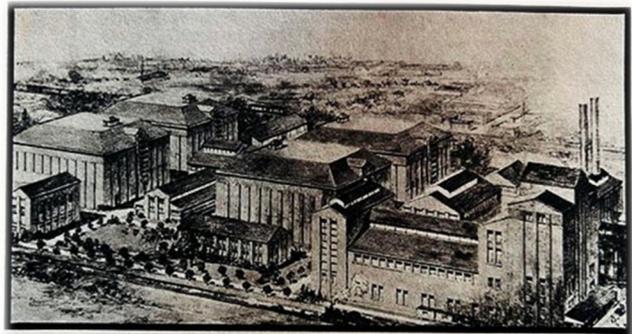
From 1920 to 1933, a nationwide constitutional law prohibited the production, importation, transportation, and sale of alcoholic beverages. After the Prohibition era ended in 1933 with the ratification of the Twenty-first Amendment, the Hiram Walker Distillery opened in Peoria (**Figure 13**). This \$5,000,000 investment by Hiram Walker included a modern distillery with an on-site grain

⁹ Source: Illinois Manufacturers' Association publications, *The Economic Impact of Manufacturing on Illinois and Manufacturing Matters 2022* found online at: <https://ima-net.org/2022economicanalysis/>.

¹⁰ Source: Williams, Don. 2020. *The Distilling Capital of Peoria Illinois* as found online at <https://bourbonfool.com/the-distilling-capital-of-peoria-illinois/>.

¹¹ Source: Wombacher, Marty. 2023. *Meanwhile, Back in Peoria's Past – This Week: Hiram Walker Distillery* as found online at <https://www.meanwhilebackinpeoria.com/blog/2023/8/26/meanwhile-back-in-peorias-past-this-week-hiram-walker-distillery>.

elevator, fermentation tanks, brick warehouses, oak barrel assembly, and column stills to make 13 different base whiskeys. The distillery could produce 100,000 gallons of new whiskey daily and employed about 1,000 people. Eventually, Hiram Walker sold to Pernod Ricard, which became part of Beam Suntory. The Hiram Walker Distillery stopped making whiskey in Peoria in the 1970s, left Peoria in 1981, and sold the property to Archer Daniels Midland Company (ADM) in 1982. ADM subsequently sold the site to BioUrja Renewables, LLC, an alcohol distillation company producing spirits used in beverages and in other industrial and consumer products (*Figure 14*).^{12 13}



IF HIRAM WALKER'S PLANS ARE REALIZED
 ... the above plant, now being built in Peoria, will begin operations early in 1934, will have a capacity of 30 million gallons of whiskey a year, making it the world's biggest distillery. Architects are Smith, Hinchman & Grylls of Detroit.

Figure 13. This image from Fortune Magazine of November 1933, is an artist's drawing of the distillery that would open in 1934 (source: *Images Of The Past – Hiram Walker Distillery In Peoria Illinois*. <https://bourbonveach.com/2022/02/11/images-of-the-past-hiram-walker-distillery-in-peoria-illinois/>).

Another part of this Storied History is the legacy of high air and water pollution levels and overall environmental degradation for those people living around the footprint of this proposed Distillery TIF area. The footprint of the proposed Distillery TIF and surrounding neighborhoods lie within a United States Environmental Protection Agency (USEPA) designated Environmental Justice area.

According to the USEPA, “Environmental justice” means ‘the just treatment and meaningful involvement of all people, regardless of income, race, color, national origin, Tribal affiliation, or disability, in agency decision-making and other Federal activities that affect human health and the environment so that people:

- are fully protected from disproportionate and adverse human health and environmental effects (including risks) and hazards, including those related to climate change, the cumulative impacts of environmental and other burdens, and the legacy of racism or other structural or systemic barriers; and
- have equitable access to a healthy, sustainable, and resilient environment in which to live, play, work, learn, grow, worship, and engage in cultural and subsistence practices.¹⁴



Figure 14. Peoria's historic SW Washington Street site that was formerly the Hiram Walker Distillery is now again processing corn for alcohol distillation products by BioUrja Renewables, LLC.

¹² *Images Of The Past – Hiram Walker Distillery In Peoria Illinois* as found online at <https://bourbonveach.com/2022/02/11/images-of-the-past-hiram-walker-distillery-in-peoria-illinois/>.

¹³ Kravetz, Andy. 2015. *Peoria's Hiram Walker was once the largest distillery in the world*, Peoria Journal Star online at <https://www.pjstar.com/story/news/2015/08/28/extra-peoria-s-hiram-walker/33618842007/>.

¹⁴ The definition of Environmental Justice can be found on the USEPA website: www.epa.gov/environmentaljustice.

Despite the valuable grain handling and ethanol production occurring on a portion of what was once known as “Distiller’s Row,” some of the former Hiram Walker Distillery site has succumbed to the ravages of time and underutilization. Evidence of deterioration and in some instances excessive dilapidation of the former distillery and brick warehouses observed within the proposed Distillery TIF Redevelopment Project Area contribute to the Area’s qualifications for Tax Increment Financing (*Figure 15*).



Figure 15. The City of Peoria has found portions of the former Hiram Walker Distillery to exhibit substantial deterioration and underutilization.

The City intends to use tax increment financing to revitalize the proposed Redevelopment Project Area by incentivizing the rehabilitation, renovation, and repair of historically significant industrial structures, as well as invite new private investment to stimulate industrial growth and expansion.

Such efforts to restore portions of Peoria’s industrial riverfront properties adjacent to SW Washington Street will create new job opportunities, contribute to the regional economy, and improve the quality of life for residents of the greater Peoria community.

SECTION III. REDEVELOPMENT GOALS AND OBJECTIVES

Redevelopment Goals and Objectives

The City intends to use the **Distillery TIF District Redevelopment Plan, Area, and Projects** to redevelop property that is currently underutilized for light industry, commercial space, and retail businesses development. Such redevelopment is necessary for improving employment opportunities, expanding, and diversifying the local real estate tax base, managing growth, and increasing the overall quality of life for the greater Peoria area and nearby communities. This Redevelopment Plan will allow the City to: alleviate and/or remove blighting conditions such as aging public infrastructure and underutilized buildings; increase Peoria’s overall competitiveness within the Midwest region; and institute public policies that are more conducive to industrial and commercial business development.

Absent an influx of new private investment throughout the Area, and additional, substantial improvements to local public infrastructure, further deterioration of local properties and related amenities is likely to occur and will impair the value of private investments as well as the sound growth and tax base of all affected taxing districts. Pursuant to the TIF Act, this Redevelopment Plan is intended to promote and protect the health, safety, morals, and welfare of the public, address blighted conditions as defined in the Act, and institute conservation measures that will:

- remove and alleviate adverse or deteriorated conditions impeding economic growth;
- encourage new private investment; and
- restore and enhance the tax base of the overlapping taxing districts by undertaking a series of public and private redevelopment projects within the specified Redevelopment Project Area.

The property within the Redevelopment Project Area will substantially benefit by a series of public and private redevelopment projects made possible with tax increment financing. The Redevelopment Project Area is not otherwise reasonably expected to be substantially improved or be further developed without the use of tax increment financing.

The Distillery TIF District Redevelopment Plan includes, but is not limited to, the following general long-term goals and objectives:

1. Reduce the USEPA EJ Index rating by making improvements in both environmental indexes and socioeconomic indicators, thus, increasing the capacity of those in and around this TIF Area to thrive and succeed;
2. Eliminate or reduce those conditions which qualify the Redevelopment Project Area as a combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* Areas;
3. Facilitate the construction, improvement and repair of public infrastructure, environmental remediation, and other capital projects which the City finds is in furtherance of this Redevelopment Plan and necessary to encourage new industrial, and commercial development;
4. Construct, improve, upgrade, and maintain storm water drainage and sanitary sewer lines and related infrastructure throughout the Redevelopment Project Area;
5. Construct, improve, upgrade, and maintain antiquated and/or inadequate water lines and mains, as well as water storage facilities and related distribution systems;
6. Construct, improve, upgrade, and maintain streets, infrastructure relating to information technology, street lighting, landscaping, curbs, alleys, parks, public green space, recreational amenities, sidewalks, bike paths and other pedestrian walkways throughout the Redevelopment Project Area;
7. Encourage private investment for industrial and commercial rehabilitation/renovation projects to be undertaken on existing structures within the Redevelopment Project Area through financial incentives offered by tax increment financing;
8. Foster entrepreneurship and attract substantial private investment for new commercial and industrial development which complies with City zoning and land use ordinances, increases assessed valuations, enhances the real estate tax base of the Area, and thereby also creates additional employment opportunities within the Area and the Peoria community;
9. Enhance the tax base for the City and other taxing districts through coordinated, comprehensive planning efforts by either the public or private sectors to improve infrastructure, property reuse, and the upgrade of existing buildings;
10. Attract tourism and new retail/commercial businesses to Downtown Peoria by vigorously reinvesting in existing properties within the Redevelopment Project Area to redevelopment blighted and unsightly properties along the SW Washington Street corridor; thereby encouraging business retention and increase retail business activity that will generate new local retail sales tax revenue for the City, other taxing bodies, and the State of Illinois;
11. Adhere to the vision and outcomes described in the City of Peoria Strategic Plan (2019 Update), including but not limited to the Economic Opportunity and Neighborhood Livability factors described therein:



“Economic opportunity and neighborhood livability focus on reducing economic disparities by understanding and addressing causes, leveraging public-private partnerships, and supporting residents. It supports the development of a business climate that encourages private investment and private employment. These strategies will support development and maintenance of affordable suitable housing, aligning worker skills with employee needs, developing an inclusive workforce, and supporting the business community with programs and supports that lead to success;”

12. Incorporate herein the mission and goals of the City’s most recent Strategic Plan Language adopted in Oct-2023 whereby the City seeks to diversify Peoria’s economic portfolio and improve processes that make the City an exceptional place to live, work, do business, and invest; and
13. Implement the goals and objectives of the City’s Comprehensive Plan, the first of which was adopted in 1937 and further undertake and stimulate public and private redevelopment projects which will further improve the overall quality of life, health, and well-being of the Peoria community.

Planning Process and Calendar

A variety of policies, programs, and strategies are often used to promote economic development in a community. This Redevelopment Plan provides a preliminary review of the uses and application of tax increment financing (TIF) as well as the extent to which certain properties within the City of Peoria qualify for designation as a TIF Redevelopment Project Area (the “Area”).

The Tax Increment Allocation Redevelopment Act of 65 ILCS 5/11-74.4 *et. seq.* (the “Act”) requires a municipality to follow certain procedures in establishing a TIF District. The proposed TIF District must contain several specific statutory characteristics which qualify the Area for tax increment financing. These characteristics and definitions as set forth below determine whether the Area is *Blighted*, *Conservation*, a combination of both *Blighted and Conservation* areas, as well as an *Industrial Park Conservation Area* (see ***Appendix A***).

The process to establish a TIF District pursuant to the Act is initiated by a municipality (see ***Appendix B***). This process includes:



- creating an Interested Parties Registry;
- determining the qualifications of the redevelopment project area;
- preparing a Redevelopment Plan;
- establishing a date, place, and time for a Public Hearing;
- sending notification of the Public Hearing to all taxing districts, registrants of the interested parties registry and the Illinois Department of Commerce and Economic Opportunity (DCEO) with an invitation to attend and provide comments;
- convening a Joint Review Board consisting of a representative selected by each community college district, local elementary school district, high school district or each local community unit school district, park district, library district, township, fire protection district, the county, a representative of the municipality and a public member;
- publishing a notice twice before the Public Hearing in a newspaper of general circulation in the community;
- mailing of the notice of the Public Hearing to all taxpayers and residents in the proposed Area;
- mailing of the notice of the Public Hearing to residential addresses within 750 feet of the proposed Area; and

- approving final ordinances: (1) approving the Redevelopment Plan and Projects; (2) designating the Redevelopment Project Area; and (3) adopting Tax Increment Allocation Financing for the Area.

