



CITY OF WASHINGTON, ILLINOIS

City Council Agenda Communication

Meeting Date: October 18, 2021

Prepared By: Jon Oliphant, AICP, Planning & Development Director

Agenda Item: First Reading Ordinance – Square TIF District Extension

Explanation: The Downtown Square TIF district was originally established in 1986. It currently extends to the TP&W Railroad viaduct to the west, Zinser Place to the north, one-half block east of High Street to the east, and Burton Street to the south. TIF districts in Illinois have an original 23-year establishment. The TIF district was extended another 12 years in 2009 after receiving support from the impacted taxing bodies and State legislative approval. The same process was necessary this year for a second 12-year extension. Public Act 102-0446, which became effective on or about August 20, officially approved the extension to allow the TIF to be active through 47 years.

Illinois State Statute requires City Council approval of an ordinance to extend the life of the TIF district until December 21, 2033. Upon the effective date of the extension on December 22, 2021, 59 parcels will be removed from the existing boundaries, focusing the TIF district on parcels that are in close proximity to the Square. A map depicting the new boundaries is included as an exhibit in the ordinance. The ordinance would also amend the TIF redevelopment plan to reflect the sunset of the TIF through 47 years. Each of the impacted taxing bodies have been notified of the intention to adopt this ordinance as required by statute.

Fiscal Impact: This extension will continue to provide for a tremendous economic development tool that can be used for a variety of private redevelopment and public infrastructure projects, among other types. Removing 59 parcels will allow for the full share of the property tax to be returned proportionally for those properties to the taxing bodies.

Action Requested: Staff requests approval of the attached ordinance to comply with state law. A first reading ordinance is scheduled for the October 18 City Council meeting with a second reading to be scheduled for approval on November 1.

ORDINANCE NO. _____

AN ORDINANCE EXTENDING AND AMENDING THE AMENDED DOWNTOWN SQUARE REDEVELOPMENT PLAN AND PROJECT OF THE CITY OF WASHINGTON, ILLINOIS, FOR THE DOWNTOWN SQUARE REDEVELOPMENT PROJECT AREA

WHEREAS, the City of Washington, Illinois (the “City”) is a home rule municipality in accordance with the Constitution of the State of Illinois and as such, has the authority to create this Ordinance;

WHEREAS, on or about December 22, 1986, the City Council (the “Corporate Authorities”) acting pursuant to the City’s home rule powers and the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended from time to time (the “TIF Act”), established and adopted the Downtown Square Redevelopment Plan and Project (the “Plan”) for the Downtown Square Redevelopment Project Area (the “Area”) and established tax increment allocation financing for the Area pursuant to Ordinance Nos. 1511-1514 (the “Downtown Square TIF”);

WHEREAS, the Downtown Square TIF was initially set to end effective December 21, 2009 pursuant to 65 ILCS 5/11-74.4-3(n) and 65 ILCS 5/11-74.4-3.5(a) (*i.e.* twenty-three (23) years after the establishment of the Downtown Square TIF); however, on December 21, 2009, via Ordinance No. 2874; the City extended the Downtown Square TIF until 2021 (*i.e.* thirty-five (35) years after the establishment of the Downtown Square TIF);

WHEREAS, Public Act 102-0446, which became effective on or about August 20, 2021, amended the TIF Act to add 65 ILCS 5/11-74.4-3.5(f-3), which allows the City to extend the Downtown Square TIF for a total period of 47 years so long as: (i) the City adopts an ordinance extending the Downtown Square TIF to 47 years (until 2033) and (ii) the City provides notice to the taxing bodies that would otherwise constitute the joint review board for the Downtown Square TIF not more than 30 and not less than 14 days prior to the adoption of that ordinance;

WHEREAS, the City Council of the City wishes to extend the term of the Downtown Square TIF until 2033;

WHEREAS, the City, on October 6, 2021, such date being not more than 30 and not less than 14 days prior to the adoption of this Ordinance, provided notice to the taxing bodies that would otherwise constitute the joint review board for the Downtown Square TIF of the City’s intent to adopt this Ordinance and extend the Downtown Square TIF until 2033;

WHEREAS, in addition to extending the Downtown Square TIF until 2033, the City desires to amend the Downtown Square TIF and Plan pursuant to the TIF Act by removing fifty-nine (59) parcels as set forth in **Exhibit A**, thus reducing the size of the Downtown Square TIF, effective December 21, 2021 at 11:59 p.m. Central Standard Time (the “Second Amended Plan”);

