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A02860096
MICHAEL CROCKETT
RECORDER OF DEEDS
ST. CLAIR COUNTY
BELLEVILLE, IL
09/11/2025 12:41:00 PM
RHSP FEE:
TOTAL FEE: 30.00
PAGES: 37

RECORDING FEE:

\$30.00

TYPE OF DOCUMENT

ORDINANCE

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A02860094

**CITY OF O'FALLON, ILLINOIS
ORDINANCE NO. 4339**

**AN ORDINANCE ESTABLISHING AND IMPOSING CERTAIN BUSINESS
DISTRICT TAXES IN THE CITY OF O'FALLON W HWY 50 & N GREEN
MOUNT ROAD BUSINESS DISTRICT**

WHEREAS, the City of O'Fallon passed Ordinance No. 4338 Establishing and Designating the W Hwy 50 & N Green Mount Road Business District and Approving the W Hwy 50 & N Green Mount Road Business District Plan within the City of O'Fallon, Illinois in accordance with the Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3-1 through 11-74.3-7 (the "Business District Law"); and

WHEREAS, as part of Ordinance No. 4338, the Corporate Authorities of the City made the requisite findings that the W Hwy 50 & N Green Mount Road Business District qualified as a "blighted area" as defined in Section 11-74.3-5 of the Business District Law; and

WHEREAS, in furtherance of the W Hwy 50 & N Green Mount Road Business District, the Corporate Authorities of the City desire to establish and impose a Business District Retailers' Occupation Tax and a Business District Service Occupation Tax pursuant to Section 11-74.3-3 (10) of the Business District Law and an occupation tax upon all persons engaged in the business district in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators' Occupation Tax Act pursuant to Section 11-74.3-3 (11) of the Business District Law; and

WHEREAS, the City intends to use said tax to fund certain improvements within the Business District in accordance with the Business District Law and as set forth in the W Hwy 50 & N Green Mount Road Business District Plan; and

WHEREAS, the Corporate Authorities of the City find and determine that it is in the best interests of the City and its residents to establish the taxes as set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS, as follows:

Section 1. The above stated recitals are incorporated by this reference.

Section 2. Business District Retailers' Occupation Tax. A tax is hereby imposed to be known as the "Business District Retailers' Occupation Tax" upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this state's government, at retail within the boundaries of the W Hwy 50 & N Green Mount Road Business District at the rate of one percent (1.0%) of the gross receipts from such sales made in the course of such business while this ordinance is in effect. This "Business District Retailers' Occupation Tax" shall

not be applicable to the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes and needles used by diabetics, for human use.

Section 3. Business District Service Occupation Tax. A tax is hereby imposed to be known as the “Business District Service Occupation Tax” upon all persons engaged, within the W Hwy 50 & N Green Mount Road Business District, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the business district, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax shall be imposed at the same rate as the tax imposed in Section 2 above upon the selling price of tangible personal property transferred within the business district. The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.

Section 4. Business District Hotel Operators’ Occupation Tax. A tax is hereby imposed to be known as the “Business District Hotel Operators’ Occupation Tax” upon all persons engaged in the W Hwy 50 & N Green Mount Road Business District in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators’ Occupation Tax Act, 35 ILCS 145/1, et seq., at the rate of one percent (1.0%) of the gross rental receipts from the renting, leasing or letting of rooms within the Business District, excluding, however, from the gross rental receipts the proceeds of renting, leasing, or letting to permanent residents of a hotel, as defined in the Hotel Operators’ Occupation Tax Act.

Section 5. Notice to Illinois Department of Revenue. Within ninety (90) days of commencement of construction of the initial business to be located within the W Hwy 50 & N Green Mount Road Business District, the City Clerk or other appropriate City staff, as assigned by the City Mayor, are directed to provide the Illinois Department of Revenue (the “Department”) with a certified copy of this Ordinance and such other information required by the Department, so that the Business District Retailers’ Occupation Tax provided for in Section 2 above, and the Business District Service Occupation Tax provided for in Section 3 above may be administered and enforced by the Department, beginning on the following January 1 or July 1, depending on and subject to the IDOR notification deadlines provided for in the Business District Law. Thereafter, the appropriate City staff are directed to provide any address change, addition, or deletion of businesses located within the Business District to the Department on or before October 1 for administration and enforcement by the Department of the change beginning on the following January 1 and on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1.

Section 6. W Hwy 50 & N Green Mount Road Business District Tax Allocation Fund. All proceeds of the taxes imposed, civil penalties, and interest, which accrues from the Business District Taxes imposed hereby, shall be deposited into a special fund of the City to be called the “W Hwy 50 & N Green Mount Road Business District Tax Allocation Fund” in accordance with the Business District Law.