The City of Peoria initially engaged Jacob & Klein, Ltd. and The Economic Development Group, Ltd. on April 3, 2023, to assist the City with undertaking this process for establishing the Distillery TIF District. A review of the qualifications of the proposed Area was subsequently undertaken to evaluate the potential use of tax increment financing within the proposed Area based upon statutory requirements. This Plan hereby presents sufficient evidence for the **Distillery TIF District** to be classified as a combination of *Blighted* (improved/vacant), *Conservation* (improved), and *Industrial Park Conservation* areas. Upon reviewing the proposed Redevelopment Plan and accepting the findings herein, the City Council may move forward with the process for establishing the **Distillery TIF District**.

The City’s schedule for the planning and completing the statutorily required activities relating to the establishment of the **Distillery TIF District** is as follows:

- Initiate Planning and Research to Document TIF Qualifying Characteristics.....4/3/2023
- Submit Draft Redevelopment Plan to City 12/22/2023
- Establish Interested Parties Registry by Ordinance1/9/2024
- Set date for Public Hearing by Ordinance.....1/9/2024
- Publish Availability of Interested Parties Registries1/11/2024
- Certified Mailings of Public Hearing Notice to Taxing Districts.....1/11/2024
- Certified Mailings of Public Hearing Notice to Taxpayers & Residents.....1/25/2024
- Mail Public Hearing Notice to Residential Addresses within 750 ft. & IPR.....1/31/2024
- Convene Joint Review Board (JRB) Meeting.....2/1/2024
- First Publication of Notice of Public Hearing2/8/2024
- Second Publication of Notice of Public Hearing2/15/2024
- Public Hearing2/27/2024
- Approve Final Ordinances to Establish TIF District.....5/14/2024

SECTION IV.

QUALIFYING CHARACTERISTICS OF THE REDEVELOPMENT PROJECT AREA

Description of Proposed Redevelopment Project Area

The proposed TIF Area includes commercial and industrial properties, which are generally located between the Illinois River and the alley between SW Washington Street and SW Adams Street from Sanger Street and extending northeasterly to the IL Rt. 116/Cedar Street Bridge. The Redevelopment Project Area is configured to encourage a combination of commercial and industrial redevelopment projects; and is more specifically illustrated on the attached Proposed Boundary Map (*Exhibit 1*) and legally described in the attached Proposed Legal Description (*Exhibit 2*).

Pursuant to the Act, the proposed **Distillery TIF District Redevelopment Project Area** (the “Area”) includes only those contiguous parcels of real property and improvements thereon which would be substantially benefitted by a redevelopment project. Also, pursuant to the Act, the Area is not less in the aggregate than 1½ acres and further constitutes a contiguous Area pursuant to Section 11-74.4-4 of the TIF Act as amended by Public Act 102-0818.

The Area includes properties within the City which have been neglected and have not benefitted from coordinated planning efforts by either the public or private sectors. As evidenced by the qualifying characteristics presented in this Section, both vacant and improved properties within the proposed Redevelopment Project Area would substantially benefit by a series of proposed public and/or private redevelopment projects. Therefore, the City finds that the Redevelopment Project Area *as-a-whole* has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan.

Qualifying Characteristics of Proposed Redevelopment Project Area

The Distillery TIF District Area as-a-whole includes characteristics which qualify the Area as a combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* areas, as defined in the Tax Increment Allocation Redevelopment Act [TIF Act] (65 ILCS 5/11-74.4 *et. seq.*). **The terms *Blighted*, *Conservation*, and *Industrial Park Conservation* areas when applied to improved or vacant properties are statutory definitions, not common ideas of those terms.** The statutory definitions which have been applied and used in this section are presented in *Appendix A*. A summary of the City’s findings is presented as follows:

Total Number of Parcels (improved and vacant).....	109
Total Number of Qualifying Parcels (improved and vacant)	90
Total Percentage of Parcels (improved and vacant)	
which Qualify under the Act	82.6%

CONCLUSION: Within the proposed Distillery TIF District there are one hundred nine (109) vacant and improved parcels that were surveyed, 82.6% of which qualify under the TIF Act as a combination of Blighted and Conservation Areas.

Qualifying Characteristics of Improved Parcels

Total Number of Improved Parcels.....	72
Total Number of Improved Parcels which Qualify under the Act	53
Total Percentage of <u>Improved</u> Parcels which Qualify under the Act	73.6%
Of All Improved Parcels:	
Total “Blighted” (5 qualifying characteristics)	6
Total Number of Structures and Site Improvements	151
Number of Structures over 35 Years of Age	114
Total Percentage of Structures over 35 Years of Age.....	75.5%
Total “Conservation”	53
Total Number Conservation, but Not Blighted	47

The following qualifying characteristics are present in the **structures** and **site improvements** within the improved portion of the proposed TIF District (Note: If a parcel of property exhibits an individual characteristic more than once, it is counted only once in the summary below):

Number showing signs of Dilapidation	6
Number showing signs of Obsolescence.....	5
Number showing signs of Deterioration	71
Number showing signs of Code Violations	0
Number showing signs of Illegal Uses.....	0
Number showing signs Excessive Vacancy.....	8
Number which Lack Sanitary Facilities.....	0
Number with Inadequate Utilities ¹⁵	37
Number subject to Overcrowding.....	2
Number used for Deleterious Uses	1
Number with EPA Issues	0
Number showing Lack of Planning ¹⁶	55
Number subject to Declining/Static EAV	72

CONCLUSION: The applicable characteristics of Blight and Conservation were found reasonably distributed throughout the seventy-two (72) improved parcels, 73.6% of which qualify as a Combination Blighted and Conservation Area within the proposed Distillery TIF District Redevelopment Project Area. Six (6) of the improved parcels also qualify as a Blighted Area.

¹⁵ The improved parcels exhibiting deteriorated or inadequate utilities (37) represents visible inadequacies relating to the lack of appropriate storm water facilities and in some instances the lack of adequate sanitary sewer infrastructure. Though not thoroughly documented as of this TIF Plan, the City noted that substantial other public infrastructure inadequacies exist throughout the TIF Area, not the least of which is the lack of adequate sidewalks and roadway extensions to serve underutilized sites.

¹⁶ Most of the improved parcels shown to evidence a lack of adequate planning (55) reflect a visible absence of street access, sidewalks, curbs, or access to alleys. Parcels of inadequate shape and size to meet contemporary development standards were found to be present within the TIF area as well.

Qualifying Characteristics of Vacant Parcels

Total Number of Vacant Parcels	37
Total Number of Vacant Parcels which Qualify under the Act.....	37
Total Percentage of <u>Vacant</u> Parcels which Qualify under the Act.....	100.0%

Of All Vacant Parcels:

*The first set of characteristics which apply to vacant land require any **two** of the following for qualification as a blighted area:*

Number subject to Obsolete Platting	9
Number subject to Diversity of Ownership	0
Number subject to Tax Delinquencies	0
Number subject to Deterioration of Adjacent Properties	27
Number subject to EPA Issues	0
Number subject to Declining/Static EAV.....	37

*An additional list of characteristics applied to vacant land requires only **one** of the following for qualification as a blighted area:*

Number containing an Unused Quarry, Mine or Strip Mine Pond.....	0
Number containing an Unused Railroad or Railroad Right-of-way.....	10
Number subject to Chronic/Contribute to Flooding within same watershed	7
Number with Disposal Site	11
Number found to have been Blighted before becoming Vacant.....	9
Number of vacant parcels which qualify as an Industrial Park Conservation Area ¹⁷	36

Within this Area there are vacant tracts that have been used for commercial agricultural purposes within five (5) years prior to the designation of the Redevelopment Project Area. Pursuant to Section 11-74.4-3(v), the City has made a finding that such parcels have been previously subdivided; subdivided pursuant to the Plat Act; or divided into three (3) or more smaller tracts between 1950 and 1990. Pursuant to the Act and prior to designation of the Area, the City found **seven (7)** of the vacant parcels have been subject to surface water that discharges from the TIF Area and contributes to flooding within the same watershed. The redevelopment projects proposed in this Plan will provide for facilities or improvements to contribute to the alleviation of all or part of such inadequate storm water drainage. The City has developed comprehensive ordinances and design criteria requiring redevelopment projects to provide facilities and improvements to alleviate the risk of flooding, not the least of which is a requirement for hydrological studies to be completed in advance of any redevelopment project that will include the construction of impervious surfaces on the site. The creation of a TIF District is therefore essential for providing a means by which the City and Private Developers may feasibly address normal/routine infrastructure requirements, as well as also comply with additional storm water control requirements throughout the Area.

CONCLUSION: Of the thirty-seven (37) vacant parcels surveyed within the proposed Distillery TIF District, 100.0% qualify as a Blighted Area. These vacant parcels will contribute to the effectiveness of the TIF District as a whole and are necessary either as potential development locations or to ensure contiguity within the TIF District.

¹⁷ “Industrial park conservation area” means an area within the boundaries of a redevelopment project area located within the territorial limits of the City that is a labor surplus municipality, is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

Equalized Assessed Valuation (EAV) of the Redevelopment Project Area

One of the qualifying characteristics for both “Blighted” and “Conservation” parcels is the declining and or stagnant value of properties included within the Redevelopment Project Area.

The total equalized assessed valuation (“EAV” before exemptions) of the City of Peoria for tax year 2022 payable 2023 was **\$2,319,970,404**. The total EAV (before exemptions) of parcels studied for the entire proposed TIF District Redevelopment Project Area for tax year 2022 payable 2023 was **\$8,518,580** and accounted for **0.37%** of the City’s total EAV (see *Figure 16*). The total estimated EAV of the balance of the City (outside of the proposed TIF Redevelopment Project Area) was **\$2,311,451,824**.

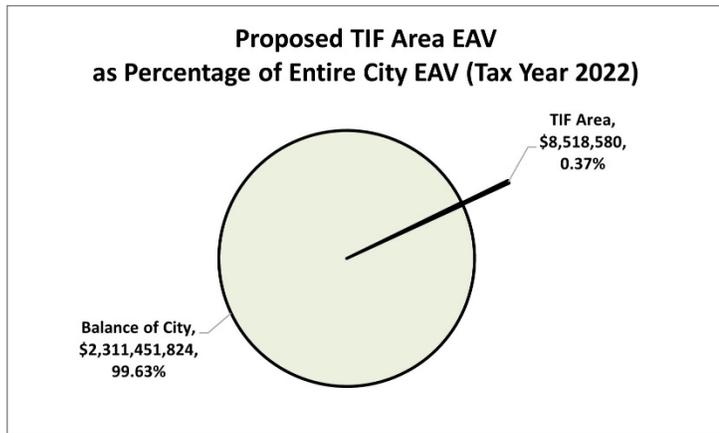


Figure 16. Proposed Distillery TIF District EAV as a Percentage of Entire City of Peoria EAV, Tax Year 2022. (Source: Office of the Peoria County Supervisor of Assessments data available online at <https://gis.peoriacounty.gov/PeoriaCountyGIS/#>.)

The EAV characteristics in this instance contribute to the qualification of the Area pursuant to the TIF Act because the total equalized assessed valuation of the proposed redevelopment project area declined in four (4) of the last (5) years; and declined or increased at an annual rate which was less than the annual Consumer Price Index (CPI) for All Urban Consumers for four (5) of the last five (5) years (see *Figure 17*).