WHEREAS, the Corporate Authorities make the express finding that this proposed extension and amendment under this Ordinance effects changes which do not (1) add additional parcels of property to the Downtown Square TIF; (2) substantially affect the general land uses established in the Plan; (3) substantially change the nature of the redevelopment project; (4) increase the total estimated redevelopment project cost set out in the Plan by more than 5% after adjustment for inflation from

the date the Plan was adopted; (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the Plan; or (6) increase the number of inhabited residential units to be displaced from the Downtown Square TIF, as measured from the time of creation of the Downtown Square TIF to a total of more than 10;

WHEREAS, the Corporate Authorities hereby make the express finding that this extension and amendment will result in (1) less than ten (10) displacements with respect to inhabited residential units are to occur and (2) there are fewer than 75 inhabited residential units within the Downtown Square TIF.

WHEREAS, the proposed extension and amendment is consistent with the Plan and has been reviewed by the Mayor and the City Council is generally informed of the contents of the extension and amendment;

WHEREAS, in order to accomplish the above-referenced changes, the following extension and amendment will be made to the Plan:

1. *Section V.D.* Shall be amended to replace and extend the effective years of the Downtown Square TIF from 35 years to 47 years with the ability to collect the 47th year increment in the 48th year.
2. Fifty-nine (59) parcels, as set forth in **Exhibit A**, will be removed from the Downtown Square TIF, effective December 21, 2021, 11:59 p.m. Central Standard Time.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Washington, Illinois as follows:

Section 1: The recitals; as set forth above, are incorporated herein as though fully set forth and shall be considered the express findings of the Corporate Authorities supporting the extension and amendment of the Downtown Square TIF.

Section 2: The City hereby approves the extension of the Downtown Square TIF until December 21, 2033, thus the effective years of the Downtown Square TIF are extended from 35 years to 47 years with the ability to collect the 47th year increment in the 48th year.

Section 3: Due to the City's approval of the extension of the Downtown Square TIF in Section 2 provided herein, the City hereby approves the amendment to the Plan as set forth in **Exhibit B**.

Section 4: Taxes are accrued the year previous and collected and disbursed the following year. Thus, taxes that accrue in 2021 are collected in 2022 and disbursed to the Downtown Square TIF's fund in 2022, this method for the Downtown Square TIF continues until taxes accrue through December 21, 2033, and are collected and disbursed in 2034. Therefore, the last tax increment allocation financing taxes for the Downtown Square TIF will accrue through December 21, 2033, and will be due and collected in 2033 and paid to the fund for the Downtown Square TIF in 2034.

Section 5: The Downtown Square TIF is hereby amended by removing fifty-nine (59) parcels from the Downtown Square TIF. (See **Exhibit A**) (the "Removed Parcels"), effective December 21, 2021, 11:59 p.m. central standard time.

Section 6: The Downtown Square TIF, as amended, is legally described in Exhibit C and shown in Exhibit D.

Section 7: The Removed Parcels are only entitled to Downtown Square TIF funds for projects that are approved by the City Council on or before December 21, 2021, even if work is to be performed after such date. However, Removed Parcels are not entitled to any Downtown Square TIF funds after December 21, 2022.

Section 8: The Corporate Authorities hereby authorize and direct the City Clerk to send a certified copy of this Ordinance to the Tazewell County Clerk for filing and to inform said County Clerk about the extension of the Downtown Square TIF, the additional years that the County Clerk must collect and disburse tax increment revenues to the City, and the removal of parcels from the Downtown Square TIF.

Section 9: Within 10 days of the adoption and approval of this Ordinance, the extension and amendment shall be published in the Washington Courier, published and of general circulation within the City, and a copy of which shall be duly mailed by certified mail to: (1) each registrant on the interested parties registry with respect to the Downtown Square TIF and (2) to each affected taxing district with property constituting a portion of the Downtown Square TIF, which amendment to the Downtown Square TIF is duly authorized by the TIF Act.

Section 10: If any provision of this Ordinance or application thereof to any person or circumstances is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

Section 11: That all ordinances or parts thereof in conflict herewith are hereby expressly repealed.

Section 12: This Ordinance shall be in full force and effect from and after its passage, approval, and notification as provided by law and shall take effect upon its passage as required by law.