Section 7. Enforcement. The Illinois Department of Revenue shall have the authority to administer and enforce the Business District Retailers’ Occupation Tax and the Business District Service Occupation Tax imposed under Sections 2 and 3 of this Ordinance. The City shall have the authority to administer and enforce the Business District Hotel Operators’ Occupation Tax imposed under Section 4 of this Ordinance.

Section 8. Rescinding of Business District Taxes and Business District Dissolution Date. When business district project costs, including, without limitation, all obligations paying or reimbursing business district project costs have been paid, any surplus funds then remaining in the W Hwy 50 & N Green Mount Road Business District Tax Allocation Fund shall be distributed to the municipal treasurer for deposit into the general corporate fund of the City. Upon payment of all business district project costs and retirement of all obligations paying or reimbursing business district project costs, but in no event more than 23 years after the date of adoption of this Ordinance imposing the taxes pursuant to the Business District Law, the City shall adopt an ordinance immediately rescinding the taxes imposed. The dissolution date of the W Hwy 50 & N Green Mount Road Business District shall be not later than 270 days following payment to the City of the last distribution of taxes as provided in Section 11-74.3-6 of the Business District Law.

Section 9. If any portion of this ordinance shall be held invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not affect the remaining portions of this ordinance.

Section 10. This ordinance shall be in full force and effect immediately upon its passage, approval and publication as provided by law.

Passed by the City Council this 2nd day of September 2025.



ATTEST:

(seal)

Jerry Mouser, City Clerk

Approved by the Mayor this 2nd day of September 2025.

Eric Van Hook, Mayor

ROLL CALL:	Rosenberg	Muyleart	Lotz	Stoffel	Fohne	Carney	Roach	SUB TOTALS
Aye	X		X	X	X	X	X	6
Nay								0
Absent		X						1
Abstain								0

ROLL CALL:	Newcomb	Hudson	Blackburn	Vorce	Campbell	Parchman	Ford	SUB TOTALS	SUM OF TOTALS
Aye	X		X		X	X	X	5	11
Nay				X				1	1
Absent								0	1
Abstain		X						1	1



**MINUTES
COMMUNITY DEVELOPMENT COMMITTEE
5:30 PM Monday, August 11, 2025**

Minutes of a regular meeting of the Community Development Committee of the City of O'Fallon, held at City Hall, 255 South Lincoln Avenue, O'Fallon, Illinois.

1.1 CALL TO ORDER: 5:30 PM

1.2 ROLL CALL - Committee Members: Jessica Lotz, Chair (in person), Todd Roach, Vice Chair (in person), Ross Rosenberg (in person), Nathan Parchman (in person), Dennis Muyleart (in person), James Campbell (in person)

1.3 Approval of Minutes from Previous Meeting – Motion was made by Rosenberg to approve minutes from the July 28, 2025, meeting, all ayes. Motion carried.

2 Items Requiring Council Action

2.1 Ordinance Approving the Final Plat for Pausch Farms – Community Development Director Greg Anderson stated that the applicant, H&L Builders, is proposing a Final Plat of Pausch Farms, consisting of 3 single-family lots on 21.38 acres. Jeff Holland and Bruce Holland of Pausch Road, LLC, filed a petition to enter into an annexation agreement for the property located at 1314 Pausch Road; parcel ID: 03-13.0-200-004, totaling approximately 21.38 acres which was approved by City Council on March 17, 2025. Upon annexation, the parcel was zoned RR, Rural Residential District. The proposed final plat has subdivided the property into 3 single-family lots: Lot 1, 6.22 acres, Lot 2, 11.90 acres, and Lot 3, 3.24 acres.

The Community Development and Public Works Department has reviewed the Final Plat for compliance with City Code and recommends approval of the Final Plat.

Councilmember Rosenberg made a motion to recommend approval of the Ordinance. Councilmember Muyleart seconded the motion, and the motion passed with a vote of 6-0.

The Ordinance will move to the August 18, 2025, City Council agenda for First Reading.

2.2 Ordinance Establishing and Designating the W HWY 50 & N Green Mount Road Business District and Approving the W HWY 50 & N Green Mount Road Business District Plan with the City of O'Fallon, Illinois – Chair Lotz explained that the next three items on the agenda are for a business district. Lotz explained that the City has numerous business districts. Anderson stated Brad McMillin of Allyson Group, Inc., the developer of the future Springhill Suites Hotel, has requested the creation of a Business District, which will allow the developer to collect up to an additional one percent (1%) sales tax within the district. This is an additional tax on retail goods above and beyond what is currently collected in the City of O'Fallon. This is not a sales tax rebate. The Business District is to induce the commercial development of approximately 4.88 acres (not including existing or future rights-of-way) generally at the northeast quadrant of the intersection of W Hwy 50 and N Greenmount Road and is bordered on the north by the Eagle Ridge Neighborhood Condominiums. The boundary of the proposed district incorporates five parcels to establish the W Hwy 50 & N Green Mount Rd Business District.