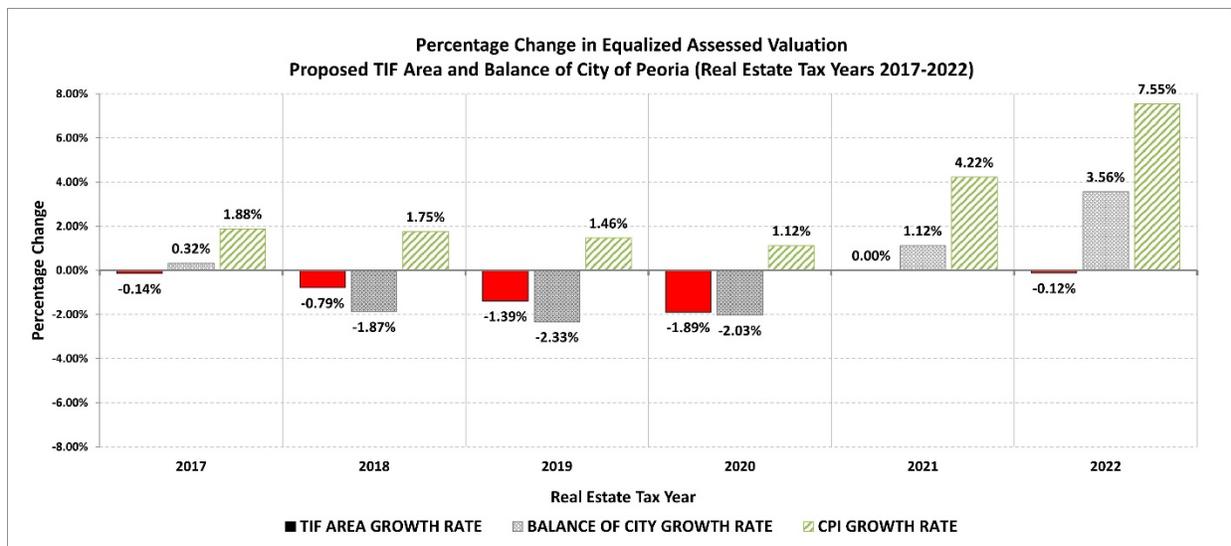


Figure 17. Proposed Distillery TIF District, Percentage Change in Equalized Assessed Valuation, 2017-2022 (Source: Office of the Peoria County Supervisor of Assessments data available online at <https://gis.peoriacounty.gov/PeoriaCountyGIS/#>.)

CONCLUSION: Pursuant to the Act, the equalized assessed valuation of the proposed Area assists in qualifying the proposed Distillery TIF District as a combination of “Blighted” and “Conservation” Areas.

Summary of TIF Qualification Characteristics

The following is a summary of relevant qualification findings as it relates to the potential designation of the proposed Redevelopment Project Area (Area) by the City as a Tax Increment Financing (TIF) District. The findings herein pertain to the proposed Redevelopment Project Area:

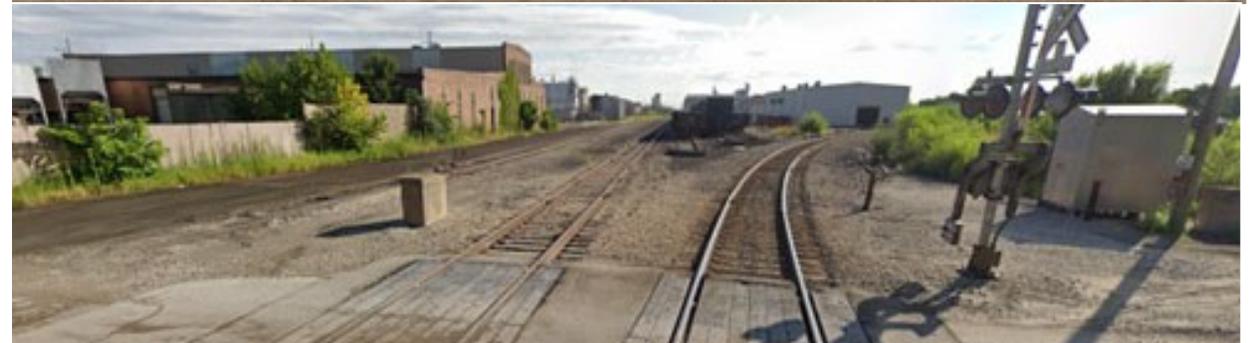
1. Pursuant to the Act, the proposed Redevelopment Project Area (Area) includes only those contiguous parcels of real property and improvements thereon which would be substantially benefitted by a redevelopment project; and the Area is greater than 1½ acres in size. The proposed Area includes easements and rights-of-way which are not annexed into the City, however pursuant to Section 11-74.4-4 of the TIF Act as amended by Public Act 102-0818, the **one hundred nine (109) improved and vacant parcels** included within the proposed TIF Area are contiguous since they meet the criteria for annexation to a municipality under Section 7-1-1 of the Municipal Code.
2. The Redevelopment Project Area qualifies as a combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* areas. The qualifying characteristics as documented herein are present throughout the Redevelopment Project Area, are present to a meaningful extent and are evenly distributed throughout the Redevelopment Project Area as follows:
 - a. Within the **Distillery TIF District** there are **one hundred nine (109)** individual parcels that were surveyed as vacant or improved, 82.6% of which qualify under the TIF Act as a combination of *Blighted* [improved/vacant] and *Conservation* [improved], and *Industrial Park Conservation* areas.
 - b. The applicable characteristics of *Blight* and *Conservation* were found reasonably distributed throughout the proposed TIF District as-a-whole. Of the **seventy-two (72) improved parcels**, 73.6% qualify as a Combination of Blighted and Conservation Areas. Six (6) of the improved parcels also qualify as a Blighted Area.
 - c. Of the **thirty-seven (37) vacant parcels**, 100.0% qualify as a *Blighted* area. Thirty-five (35) of the vacant parcels are found to be subject to chronic flooding or contribute to flooding within the same watershed. **Thirty-six (36)** of the vacant parcels qualify as an *Industrial Park Conservation Area*. The public and private improvements provided for in this Redevelopment Plan will help to alleviate all or part of these drainage conditions.
 - d. The lack of growth in equalized assessed valuation of the proposed Area assists in qualifying the TIF District as a combination of Blighted and Conservation Areas.
3. The proposed Redevelopment Project Area has not benefitted from coordinated planning efforts by either the public or private sectors. There is a need to focus on redevelopment efforts relating to infrastructure, property reuse, and the improvement of existing buildings.
4. The proposed Redevelopment Project Area would not be subject to redevelopment without the investment of public funds, including tax increments.
5. All property in the proposed Redevelopment Project Area would substantially benefit by a series of proposed redevelopment projects (public and private).

6. Portions of the proposed Redevelopment Project Area may be suitable for redevelopment (public and private) for modern and more intensive mixed use if funding can be established to acquire and clear necessary properties, and to put in place appropriate incentives to overcome market impediments.
7. Indications of deterioration and blighting conditions were found to be present and distributed throughout the Redevelopment Project Area to a meaningful extent on both vacant and improved parcels, thereby qualifying the Area as a combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* areas, as defined in the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*). Therefore, based on the information provided herein: **the City concludes that the Distillery TIF District Redevelopment Project Area qualifies pursuant to the requirements of the TIF Act.**

As illustrated by the examples below, deterioration, underutilized spaces, and blighting conditions were found to be present to a meaningful extent and distributed throughout the Redevelopment Project Area.



















SECTION V.

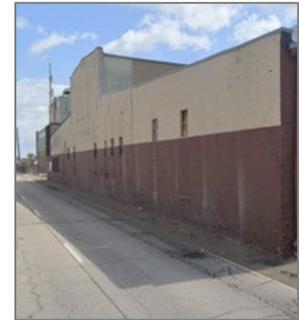
**DESIGNATED AND ANTICIPATED PUBLIC AND PRIVATE PROJECTS
FOR PROPOSED REDEVELOPMENT PROJECT AREA**

Public Redevelopment Projects

The City intends to address the conditions which, pursuant to the TIF Act, qualify the Redevelopment Project Area as a combination of *Blighted, Conservation, and Industrial Park Conservation* areas. The Redevelopment Project Area has infrastructure inadequacies and will require additional improvements throughout the life of the TIF District as projected below. The implementation of the public projects provided herein will help address current impediments to growth and attract new private investment within the Redevelopment Project Area.

To the extent possible, the City will also encourage the private sector to incur the costs of constructing public infrastructure that is necessary for completing private redevelopment projects. Such costs may then be reimbursed to private developers from real estate tax increment generated by the private redevelopment projects.

The City intends to pay for public improvements using a portion of any Real Estate Tax Increment generated within the TIF District, as well as Municipal Sales Taxes and any other sources of funds it may lawfully pledge.



The designated and anticipated TIF eligible Public Redevelopment Project Cost obligations relating to this TIF Redevelopment Plan are as follows:

1. Public works construction, improvements, upgrades, and maintenance or resurfacing of streets, roads, alleys, parking lots and sidewalks, including labor, equipment, parts, and materials throughout the TIF Area.....\$3,500,000
2. Public works construction, improvements, upgrades, and maintenance of sanitary sewer lines, pump and lift stations, treatment plant, lagoons, manholes and related facilities in support of the Area, including labor, equipment, parts, and materials throughout the TIF Area\$750,000
3. Public works construction, improvements, upgrades, and maintenance of water mains and related lines and hydrants, storage, and treatment facilities including labor, equipment, parts, and materials throughout the TIF Area.....\$600,000
4. Storm sewer drainage infrastructure, including the construction, improvements, upgrades and maintenance of river front drainage infrastructure, including labor, equipment, parts, and materials throughout the TIF Area.....\$450,000
5. Public works or improvements related to utilities, including, but not limited to, gas, electric, cable and telecommunication infrastructure, including labor, equipment, parts, and materials throughout the TIF Area\$300,000

6. Public property assembly costs relating to acquisition of land and buildings, demolition, site improvements and clearing and grading of land throughout the TIF Area.....\$2,000,000
7. Rehabilitation, construction, reconstruction, repairs and maintenance of public facilities, including labor, equipment, parts and materials throughout the TIF Area\$250,000
8. Removal and remediation of environmental contaminants and other physical impediments to redevelopment throughout the TIF Area\$500,000
9. TIF District-related marketing of sites throughout the TIF Area, as well as signage, lighting, advertising, and website marketing\$150,000
10. Construction, improvements, upgrades, and maintenance of public parks, trails, walkways, green space, forestry, river front and wetland improvements\$200,000
11. Staff and professional services including, but not limited to engineering, architectural, community planning, legal, financial, accounting, marketing, training, continued education, economic development services and TIF-related public administration as may be necessary for the implementation of the TIF Redevelopment Plan and Projects\$500,000
12. Public safety, fire and rescue and other emergency services training, facilities, equipment and personnel necessary to promote and protect the health, safety, and welfare of the public throughout the TIF Area\$250,000
13. Costs relating to job training and retraining, including “welfare to work” programs implemented by businesses located throughout the TIF Area.....\$500,000
14. Public infrastructure within contiguous TIF Redevelopment Project Areas, if any.....\$250,000
15. Day care services for children of employees from low-income families working for businesses located within the redevelopment project area per Section 11-74.4-3(q)(11.5) of the Act.....\$200,000
16. Potential capital cost reimbursements to other taxing districts.....\$2,044,422

TOTAL DESIGNATED/ANTICIPATED PUBLIC PROJECT COSTS \$12,444,422



Private Redevelopment Projects

As previously stated, the City plans to address the conditions which qualify the Redevelopment Project Area as a combination of *Blighted*, *Conservation*, and *Industrial Park Conservation* areas. The City expects the implementation of the TIF District Redevelopment Plan will attract new private investment within the project area; and the Redevelopment Project Area will not be developed without the use of tax increment financing. Therefore, the City intends to offer incentives to potential Developers to encourage commitments for new private investment during the life of the proposed TIF District.