PASSED AND APPROVED this ____ day of _____, 2021.

AYES: _____

NAYS: _____

Gary W. Manier, Mayor

ATTEST:

Valeri L. Brod, City Clerk

EXHIBIT A
PARCELS REMOVED FROM THE DOWNTOWN SQUARE TIF

The parcels (identified by their respective parcel identification numbers) that are hereby removed from the Downtown Square TIF are as follows:

- | | |
|-----------------------|---------------------------|
| 1. 02-02-23-205-031; | 32. 02-02-23-213-044; |
| 2. 02-02-23-205-032; | 33. 02-02-23-203-018; |
| 3. 02-02-23-206-004; | 34. 02-02-24-108-007; |
| 4. 02-02-23-206-005; | 35. 02-02-24-108-008; |
| 5. 02-02-23-206-009; | 36. 02-02-24-108-035; |
| 6. 02-02-23-206-010; | 37. 02-02-24-108-036; |
| 7. 02-02-23-206-011; | 38. 02-02-24-108-010; |
| 8. 02-02-23-206-002; | 39. 02-02-24-108-011; |
| 9. 02-02-23-206-003; | 40. 02-02-24-108-023; |
| 10. 02-02-23-206-012; | 41. 02-02-24-109-006; |
| 11. 02-02-23-212-001; | 42. 02-02-24-109-007; |
| 12. 02-02-23-212-002; | 43. 02-02-24-109-001; |
| 13. 02-02-23-212-003; | 44. 02-02-24-109-002; |
| 14. 02-02-23-212-004; | 45. 02-02-24-109-003; |
| 15. 02-02-23-212-005; | 46. 02-02-24-109-004; |
| 16. 02-02-23-207-023; | 47. 02-02-24-102-014; |
| 17. 02-02-23-207-009; | 48. 02-02-24-102-015; |
| 18. 02-02-23-207-010; | 49. 02-02-24-102-016; |
| 19. 02-02-23-207-011; | 50. 02-02-24-102-017; |
| 20. 02-02-23-207-025; | 51. 02-02-24-102-007; |
| 21. 02-02-23-207-024; | 52. 02-02-24-100-032; |
| 22. 02-02-23-207-014; | 53. 02-02-24-100-031; |
| 23. 02-02-23-213-001; | 54. 02-02-24-100-030; |
| 24. 02-02-23-213-003; | 55. 02-02-24-100-027; |
| 25. 02-02-23-213-009; | 56. 02-02-24-100-010; |
| 26. 02-02-23-213-010; | 57. 02-02-24-100-009; |
| 27. 02-02-23-213-004; | 58. 02-02-24-100-008; and |
| 28. 02-02-23-213-039; | 59. 02-02-24-100-007 |
| 29. 02-02-23-213-035; | |
| 30. 02-02-23-213-045; | |
| 31. 02-02-23-213-019; | |

EXHIBIT B
2021-1 AMENDMENT TO THE PLAN

This 2021-1 Amendment to the Downtown Square Redevelopment Plan and Project (“Plan”), as amended by Ordinance No. 2874, dated December 21, 2009,) is hereby further amended as of the date noted below, by the City of Washington (“City”).

Purpose

Section VI. of the Plan grants the City the right to amend the Plan pursuant to the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended from time to time.

Amendment

NOW, THEREFORE, the Plan is hereby amended as follows, with such amendment to be effective as of December 21, 2021, 11:59 p.m. Central Standard Time, unless expressly indicated to the contrary. All references herein to Exhibits shall refer to the Exhibits attached to Ordinance Number _____ [FROM THE ORDINANCE EXTENDING AND REMOVING PROPERTY FROM THE DOWNTOWN SQUARE TIF IN 2021]. Capitalized terms that are not otherwise defined herein, shall have the definition ascribed to them in Ordinance Number _____.
[ORDINANCE NUMBER ABOVE]

1. Section V. Implementation Strategy, which includes the effective years of the Downtown Square TIF, provided for in the original Plan, as amended, is further extended and amended as follows,

- *Section V.D.* Shall be amended to replace and extend the effective years of the Downtown Square TIF from 35 years to 47 years with the ability to collect the 47th year increment in the 48th year. Thus, Section V.D. shall read as follows:

- The estimated date for the completion of the Second Amended Plan is not later than 47 years from the date of adoption of the Plan by the City. Any obligations incurred to finance the Conservation Redevelopment Project costs are to be retired no later than 20 years after the date of such issuance and prior to the expiration of the Second Amended Plan.