The designated and anticipated Private Redevelopment TIF Eligible Project Cost obligations for the Distillery Tax Increment Financing District are as follows:

- 1. **Commercial/Industrial Renovation/Expansion /Reconstruction Project I**\$750,000
- 2. **Commercial/Industrial Renovation/Expansion /Reconstruction Project II**\$900,000
- 3. **Commercial/Industrial Renovation/Expansion /Reconstruction Project III**.....\$560,000
- 4. **Commercial/Industrial Renovation/Expansion /Reconstruction Project IV**\$560,000
- 5. **Commercial/Industrial Renovation/Expansion /Reconstruction Project V**.....\$150,000
- 6. **Commercial/Industrial Renovation/Expansion /Reconstruction Project VI**\$150,000
- 7. **New Industrial Manufacturing Facility I:** approx. 50,000 sq. ft. facility.
Anticipated TIF Eligible Project Costs \$1,300,000
- 8. **New Industrial Manufacturing Facility II:** approx. 50,000 sq. ft. facility.
Anticipated TIF Eligible Project Costs\$975,000
- 9. **New Industrial Manufacturing Facility III:** approx. 50,000 sq. ft. facility.
Anticipated TIF Eligible Project Costs\$975,000
- 10. **New Commercial-Professional Office Building:** a business center containing a series of units used primarily for industrial/commercial office space.
Anticipated TIF Eligible Project Costs \$1,000,000
- 11. **New Retail Convenience Store:** project consists of the construction of new retail facility offering travel-related goods and services for auto and truck traffic.
Anticipated TIF Eligible Project Costs\$250,000
- 12. **New Commercial-Retail Restaurant:** a restaurant facility that is anticipated to employ approximately 2 supervisory employees and 30-40 food and food service workers.
Anticipated TIF Eligible Project Costs\$225,000
- 13. **New Commercial-Retail Business Plaza:** a business center containing a series of units used primarily for retail and commercial office space.
Anticipated TIF Eligible Project Costs\$200,000

Total Designated/Anticipated Private TIF Eligible Project Costs \$7,995,000

SECTION VI.
SOURCES OF FUNDS TO PAY TIF ELIGIBLE PROJECT COSTS

The City may execute written Redevelopment Agreements with Private Developers to use portions of the TIF Real Estate Tax Increments generated from such projects to reimburse Developers for TIF eligible *private* project costs as provided in the Act per Section 65 ILCS 5/11-74.4-3(q). The City further intends to use some TIF Increment generated by such private projects and other sources of funds it may lawfully pledge for the payment of TIF eligible *public* project costs.

<i>Anticipated and Projected Private Redevelopment Projects¹⁸</i>	<i>Estimated Completion</i>	<i>Total Projected Investment</i>	<i>Projected Cumulative TIF Increment</i>	<i>Anticipated TIF Eligible Project Costs</i>
1. Comm./Industrial Ren./Expansion I	2024	\$1,500,000	\$1,391,200	\$750,000
2. Comm./Industrial Ren./Expansion II	2027	\$1,800,000	\$1,406,242	\$900,000
3. Comm./Industrial Ren./Expansion III	2029	\$1,120,000	\$771,098	\$560,000
4. Comm./Industrial Ren./Expansion IV	2031	\$1,250,000	\$746,148	\$560,000
5. Comm./Industrial Ren./Expansion V	2033	\$600,000	\$308,171	\$150,000
6. Comm./Industrial Ren./Expansion VI	2035	\$600,000	\$258,747	\$150,000
7. New Mfg. Facility I	2030	\$6,500,000	\$4,182,478	\$1,300,000
8. New Mfg. Facility II	2033	\$6,500,000	\$3,338,517	\$975,000
9. New Mfg. Facility III	2034	\$6,500,000	\$3,068,156	\$975,000
10. New Comm-Prof. Office Building	2036	\$6,000,000	\$2,347,601	\$1,000,000
11. New Retail Convenience Store	2028	\$1,500,000	\$1,101,606	\$250,000
12. New Comm-Retail Restaurant	2028	\$1,125,000	\$826,204	\$225,000
13. New Comm-Retail Business Plaza	2032	\$1,250,000	\$695,055	\$200,000
TOTALS:		\$36,245,000	\$20,444,223	\$7,995,000

TIF Financing Summary

Total Designated and Anticipated TIF Eligible Public Project Costs within the Redevelopment Project Area.....	\$12,444,422
Total Designated and Anticipated TIF Eligible Private Project Costs within the Redevelopment Project Area.....	<u>\$7,995,000</u>
Total Designated and Anticipated TIF Eligible Project Costs (Public & Private).....	<u>\$20,439,422</u>

Present and Projected Tax Increment

The **Distillery TIF District Redevelopment Plan** presents the City’s comprehensive program for development or redevelopment that is intended by the payment of redevelopment project costs to reduce or eliminate conditions, the existence of which, qualified the Redevelopment Project Area. The Distillery TIF District Redevelopment Plan also sets forth the program to be undertaken to accomplish the plan’s objectives and includes the anticipated sources and uses of TIF funds that may be generated within the Redevelopment Project Area.

¹⁸ See **Exhibit 3** for examples of TIF District Projections relating to these proposed private projects. See **Exhibit 4** regarding an Inducement Resolution relating to the proposed TIF District.

Policy Guidelines Relating to the Use of Tax Increment Financing Funds

1. All project cost estimates are in year-**2024** dollars. In addition to the public and private project costs listed above, any notes or bonds issued to finance a Project may include an amount sufficient to pay interest, as well as customary and reasonable charges associated with the issuance of such obligations and provide for capitalized interest and reserves as may be reasonably required. 
2. Adjustments to the designated and anticipated line item (public and private) costs provided in this Redevelopment Plan are expected. Each individual project cost and the resulting tax revenues will be re-evaluated as each project is considered for public financing under provisions of the Act.
3. The totals of line items set forth in this Redevelopment Plan are not intended to place a total limit on the described expenditures or intended to preclude payment of other eligible redevelopment project costs related to the redevelopment of the Area, provided the total amount of payment for all eligible redevelopment project costs, public and private, shall not exceed the amount set forth herein or as adjusted in the future. Adjustments may be made to the designated and anticipated line items within the total, either increasing or decreasing line-item costs for redevelopment.
4. Upon adoption of this Redevelopment Plan, the City may, without further formal statutory approval, increase the total limit or any line item by the increase in the Consumer Price Index (currently All Urban Consumers, IL-IN-WI), plus five percent (5%), as permitted by the TIF Act.
5. The proposed Public and Private Redevelopment Projects included herein are not assured to occur but include the types and scopes of projects that represent reasonable expectations. The City's actual reimbursements of TIF funds shall be disbursed in compliance with the Act but may be for other projects and costs not specifically anticipated herein. The types and scopes of projects, investments and eligible project costs may be re-allocated from time to time by the City Council upon adoption of written Redevelopment Agreements with private developers.
6. The City hereby acknowledges it does not intend for the tax increment financing district to generate sufficient funding to pay for all of the estimated public and private TIF eligible costs discussed in this Redevelopment Plan. Other sources of funds that may be used to pay the costs of implementing this TIF Redevelopment Plan may include, but are not limited to, the following:
 - a. Private equity capital which is available to private Developers through their own cash reserves or financing sources;
 - b. Assistance through Business Development District Financing and/or Enterprise Zone incentives, if any;
 - c. Revenue available because of development assessments, purchase and sale agreements, and leases entered between the City and other individuals or entities;
 - d. Improvements by third-party tenants;

- e. Special Assessments;
- f. Special Service Areas, if any, that the City may create within the TIF Area and impose additional property taxes upon properties located within such special service areas to pay the costs of providing special services that may be performed from time to time within such special service areas within the TIF Redevelopment Project Area and which are in support of the goals and objectives of this TIF Redevelopment Plan;
- g. Grants and loans from the United States or the State of Illinois, or any instrumentality of the federal or state government and units of government thereof;
- h. General revenues of the City, to the extent such revenue is not necessary to fund other operations of the City;
- i. The City may issue obligations in one or more series in the future, maturing and bearing interest at rates and having such other terms and provisions determined by the City by Ordinance and in whole or in part secured and/or paid from funds or deposits credited to the “Distillery TIF District Special Tax Allocation Fund”; and
- j. Other legally permissible sources of public financing that may be identified at such time in the future that the City may deem appropriate to fund TIF eligible project costs.



The exact portion of project costs the City may lawfully reimburse from each of the above referenced sources of funds will depend upon the availability of funds from these sources and the approval of written redevelopment agreements by and between a private developer(s) and the City of Peoria.

- 7. Subject to written redevelopment agreements, the City intends to use TIF or other cooperative assistance it may legally offer to provide incentives to Private Developers for undertaking Private Redevelopment Projects. Such cooperation may include without limitation the City assisting or sponsoring the Developer, or agreeing to jointly apply with the Developer, for any grant, award, subsidy, or additional funding which may be available from other governmental sources as the result of the Developer’s or City’s activities. This may also include assisting with or jointly applying for any grant, award, or subsidy which may be available as the result of the City’s or the Developer’s activities.
- 8. No TIF funds shall be reimbursed to private Developers for TIF eligible project costs absent an Ordinance approving a written Redevelopment Agreement adopted by a majority of the Corporate Authorities of the municipality then holding office.
- 9. The City will consider incentives for redevelopment projects that reduce air or water pollutants or environmental hazards to the area, or increase the amount of greenspace.
- 10. The City will not provide assistance for any project costs that involve transportation of CO2 unless the project is fully compliant with public health and safety regulations resulting from the May 26th, 2022, Federal Rule making adopted by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration and provides additional protections as determined by the Peoria City Council.

Assessment of Financial Impact

Substantial new economic development is not expected to occur within the Redevelopment Project Area without the creation of the Distillery TIF District. Without tax increment financing, the overlapping taxing districts are not expected to experience any significant increase in real estate tax revenue from the proposed Redevelopment Project Area.

Using real estate tax rates from tax year 2021 payable 2022 and assuming an increase in real estate development of \$300,000, or a \$100,000 increase in equalized assessed valuation, the projected annual financial impact on the taxing bodies which levy taxes in the TIF District are as follows:

Taxing Districts Listed on Tax Bill	2022 Payable 2023 Real Estate Tax Rate	Projected Annual (Perceived) Impact for each \$100,000 Increase in TIF EAV
Peoria CUSD #150 ¹⁹	5.41858%	\$5,419
Peoria County	0.82410%	\$824
Pleasure Driveway Park District	0.78436%	\$784
Illinois Central Community College #514	0.46814%	\$468
Peoria Library District	0.45409%	\$454
Greater Peoria M.T.D.	0.27038%	\$270
Greater Metro Peoria Airport Authority	0.22610%	\$226
Peoria Township	0.08689%	\$87
Peoria County Soil & Water District	0.00042%	\$0.42
Greater Peoria Sanitation District	0.00000%	\$0
City of Peoria	1.11299%	\$1,113

¹⁹ As the Distillery TIF District relates to Peoria C.U.S.D. #150, the actual impact to the School District is less than the perceived loss, as the TIF Act and the Illinois School Code both contain provisions which require the Illinois State Board of Education to ignore increases in assessed valuation within a TIF District when calculating School funding. An excerpt from the Act (65 ILCS 5/11-74.4-8) indicates the following:

“No part of the current equalized assessed valuation of each property in the redevelopment project area attributable to any increase above the total initial equalized assessed value, or the total initial equalized assessed value as adjusted, of such properties shall be used in calculating the general State school aid formula, provided for in Section 18-8 of the School Code, until such time as all redevelopment project costs have been paid as provided for in this Section.”

Anticipated Measures to Address Financial Impact

All taxing districts that may be affected by the TIF District continue to receive a proportionate share of real estate tax revenue derived from the initial equalized assessed value of the parcels within the redevelopment project area as provided in Section 65 ILCS 5/11-74.4-8(a) of the Act, which states:

“That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.”

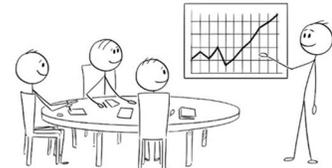
The City may approve Intergovernmental Agreements with taxing districts during the life of the TIF District if there are any additional impacts resulting from development within the Redevelopment Project Area. If any portion of the City’s TIF funds are paid as a reimbursement for additional capital costs that a taxing district(s) incurs because of the Distillery TIF District, the taxing district(s) shall be required to provide the City with an accounting of said capital costs as part of an ongoing impact analysis.

Ongoing Reporting and Accountability

The City will notify each of the overlapping taxing districts of any proposed enlargement or future amendments of the Distillery TIF District Redevelopment Project Area, Plan and Projects as required by the Act.

The City shall file TIF District Annual Reports with the Office of the Illinois Comptroller, in accordance with the requirement of the Act.

Pursuant to Section 5/11-74.4-5 (e) of the Act, the Joint Review Board will review the effectiveness and the status of the redevelopment project area following the end of each of the City’s fiscal years during the life of the Distillery TIF District. The Joint Review Board includes representatives of the taxing districts that have the authority to directly levy taxes on the property within the redevelopment project area at the time that the TIF District is approved.



In accordance with the USEPA definition of Environmental Justice, City staff will evaluate the impact of proposed projects on how they protect the community from disproportionate and adverse human health and environmental effects (including risks) and hazards, including those related to climate change, the cumulative impacts of environmental, socioeconomic, and other burdens, and the legacy of racism or other structural or systemic barriers within and around the TIF boundaries.

Notes:

SECTION VII.

OTHER STATUTORY REQUIREMENTS

General Land Uses. The general uses of the land within the Distillery TIF District Redevelopment Project Area shall conform to the existing and future land uses as well as current and future zoning and subdivision codes of the City of Peoria.

Certification of No Displacement of Residential Units. The proposed Redevelopment Project Area does not contain more than seventy-five (75) inhabited residential units. Therefore, the City of Peoria hereby certifies that the Redevelopment Plan will not result in the displacement of residents from ten or more inhabited residential units.

Eminent Domain. The City of Peoria hereby declares that the qualifying characteristics of blighted and conservation areas as provided herein for establishing the Distillery TIF District Redevelopment Project Area as a combination of *Blighted, Conservation, and Industrial Park Conservation* areas pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*) shall not be used by the City for the purpose of exercising its authority under the Eminent Domain Act (735 ILCS 30/1-1-1 *et. seq.*) if such authority is ever exercised.

Commitment to Fair Employment. The City of Peoria will comply with fair employment practices and an Affirmative Action Plan in the implementation of this Redevelopment Plan and Projects.

Provisions for Amending the Distillery TIF District Redevelopment Plan. The Redevelopment Plan may be amended in accordance with the Tax Increment Allocation Redevelopment Act (65 ILCS 11/74.4 *et. seq.*) and other applicable City Ordinances.

Additional Changes Relating to Establishment of the Distillery TIF District. Pursuant to Section 5/11-74.4-5 of the Act, the City may make changes in the Redevelopment Plan, Projects, and Area any time prior to the adoption by the City of an ordinance approving the Redevelopment Plan. Prior to the adoption of such ordinance, and at any time during the life of the Distillery TIF District, the City will:

1. complete the annexation of any parcels within the proposed redevelopment project area that are not already within the City of Peoria; and
2. exclude from the redevelopment project area any parcel(s) for which any member of the corporate authority, or an employee or consultant of the City involved in the planning and preparation of the Redevelopment Plan, Area or Project directly or indirectly owns or controls an interest - unless said individual chooses to disclose such an interest and refrain from any further official involvement in regard to the redevelopment plan, projects, and Area pursuant to Section 5/11-74.4-4(n) of the Act.

Term of the Distillery TIF District Redevelopment Plan and Projects. Unless extended by the Illinois Legislature, the Distillery TIF District Redevelopment Plan and District shall be completed no later than December 31 of the year in which payment is made to the City Treasurer with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinances approving the TIF District Redevelopment Plan and Projects are adopted by the City Council. The City intends to utilize the incremental revenues generated in the 23rd year of the TIF District and received by the City in the following 24th year for those projects included in the Redevelopment Plan.

Nature and Term of Bonds or Notes. The City may utilize a “pay-as-you-go” approach to financing private eligible project costs. The City may also issue bonds or other obligations to fund public infrastructure or other eligible project costs. Such obligations would not exceed 20 years in length or the term of the District, whichever is less. The City may also issue revenue bonds, notes, or other obligations to fund private eligible project costs as well, which would also be limited to 20 years in length. The repayment of debt service of these obligations would be limited to the increments generated as permitted by the Act or any other sources of funds the City may lawfully pledge.

Contiguous Redevelopment Project Areas. The City may establish other TIF Districts which are contiguous to the Distillery TIF District. It is hereby anticipated that eligible redevelopment project costs in such contiguous TIF Districts may be paid or reimbursed from increment generated in any adjacent, contiguous redevelopment project areas as provided by the Act.

SECTION VIII. CONCLUSION

The City of Peoria, Peoria County, Illinois has determined that, to promote the health, safety, morals, and welfare of the public, blighted conditions need to be eradicated, conservation measures instituted, and that redevelopment within the proposed **Distillery TIF District** should be undertaken. Furthermore, to remove and alleviate adverse conditions, it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts by the development or redevelopment of the Area (see *Appendix B*).

The City finds that the redevelopment project area *as-a-whole* has not been subject to growth and development through investment by private enterprise and that the area would not reasonably be anticipated to be developed without the adoption of the redevelopment plan. Based on the documents and information provided herein, the City hereby concludes that the **Distillery TIF District Redevelopment Project Area** qualifies pursuant to the requirements of the TIF Act.

The Mayor and City Council hereby conclude that it is in the best interest of the City and that the citizens of Peoria will benefit by the adoption of this Distillery Tax Increment Financing (TIF) District Redevelopment Project Area, Plan and Projects.

CITY OF PEORIA, ILLINOIS

By: _____
Mayor

Date ____ / ____ / 2024

Attest: _____
City Clerk

Date ____ / ____ / 2024



SECTION IX. EXHIBITS

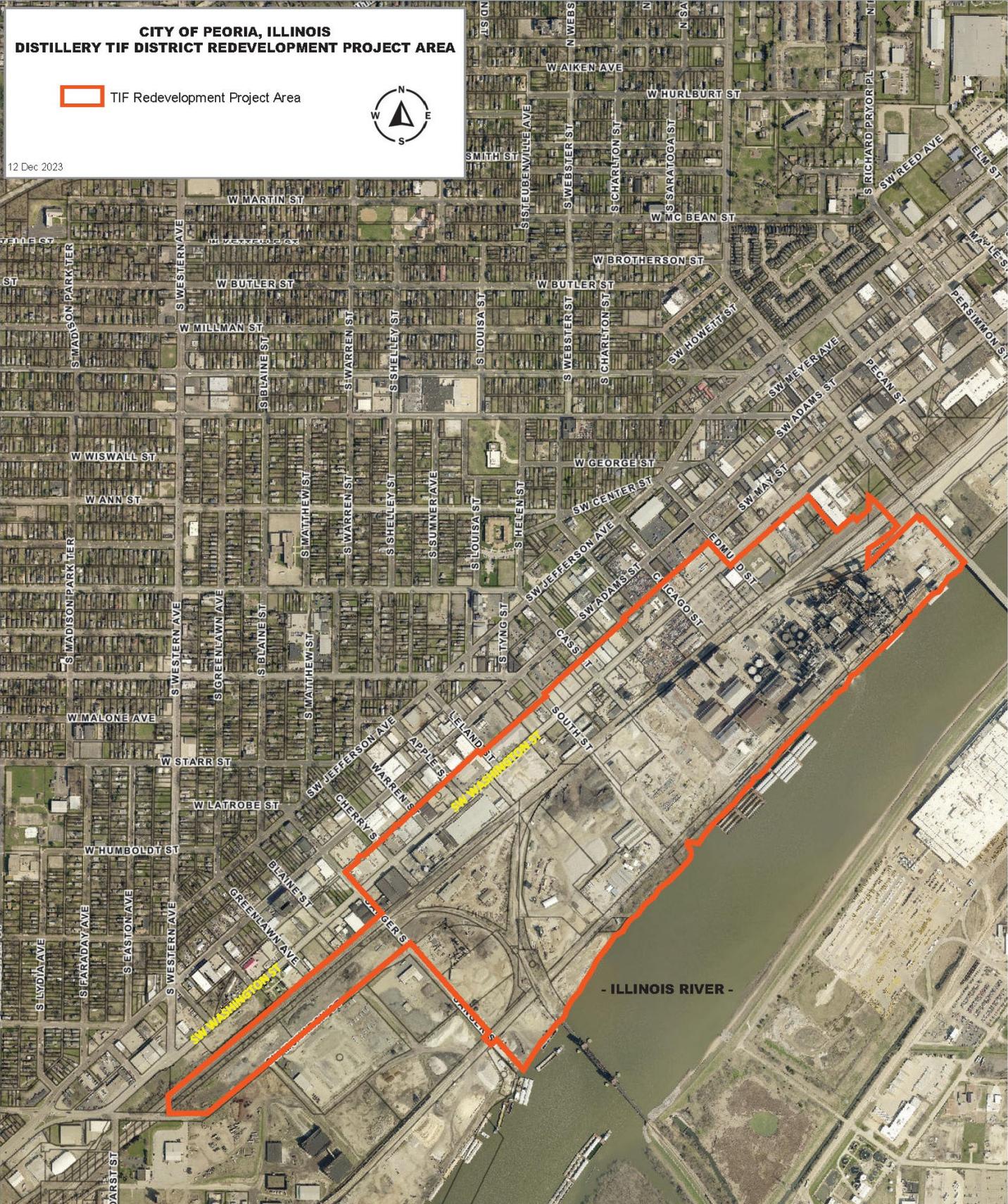
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**CITY OF PEORIA, ILLINOIS
DISTILLERY TIF DISTRICT REDEVELOPMENT PROJECT AREA**

 TIF Redevelopment Project Area



12 Dec 2023



Prepared for City of Peoria, Illinois by The Economic Development Group, Ltd. / www.tifillinois.com

EXHIBIT 2

DISTILLERY TIF DISTRICT BOUNDARY DESCRIPTION

A part of Fractional Sections 16 and Section 17 in Township 8 North, Range 8 East of the 4th Principal Meridian all in Peoria County, Illinois and further described as follows:

Beginning at the Southwest corner of said Section 17; The following courses are on the South Village T.I.F. Boundary Line: thence North on the Southerly extension of the centerline of South Western Avenue to the Northerly Right-of-Way Line of the Burlington Northern & Santa-Fe Railway Company; thence Northeast on said Northerly Right-of-Way Line to the intersection with the Southerly Right-of-Way Line of Sanger Street; thence Northwesterly on said Southerly Right-of-Way Line to the Southwest extension of the Southeasterly Right-of-Way Line of the alleyway running through Blocks 14, 15, 16 and 17 in Frink & Sangers Addition, a subdivision in said Section 17; thence Northeast on said Southeasterly Right-of-Way Line and extensions thereof, to the Northeasterly Right-of-Way Line of Leland Street; thence Northeast on the Southeasterly Right-of-Way Line of the alleyway between Range 1 and Range 2 in Nowlands Addition, a subdivision in said Section 17 to the Southwest line of the subdivision of Outlot 1 of Lisk Addition, a subdivision in said Section 17; thence Northeast on the Southeasterly Right-of-Way Line of the alleyway between adjoining Lots 15 thru 21 of Outlot 1 of Lisk Addition to the Southwesterly Right-of-Way Line of South Street; thence northeast on Southeasterly Right-of-Way Line and extensions thereof, of the alleyway running through Block 4 and Block 1 of Lisk Addition, a Subdivision in said Section 17 to the Northeasterly Right-of-Way Line of Olive Street; thence Northeasterly on the centerline of the vacated alleyway in Block 5 and 8 and extensions thereof, of said Lisk Addition to the Northeasterly Right-of-Way Line of Edmund Street; The following courses are on the Warehouse District T.I.F. Boundary Line: thence Southeasterly on said Northeasterly Right-of-Way Line to the intersection with the Northwesterly Right-of-Way Line of Southwest Washington Street; thence Northeasterly on said Northwesterly Right-of-Way Line to the intersection with the Northeasterly line of Gregg's Division a part of the Northeast Quarter of Said Section 17; thence Southeasterly on said Northeasterly line to the Northerly Right-of-Way Line of the Burlington Northern & Santa-Fe Railway Company; thence Northeasterly on said Northerly Right-of-Way Line and on the Southeasterly line of Rouse Addition, a part of the Northeast Quarter of Section 17, Township 8 North, Range 8 East of the 4th Principal Meridian to the East line of said Northeast Quarter; thence Northerly on said East line of the Northeast Quarter to the Southeasterly line of the tract conveyed in Doc # 97-366449; thence Southeasterly on said Southeasterly line to the

intersection of the Southwesterly of Lot 18 in School Commissioners Subdivision of the Northwest Quarter of Section 16, Township 8 North, Range 8 East of the 4th Principal Meridian and the Northwesterly line of the ADM (formerly CR&P) Railroad; thence Southwesterly on said Northwesterly line to the said East line of said Northeast Quarter; thence Southerly on said East line of Northeast Quarter to the intersection of the Southeasterly line of the ADM (formerly CR&P) Railroad; thence Northeasterly on said Southeasterly line of the ADM (formerly CR&P) Railroad to the intersection of the Southeasterly line of said Lot 7 of said School Commissioners Subdivision; thence Southeasterly on said Southeasterly line of said Lot 7 to the intersection of the Southwesterly line of said Lot 7 of School Commissioners Subdivision and West line of the Illinois River, said West line being the Harbor line; The following courses are new and forms the Southeast boundary of the SW Washington Street Industrial TIF: Thence Southwesterly on said Harbor line to the intersection with the Southwesterly line of Sanger Street; The remaining courses are on the Eagle View T.I.F. Boundary Line: thence Northwesterly on said Southwesterly line of Sanger Street to the intersection with the tract conveyed in Document # 66-14276; thence Southwesterly on the Southeasterly line of said tract to the intersection with the Southwesterly line of said tract; thence Northwesterly on said Southwesterly line to the Southeasterly line of Monarch Street; thence Southwesterly on said Southeasterly line of Monarch Street to the intersection with the Southerly line of Krause Avenue; thence Westerly on said Southerly line of Krause Avenue to the Southerly extension of the centerline of South Western Avenue and the Point Of Beginning.

The intent the of attached legal description is to describe the area bounded by the Illinois River Harbor Line and three existing TIF Districts: South Village T.I.F, Eagle View T.I.F and the Warehouse District T.I.F.

EXHIBIT 3

EXAMPLE TIF DISTRICT PROJECTIONS

NOTE: The following TIF Projections are examples based on estimates and do not represent an offer, financial advice or acceptance of any terms relating to redevelopment projects or agreements.

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All TIF Projections estimated herein assume an annual real estate tax rate of 9.64605%, therefore actual results will vary depending on the property location within the TIF Redevelopment Project Area and the applicable estate tax code as may be determined.

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EXHIBIT 3 (A) CITY OF PEORIA DISTILLERY TIF DISTRICT PROPOSED COMMERCIAL/INDUSTRIAL PROJECTS

12/12/2023

TIF FORMED

Calendar Year of Receipts	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Comm/Industrial Rehab/Expansion I	Built	Assessed	\$48,230	\$49,195	\$50,179	\$51,162	\$52,206	\$53,250	\$54,315	\$55,401	\$56,509	\$57,640	\$58,792
Comm/Industrial Rehab/Expansion II		Built		Assessed	\$57,876	\$59,034	\$60,215	\$61,419	\$62,647	\$63,900	\$65,178	\$66,482	\$67,819
Comm/Industrial Rehab/Expansion III				Built	Assessed	\$36,012	\$37,282	\$38,667	\$40,167	\$41,742	\$43,413	\$45,180	\$46,943
Comm/Industrial Rehab/Expansion IV					Built	Assessed	\$40,192	\$41,996	\$43,835	\$45,708	\$47,616	\$49,559	\$51,537
Comm/Industrial Rehab/Expansion V						Built	Assessed	\$208,998	\$213,178	\$217,441	\$221,790	\$226,226	\$230,662
Comm/Industrial Rehab/Expansion VI						Built	Assessed	\$208,998	\$213,178	\$217,441	\$221,790	\$226,226	\$230,662
Industrial Manufacturing Facility I						Built	Assessed	\$208,998	\$213,178	\$217,441	\$221,790	\$226,226	\$230,662
Industrial Manufacturing Facility II						Built	Assessed	\$208,998	\$213,178	\$217,441	\$221,790	\$226,226	\$230,662
Industrial Manufacturing Facility III						Built	Assessed	\$208,998	\$213,178	\$217,441	\$221,790	\$226,226	\$230,662
Total Real Estate Tax Increment			\$48,230	\$49,195	\$50,179	\$51,162	\$52,206	\$53,250	\$54,315	\$55,401	\$56,509	\$57,640	\$58,792
Cumulative R.E. Tax Increment			\$48,230	\$97,425	\$147,604	\$208,766	\$279,928	\$351,178	\$422,493	\$493,894	\$565,403	\$637,043	\$708,835

Calendar Year of Receipts	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	TOTALS
Comm/Industrial Rehab/Expansion I	\$59,968	\$61,168	\$62,391	\$63,639	\$64,912	\$66,210	\$67,534	\$68,885	\$70,262	\$71,668	\$73,101	\$74,563	\$1,391,200
Comm/Industrial Rehab/Expansion II	\$67,811	\$69,168	\$70,551	\$71,962	\$73,401	\$74,869	\$76,367	\$77,894	\$79,452	\$81,041	\$82,662	\$84,315	\$1,406,242
Comm/Industrial Rehab/Expansion III	\$40,555	\$41,366	\$42,194	\$43,038	\$43,898	\$44,776	\$45,672	\$46,585	\$47,517	\$48,467	\$49,437	\$50,425	\$771,098
Comm/Industrial Rehab/Expansion IV	\$43,505	\$44,375	\$45,263	\$46,168	\$47,091	\$48,033	\$48,994	\$49,974	\$50,973	\$51,992	\$53,032	\$54,093	\$749,148
Comm/Industrial Rehab/Expansion V	\$20,072	\$20,473	\$20,882	\$21,300	\$21,726	\$22,161	\$22,604	\$23,056	\$23,517	\$23,987	\$24,467	\$24,956	\$308,171
Comm/Industrial Rehab/Expansion VI	\$19,292	\$19,678	\$20,072	\$20,473	\$20,882	\$21,300	\$21,726	\$22,161	\$22,604	\$23,056	\$23,517	\$23,987	\$258,747
Industrial Manufacturing Facility I	\$230,750	\$235,365	\$240,073	\$244,874	\$249,772	\$254,767	\$259,862	\$265,060	\$270,361	\$275,768	\$281,283	\$286,909	\$4,182,478
Industrial Manufacturing Facility II	\$217,441	\$221,790	\$226,226	\$230,750	\$235,365	\$240,073	\$244,874	\$249,772	\$254,767	\$259,862	\$265,060	\$270,361	\$3,338,517
Industrial Manufacturing Facility III	\$213,178	\$217,441	\$221,790	\$226,226	\$230,750	\$235,365	\$240,073	\$244,874	\$249,772	\$254,767	\$259,862	\$265,060	\$3,068,156
Total Real Estate Tax Increment	\$912,573	\$930,824	\$949,441	\$968,430	\$987,798	\$1,007,554	\$1,027,705	\$1,048,259	\$1,069,224	\$1,090,609	\$1,112,421	\$1,134,670	\$15,473,757
Cumulative R.E. Tax Increment	\$4,146,822	\$5,077,646	\$6,027,087	\$7,095,517	\$8,293,315	\$9,630,869	\$11,018,574	\$12,457,833	\$13,958,122	\$15,518,667	\$17,149,088	\$18,849,758	\$206,143,757

Real Estate Assumptions	Comm/Ind Rehab I	Comm/Ind Rehab II	Comm/Ind Rehab III	Comm/Ind Rehab IV	Comm/Ind Rehab V	Comm/Ind Rehab VI	Manufac Facility I	Manufac Facility II	Manufac Facility III	TOTALS
Total Projected Market Value	\$1,500,000	\$1,800,000	\$1,120,000	\$1,250,000	\$600,000	\$600,000	\$6,500,000	\$6,500,000	\$6,500,000	\$26,370,000
Increase in EAV	\$500,000	\$600,000	\$373,333	\$416,667	\$200,000	\$200,000	\$2,166,667	\$2,166,667	\$2,166,667	\$8,790,000
Real Estate Tax	\$48,230	\$57,876	\$36,012	\$40,192	\$19,292	\$19,292	\$208,998	\$208,998	\$208,998	\$847,888
Estimated Eligible Project Costs	\$750,000	\$900,000	\$560,000	\$560,000	\$150,000	\$150,000	\$1,300,000	\$975,000	\$975,000	\$6,320,000
										Variables
										Inflation Rate
										Total Tax Rate
										2.0%
										9.64605%

The information and assumptions contained in the foregoing material are based upon information, material and assumptions provided to Jacob & Klein, Ltd. (J&K) and the Economic Development Group, Ltd. (EDG) by outside persons including public officials. J&K and EDG have not undertaken independent investigation to verify any of the information or material contained herein. No warranty, express or implied, as to the accuracy of the materials and information or the results projected in the foregoing presentation is made by J&K or EDG, its officers or employees. J&K and EDG specifically disclaim the accuracy of the formulas and calculations and has no obligation to investigate or update, recalculate or revise the calculations. The material presented herein is subject to risks, trends and uncertainties that could cause actual events to differ materially from those presented. Those providing information contained in this presentation have represented to J&K and EDG that, as of the date it was provided, the information was accurate to the best of their knowledge. Any person viewing, reviewing or utilizing this presentation should do so subject to all of the foregoing limitations and shall conduct independent investigation to verify the assumptions and calculations contained herein. By acceptance and use of this presentation, the user accepts all of the foregoing limitations and releases J&K and EDG from any liability in connection therewith. J&K and EDG are not providing financial advice.