2. Exhibit I. Existing Land Use & Bldg./Site Conditions to the Plan is hereby amended by **Exhibit D**, to change the boundaries of the Downtown Square Redevelopment Project Area to be as depicted on Exhibit D.

3. Exhibit II. Legal Description to the Plan, is amended to change the legal description for the boundaries of the Downtown Square Area Redevelopment Project to be as shown on **Exhibit C**.

EXHIBIT C
THE AMENDED LEGAL DESCRIPTION FOR THE BOUNDARIES OF THE
DOWNTOWN SQUARE TIF

The boundary for the Downtown Square TIF within the corporate limits of the City of Washington, is as follows:

The Downtown Square TIF is generally bounded by: Zinser Place and Peddlers Way on the north, by approximately one-half block west of US 24 B.R. Peoria Street on the west, by approximately one-half block south on S. Main Street to the south, and approximately one-half block east of High Street on the east.

The legal description of the Downtown Square TIF is as follows:

Beginning at the point of intersection of the north right-of-way line of Zinser Place and the westright-of-way line of North Main Street, said point being on the northwest corner of the intersection of Zinser Place and North Main Street; thence south approximately 60 feet along the west right-of-way line of North Main Street to a point of intersection with the south right-of-way line of Zinser Place; thence east approximately 60 feet to a point of intersection with the east right-of-way line of North Main Street; thence south approximately 55 feet along said right-of-way to a point of intersection with the extended north right-of-way line of Peddlers Way; thence east approximately 203 feet along the north right-of-way line of Peddlers Way to the intersection of the west right-of-way line of the northern alley in Block 100; thence northeasterly approximately 60 feet along the west right-of-way line of said alley in Block 100; thence east approximately 122 feet along the north part of Block 100; thence south approximately 105 feet along the east part of Block 100; thence west approximately 30 feet along the property line; thence south approximately 75 feet to a point of intersection of the north right-of-way line of an alley in Block 100, said point being on the southeast corner of Block 100 and the north right-of-way line of the eastern alley in Block 100; thence east approximately 192 feet along the north right-of-way line of said alley in Block 100 to the east right-of-way line of High Street; thence south approximately 271 feet along the east right-of-way line of High Street to a point of intersection with the north right-of-way line of an alley in Block 109; thence east approximately 218 feet along the north right-of-way line of said alley in Block 109; thence south approximately 71 feet along the east right-of-way line of an alley to the east of Block 109; thence west approximately 217 feet along a line parallel to the north right-of-way line of Catherine Street to a point of intersection with the east right-of-way line of High Street; thence south approximately 85 feet along the east right-of-way line of High Street; thence west approximately 282 feet along a line parallel to the north

right-of-way line of Catherine Street to a point of intersection with the west right-of-way line of the central north-to-south alley in Block 108; thence north approximately 22 feet along the west right-of-way line of said alley in Block 108; thence west approximately 262 feet along a line parallel to the north right of way line of Catherine Street to a point of intersection with the west right-of-way line of South Main Street; thence north approximately 45 feet along the west right-of-way line of South Main Street; thence west approximately 347 feet along a line parallel to the north right-of-way line of Burton Street in Block 213 to a point of intersection with a right-of-way line parallel to Market Street in Block 213; thence north approximately 249 feet to a point of intersection with the north right-of-way line of US 24 B.R. Peoria Street; thence east approximately 217 feet to a point of intersection at the northwest corner of the north right-of-way of US 24 B.R. Peoria Street and a north-south alley in Block 207; thence north approximately 136 feet along the west right-of-way line of said alley in Block 207; thence west approximately 76 feet along a line parallel to the north right-of-way line of US 24 B.R. Peoria Street to a point of intersection with a property line parallel to the east right-of-way line of Market Street; thence north approximately 211 feet along the property line of said parallel right-of-way line of Market Street; thence east approximately 212 feet along the north right-of-way line of Zinser Place in Block 207 to a point of intersection with the west right-of-way line of Main Street, said point being the northwest corner of Main Street and Zinser Place, and the point of beginning.

EXHIBIT D
THE AMENDED BOUNDARY MAP OF THE DOWNTOWN SQUARE TIF

SEE ATTACHED

Downtown Square TIF District