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EXHIBIT 3 (B)

CITY OF PEORIA DISTILLERY TIF DISTRICT PROPOSED COMMERCIAL/RETAIL PROJECTS

12/12/2023

TIF FORMED

Calendar Year of Receipts	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Professional Office Building					Built	Assessed	\$48,230	\$49,195	\$50,179	\$51,182	\$52,206	\$53,250	\$54,315
Retail Convenience Store					Built	Assessed	\$36,173	\$36,896	\$37,634	\$38,387	\$39,154	\$39,938	\$40,736
Commercial-Retail Restaurant I					Built	Assessed							
Commercial-Retail Business Plaza									Built	Assessed	\$40,192	\$40,996	\$41,816
Total Real Estate Tax Increment							\$84,403	\$86,091	\$87,813	\$89,569	\$131,552	\$134,183	\$136,867
Cumulative R. E. Tax Increment							\$84,403	\$170,494	\$258,307	\$347,876	\$479,428	\$613,612	\$750,479

Calendar Year of Receipts	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	TOTALS
Professional Office Building	Assessed	\$192,921	\$196,779	\$200,715	\$204,729	\$208,824	\$213,000	\$217,260	\$221,606	\$226,038	\$230,558	\$235,170	\$2,347,601
Retail Convenience Store		\$55,401	\$56,509	\$57,640	\$58,792	\$61,168	\$62,391	\$63,639	\$64,912	\$66,210	\$67,534	\$68,885	\$1,101,606
Commercial-Retail Restaurant I		\$41,551	\$42,382	\$43,230	\$44,094	\$44,976	\$45,876	\$46,793	\$47,729	\$48,684	\$49,657	\$50,650	\$826,204
Commercial-Retail Business Plaza		\$42,652	\$43,505	\$44,375	\$45,263	\$46,168	\$47,091	\$48,033	\$48,994	\$49,974	\$50,973	\$51,992	\$695,055
Total Real Estate Tax Increment		\$139,604	\$335,317	\$342,024	\$348,864	\$355,842	\$370,218	\$377,622	\$385,174	\$392,878	\$400,735	\$408,750	\$4,970,466
Cumulative R. E. Tax Increment		\$890,083	\$1,225,400	\$1,567,424	\$1,916,289	\$2,272,130	\$2,635,089	\$3,005,306	\$3,382,928	\$3,768,102	\$4,160,980	\$4,561,716	\$4,970,466

Real Estate Assumptions	Profess. Office Bldg.	Convenience Store	Restaurant Project I	Business Plaza	TOTALS
Total Projected Market Value	\$6,000,000	\$1,500,000	\$1,125,000	\$1,250,000	\$9,875,000
Increase in EAV	\$2,000,000	\$500,000	\$375,000	\$416,667	\$3,291,667
Real Estate Tax Increment	\$192,921	\$48,230	\$36,173	\$40,192	\$317,516
Estimated Eligible Project Costs	\$1,000,000	\$250,000	\$225,000	\$200,000	\$1,675,000

Variables	2.0%
Inflation Rate	9.64605%
Total Tax Rate	

The information and assumptions contained in the foregoing material are based upon information, material and assumptions provided by Jacob & Klein, Ltd. (J&K) and the Economic Development Group, Ltd. (EDG) to outside persons including public officials. J&K and EDG have not undertaken independent investigation to verify any of the information or material contained herein. No warranty, express or implied, as to accuracy of the materials and information of the results projected in the foregoing presentation is made by J&K or EDG. J&K and EDG specifically disclaim the accuracy of the formulae and calculations and the obligation to investigate or update, recalculate or revise the calculations. The material presented herein is subject to risk, trends and uncertainties which would cause actual results to differ materially from those presented. Those providing information contained in this presentation have represented to J&K and EDG that, as of the date it was provided, the information is accurate to the best of their knowledge. Any reviewing, relying or utilizing this presentation should be subject to all of the foregoing limitations and shall conduct independent investigation to verify the assumptions and calculations contained herein. By acceptance and use of this presentation, the user accepts all of the foregoing limitations and releases J&K and EDG from any liability in connection therewith. J&K and EDG are not providing financial advice.

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EXHIBIT 4.

INDUCEMENT RESOLUTION

RESOLUTION NO. 23-391

CITY OF PEORIA, ILLINOIS

**PROPOSED
DISTILLERY TAX INCREMENT FINANCING (TIF) DISTRICT
REDEVELOPMENT PROJECT**

INDUCEMENT RESOLUTION

WHEREAS, the City of Peoria, Peoria County, Illinois (the "City"), an Illinois Home Rule Municipality, has the authority to promote the health, safety and welfare of the City and its citizens, and to prevent the spread of blight and deterioration by promoting the development of private investment in property thereby increasing the real estate tax base of the City and providing employment for its citizens; and

WHEREAS, pursuant to 65 ILCS 5/8-1-2.5, a municipality may appropriate and expend funds for economic development purposes, including without limitation for commercial enterprises that are deemed necessary or desirable for the promotion of economic development within the municipality; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et seq.*, as amended (the "Act"), the City has the authority to provide incentives to owners or prospective owners of real property to develop, redevelop, rehabilitate, market and/or upgrade such property by constructing public infrastructure or reimbursing the owners of real property for certain costs with revenue resulting from increases in real estate tax revenues ("Tax Increment") or from other City sources; and

WHEREAS, it appears that the above-mentioned redevelopments cannot be developed without the adoption of a new Tax Increment Financing District Redevelopment Plan, Area and Projects to be created for the Project Area and documented pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74-4 *et seq.* (the "Act"); and

WHEREAS, the City is considering proposals for private commercial redevelopment projects on properties that the City intends to include within the proposed **Distillery Tax Increment Financing (TIF) District Redevelopment Project Area** (the "Project Area"); and

WHEREAS, the City is authorized under the Act to make and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of its redevelopment plans and projects and to finance redevelopment project costs provided such project costs are eligible under the Act; and

WHEREAS, **Black Band Distilling, LLC**, an Illinois limited liability company (the "Developer") is currently proposing a redevelopment project consisting of, but not limited to, the conversion of a vacant warehouse facility, involving demolition, build-out, and rehabilitation, into a distillery and related facilities to be located on a site generally known as 2400 SW Washington Street, Peoria, Illinois (PINs 18-17-334-001, 18-17-330-011, and 18-17-330-014) collectively the "Project Site" which is coterminous with the proposed TIF District Redevelopment Project Area as depicted

in *Exhibit 1* attached hereto) for the purpose of operating a distillery facility thereon (the "Redevelopment Project" or "Project"), all of which is within the proposed Redevelopment Project Area; and

WHEREAS, to assist the Developer, the City shall make a good faith effort to include the Site within the proposed Distillery TIF District Redevelopment Project Area; and

WHEREAS, redevelopment of the property within the Project Area will entail expenditures of substantial time, effort and money and that but for the assistance of tax increment financing, the proposed Project is not deemed to be economically feasible; and

WHEREAS, this Resolution is also intended to serve as an "official declaration of intent" on behalf of the City pursuant to Treas. Reg. §1.150.2; and

WHEREAS, this Resolution is intended to induce the Developer to proceed with assembling the Project Site, commence with the Redevelopment Project and to seek reimbursement from incremental real estate tax revenue received by the City, or from other sources as may be agreed to between the City and the Developer, which are necessary to accomplish the goals of the proposed Distillery TIF District Redevelopment Plan, Projects and Area as may be established by the City for this Project; and

WHEREAS, pursuant to recent discussions between the Developer and the City, the City Council has initiated an examination of the proposed Project Area and believes that expenditures of development costs in furtherance of the potential Redevelopment Plan and Projects should be allowable project costs under the Redevelopment Plan and pursuant to the Act, provided that **this Resolution is not a guarantee of the amount of project costs that will be allowable, if any, but rather is an indication of the intent and sense of the City at this time.**

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Peoria, Peoria County, Illinois, as follows:

1. That the intentions of the City of Peoria regarding this Project as expressed in the recitals herein are hereby approved; provided however, that neither such intentions, affirmations, authorizations nor such recitals are binding upon the City nor may the same be relied upon to any entity's or person's detriment by such entity or person whether third person or otherwise in the event that the aforementioned agreements or plans are not mutually attainable.
2. That the Corporate Authorities of the City of Peoria are in favor of the proposed Project.
3. That the City shall proceed and exercise good faith efforts to establish the proposed Distillery Tax Increment Financing District Redevelopment Plan, Project and Area to include the Developer's Property and Project. The City and the Developer shall also exercise good faith efforts to enter into a Redevelopment Agreement and provided that such agreement is approved, and Developer's Property and Project is included in an established TIF District, then those future TIF eligible project costs incurred by the Developer from the date of this Resolution may be reimbursed to the Developer from an appropriate Special Tax Allocation fund and shall thereby constitute an incurred obligation of the City of Peoria pursuant to Sections 5/11-74.4-4 (b) and (j) of the Act.

4. The provisions of this Resolution shall be effective commencing with its adoption as provided by law.

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PASSED, APPROVED AND ADOPTED by the Corporate Authorities of the City of Peoria, Peoria County, Illinois, on the 12 th, DECEMBER, A.D., 2023, and deposited and filed in the Office of the City Clerk of said City on that date.

Page 3 of 5

CORPORATE AUTHORITIES	AYES	NAYS	ABSTAIN	ABSENT
Denise Jackson	X			
Chuck Grayeb	X			
Tim Riegenbach	X			
Andre W. Allen	X			
Denis Cyr	X			
Dr. Kiran Velpula	X			
Dr. Bernice Gordon-Young	X			
John L. Kelly	X			
Zachary M. Oyler	X			
Michael P. Vespa	X			
Rita Ali, Mayor	X			
TOTALS:	11	0	0	0

APPROVED:  Date: 12-12-2023
Rita Ali, Mayor

ATTEST:  Date: 12-12-2023
Stefanie Tarr, City Clerk

EXAMINED AND APPROVED:  Date: December 12th, 2023
Patrick Hayes, Corporation Counsel

ATTACHMENT:
EXHIBIT 1. PROPOSED PROJECT SITE

EXHIBIT 1
PROPOSED PROJECT SITE

Project Site

The Property is located at 2400 SW Washington Street, Peoria, Illinois 61602.

PIN# 18-17-334-001 (Building), 18-17-330-011 (Entrance Lot), 18-17-330-014 (Parking Lot)

Legal Description of the Land:

PIN# 18-17-334-001
FRINK & SANGER ADD EXT'D SW 1/4 SEC 17-8-8E BLKS 29-30-31 & VACATED PARTS OF
WARREN, APPLE, & LELAND STREETS INCLUDED THEREIN

PIN# 18-17-330-011
FRINK & SANGER'S ADD SW 1/4 SEC 17-8-8E BEG MOST ELY COR LOT 10 BLK 15: TH NW 66'
SW 100' SE 66' NE 100' TO POB PT LOTS 9-10 BLK 15

PIN# 18-17-330-014
FRINK & SANGER'S ADD SW 1/4 SEC 17-8N-8E BEG NE COR LOT 12 BLK 15: TH SE 171' SW
100' NW 66' SW 100' NW 80' SW 100' NW 15' NE 300' TO POB PT LOTS 7 THRU 12 BLK 15 NON
CARRIER REAL ESTATE SCHEDULE 536

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SECTION X. APPENDICES

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APPENDIX A.

TAX INCREMENT FINANCING TERMS AND DEFINITIONS

The City of Peoria is establishing its Distillery TIF District pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*). Certain terms are used in this Redevelopment Plan which are defined in the Tax Increment Allocation Redevelopment Act. The following terms shall mean:

Municipality: An incorporated City, Village or Town in the State of Illinois.

Redevelopment Project Area: An area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.

Redevelopment Plan: 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 or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area.

Redevelopment Project: Any public and private development project in furtherance of the objectives of a redevelopment plan.

Redevelopment Project Costs: Redevelopment Project Costs include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:

- A. 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 the effective date of this amendatory Act of the 91st General Assembly, 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;
- B. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
- C. 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;

- D. 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;
- E. Costs of the construction of public works or improvements;
- F. Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- G. 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;
- H. 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/project;
- I. 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);
- J. Payment in lieu of taxes are those estimated tax revenues from real property in a redevelopment project area derived from real property that has been acquired by a municipality which according to the redevelopment project or plan is to be used for a private use which taxing districts would have received had a municipality not acquired the real property and adopted tax increment allocation financing and which would result from levies made after the time of the adoption of the tax increment allocation financing to the time the current equalized value of real property in the redevelopment project area exceeds the total initial equalized value of real property in said area;
- K. 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;
- L. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that: 1) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act; 2) 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; 3) if there are not sufficient funds available in the

special tax allocation fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; 4) 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.

Taxing Districts: Counties, townships, cities and incorporated towns and Cities, school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservancy, tuberculosis sanitarium and any other municipal corporations or districts with the power to levy taxes.

Taxing Districts' Capital Costs: Those costs of taxing districts for capital improvements that are found by the municipal corporate authorities to be necessary and directly result from the redevelopment project.

Obligations: Bonds, loans, debentures, notes, special certificates, or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations.

Labor Surplus Municipality: A municipality in which, at any time during the 6 months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. If unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate in the principal County in which the municipality is located.

Industrial Park Conservation Area: An area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 ½ miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

Vacant Land: 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 project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided; provided that if the parcel was part of a larger tract that has been divided into 3 or more smaller tracts that were accepted for recording during the period from 1950 to 1990, then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designated redevelopment project area or amended redevelopment project area are hereby validated and hereby declared to be legally sufficient for all purposes of this Act.

For purposes of this Section and only for land subject to the subdivision requirements of the Plat Act, land is subdivided when the original plat of the Redevelopment Project Area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Plat Act and a preliminary plat, if any, for any subsequent phases of the Redevelopment Project Area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality.

Blighted Area: Any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where: If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 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 repairs are 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 under-utilized 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 refer 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 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 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 redevelopment project area has declined for 3 of the last 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 3 of the last 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 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

If vacant, the sound growth of the redevelopment project area is impaired by a combination of two 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 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 redevelopment project area has declined for 3 of the last 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 3 of the last 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 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

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 railyards, rail tracks, or railroad rights-of-way.
- c. The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water

APPENDIX B.

INTRODUCTION TO TAX INCREMENT FINANCING

The search for innovative local financing for economic development is a constant challenge for most cities, towns, and Cities throughout the country. For many communities, particularly those in rural areas, Tax Increment Financing (TIF) is often the only locally controlled mechanism available for stimulating new investment, economic growth, and a better quality of life.

TIF in Illinois establishes a geographic boundary (i.e., a district or redevelopment project area) for which new private investment is encouraged. To facilitate new investment, a City, Town, or City may issue debt instruments to finance specific public-sector improvements that will enable the redevelopment of deteriorated, blighted, or other conservation areas within its corporate limits. By making public improvements, the municipality may invite new private investment so that the expected increase in property tax revenues (i.e., the increment) can be captured to amortize the public facility debt. Sometimes a municipality chooses to use TIF on a pay-as-you-go basis whereby revenue is spent as it is collected. In either case, it is expected that new investment in a designated redevelopment area will stimulate a resurgence of population, employment, and assessed valuation throughout the entire community.

It should be noted that **TIF does not raise property taxes and it does not create a new tax or a new taxing district**. Only an increased assessment or an overall increase in tax rates can raise taxes. TIF is merely used to reallocate increased property tax revenues created by increased assessed valuation that is realized after a TIF District is established. A TIF District may last for up to 23 years unless the municipality chooses a shorter period. The advantage of TIF for the municipality is that it is able to preserve a property tax base during the life of the TIF District that will pay for the basic public services the TIF redevelopment area already receives. New incremental property tax revenue helps pay for the infrastructure necessary for stimulating additional private-sector investment.

In 1977, the Illinois Legislature passed the "Tax Increment Allocation Redevelopment Act," now recorded as 65 ILCS 5/11-74.4 *et. seq.* The TIF Act recognizes that in many municipalities of the State blighted and conservation areas exist which need to be developed or redeveloped to eliminate those conditions or prevent them from occurring. The Act further declares that prevention or eradication of these conditions by private and public redevelopment projects is essential to the public interest.

In City of Canton v. Crouch, 79 Ill. 2d 356 (1980) the Illinois Supreme Court, approving the use of TIF, stated: "*Stimulation of economic growth and removal of economic stagnation are also objectives which enhance the public [good].*"

How Does TIF Work?

Tax Increment Financing is a powerful tool that enables municipalities to self-finance its redevelopment programs. TIF funds can pay for public improvements and other economic development incentives using the increased property tax revenue the improvements help generate. Everyone pays their taxes within a TIF District. However, a TIF District does not generate tax revenues by increasing tax rates. Rather, TIF generates revenues by allowing the municipality to capture, temporarily, the new tax revenues generated by the enhanced valuation of properties resulting from the various redevelopment projects. The overall process for creating a TIF District includes:

1. The City identifies an economically stagnant or physically declining area and determines that private investment in the area is not likely to occur at a reasonable rate if no public investment is forthcoming.
2. Having completed studies and plans and conducted public hearings as called for by state law, the City creates a new TIF District.
3. The County Clerk certifies the total equalized assessed valuation of property in the redevelopment project area as of the date the TIF District is created. All property taxes arising from this certified initial valuation, or “base value,” continue to be paid to existing taxing bodies within the TIF District. Any incremental taxes arising from increases in property values after this point are re-allocated and set aside for “public and private redevelopment project costs” within the designated redevelopment project area.

Within a TIF District, all overlapping taxing districts continue to receive property taxes levied on the base equalized assessed valuation (EAV) of properties within the project area. The City also has the authority to enter into Intergovernmental Agreements to address any additional financial impact the TIF District may pose.

4. The City makes public improvements and provides other assistance intended to spur private development within the TIF District. To defray the cost, the City can sell bonds secured by the incremental taxes the improvements will generate or reimburse certain public and private development costs using a *pay-as-you-go* approach.
5. After 23 years, all obligations must be paid off and the TIF District is dissolved. All taxes then generated on the new assessed valuation are distributed to the taxing bodies. The TIF District may be ended earlier than 23 years if there are no remaining obligations for which real estate tax increment has been previously committed.

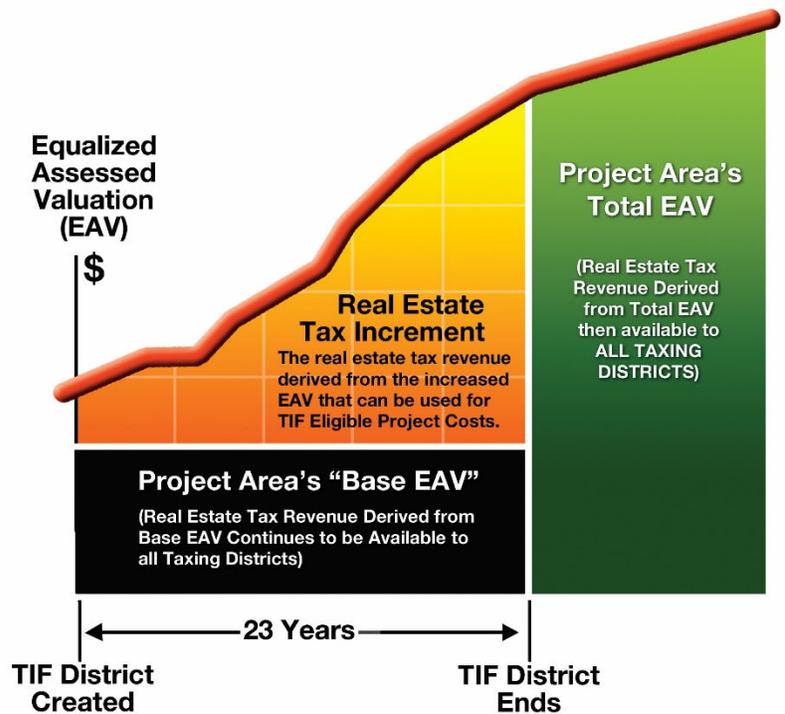
A TIF District's revenues ("tax increment") come from the increased assessed value of property and improvements within the District. Once a TIF District is established, the "base" assessed value is determined. As vacant land and dilapidated properties develop with TIF assistance, the equalized assessed valuation (EAV) of those properties increases. New property taxes resulting from the increased assessed valuation above the base value create an incremental increase in tax revenues generated within the TIF District.

The "tax increment" created between the "baseline" and the new EAV is captured, deposited into a special City TIF account, and used solely for economic development. The real estate tax increment can be used as a source of revenue to reimburse certain costs for public and private projects either by issuing TIF bonds or by reimbursing developers on a "pay-as-you-go" basis. All of the other taxing bodies continue to receive real estate tax revenue from the base assessed valuation, so there is no loss of revenue to those local taxing bodies. For additional information, visit www.tifillinois.com.

The maximum life of a TIF District is 23 years. When the TIF expires and the town's investments in both public and private redevelopment projects within the TIF redevelopment area are fully repaid, property tax revenues are again shared by all the taxing bodies. All taxing bodies then share the expanded tax base – the growth which would not have been possible without the utilization of Tax Increment Financing.

How Does Tax Increment Financing (TIF) Work?

- Real Estate Tax Increment (RETI) results from an increase in Equalized Assessed Value (EAV) above the Base EAV that occurs during the life of the TIF District.
- Annual increases in EAV are then multiplied by the total real estate tax rate.
- The County sends RETI to Municipality for deposit to a Special Tax Allocation Fund.



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How Long Does It Take to Create a TIF District?

Typically, the process for establishing a TIF District requires 6-8 months to complete. The length of time required to create a TIF District depends on several factors such as the municipality's ability to complete necessary annexations and the availability of local property tax data, historical records, maps, and other planning documents. Once the calendar is set for the Public Hearing, statutory guidelines determine the earliest date when the TIF District may be created.

There are many opportunities for public participation during the process of creating and operating a TIF District. A written Redevelopment Plan must be available for public review at least 45 days prior to a Public Hearing. The Public Hearing offers the community a chance to raise questions, voice concerns, and learn about the goals and objectives driving the redevelopment effort before the District is created.

What Conditions Qualify an Area to be a TIF District?

In addition to being located within the municipal boundaries or annexed to the municipality, the TIF Act includes three sets of conditions for qualifying an area as a TIF District:

- Blighted Conditions – examples include dilapidation, obsolescence, deterioration, inadequate utilities, declining assessed valuations.

- Conservation Conditions – at least 50% of the structures in the proposed redevelopment area are 35 years of age or older.
- Industrial Park Conservation Conditions – based on a relatively high unemployment rate.

How Can TIF District Funds Be Used?

When the Illinois General Assembly adopted the Illinois Tax Increment Allocation Redevelopment Act (ILCS 65 5/11-74.4 *et. seq.*) in 1977, it granted municipalities the power and authority to address the adverse conditions of blighted and conservation areas within their jurisdictions by undertaking redevelopment projects that were essential to the public interest. TIF can be used to fund a variety of public improvements and other investments that are indeed essential to a successful redevelopment program, including:

- Area-wide public infrastructure improvements such as road and sidewalk repairs, utility upgrades, water, and sewer projects.
- Acquisition, clearance and other land assembly and site preparation activities.
- Rehabilitation of older, deteriorating, or obsolescent buildings.
- Correction or mitigation of environmental problems and concerns.
- Job training, workforce readiness and other related educational programs.
- Incentives to retain or attract private development.

Notes:

For more information about Tax Increment Financing, please contact:

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