Councilmember Rosenberg explained that Business District taxes are only utilized for specific, eligible expenses.

Councilmember Rosenberg made a motion to recommend approval of the Ordinance. Councilmember Campbell seconded the motion, and the motion passed with a vote of 6-0.

The Ordinance will move to the August 18, 2025, City Council agenda for First Reading.

- 2.3 Ordinance Establishing and Imposing Certain Business District Taxes in the City of O'Fallon W HWY 50 & N Green Mount Road Business District – Anderson explained that the agenda item is for the establishment and imposition of certain business district taxes within the W HWY 50 & N Green Mount Road Business District.

Councilmember Roach clarified that the Ordinance establishes three different taxes: a business district hotel tax, service tax, and sales tax. Anderson stated that the Ordinance does specify three different taxes within a Business District but an eligible business may only impose one per an approved redevelopment agreement.

Councilmember Rosenberg made a motion to recommend approval of the Ordinance. Councilmember Campbell seconded the motion, and the motion passed with a vote of 6-0.

The Ordinance will move to the August 18, 2025, City Council agenda for First Reading.

- 2.4 Ordinance Authorizing the Mayor to execute a Redevelopment Agreement with Allyson Group, Inc. – Anderson explained that the agenda item is for the Mayor to enter into a redevelopment agreement the developer, Brad McMillin of Allyson Group, Inc., for the W HWY 50 & N Green Mount Road Business District. The project includes a cost estimate of the Springhill Suites Hotel totaling \$18,222,068.00, however the total amount of these costs to be recovered by Allyson Group, Inc. is ultimately dependent upon the 1% business district tax collected by the businesses.

Councilmember Rosenberg made a motion to recommend approval of the Ordinance. Councilmember Roach seconded the motion, and the motion passed with a vote of 6-0.

The Ordinance will move to the August 18, 2025, City Council agenda for First Reading.

3. Other Business

3.1 Community Development Update

July Monthly Department Report:

- 88 building permits with a construction value of \$6,586,030.34 were issued. This includes 11 new multi-family units and 6 new single-family residential units.
- 161 occupancy inspections were completed in July 2025.
- 641 building inspections were completed in July 2025.
- 683 code enforcement actions were administered with an average of 15.64 days to abate the complaint.

Patio Homes - 1st Addition:

The Community Development Department has approved the preliminary plans for the first addition to the Patio Homes at Seven Hills. This expansion, which will include 48 new residential dwelling units, is located northwest of the existing Patio Homes near Lotus Avenue. As the plans fall within the scope of the Seven Hills Mixed Use Development previously approved by City Council through Ordinance 4080 in February 2019, no additional Council action was required. The project is being developed by Rich Gorazd and marks a continued investment in the growth of residential development in O'Fallon.

Augusta Greens - 3rd Addition:

City staff has completed the review of construction plans for Phase 3 of the Augusta Greens Subdivision. This phase includes 39 single-family residential lots and represents the next step in the continued build-out of the development. All required engineering and infrastructure plans have been submitted and

reviewed for compliance with City standards. Pending final approvals and permits, the developer may begin construction in accordance with the approved plans.

HSHS Medical Office Building, Surgery Treatment Center, and Hospital Expansion:

HSHS St. Elizabeth's Hospital recently held a groundbreaking ceremony for its \$50 million expansion project at the O'Fallon medical campus. This major investment reflects the hospital's commitment to meeting the growing healthcare needs of the region. The expansion will include a new outpatient surgery center and medical office building, allowing for increased access to same-day procedures and specialty care such as orthopedics, neurology, and pediatrics. Construction is now underway, with project completion anticipated in spring 2027.

HSHS also submitted construction plans for the expansion of services at the main hospital building. The expansion includes an 8,500-square-foot dietary department, a 15,500-square-foot emergency department addition and renovation of the existing dietary department to become 32 inpatient hospital rooms. City staff is currently working through the plan review process.

Bethel Grove Construction Plans:

State Construction recently submitted construction plans for the Bethel Grove Subdivision, a residential development approved by City Council in June 2025 through Ordinance 4328. The project includes 53 single-family homes across 49.10 acres along Bethel Road. City staff is currently reviewing the submitted plans to ensure compliance with City Code and development standards.

Home2 Suites Construction:

Construction has officially commenced on the new Home2 Suites by Hilton, located along Regency Park in O'Fallon, Illinois. This project marks a significant addition to the City's hospitality offerings and supports continued commercial growth in the Regency Park area. Site work is underway, and construction will continue in accordance with the approved development plans.

Next Planning Commission Meeting:

The next Planning Commission meeting will be held on August 12, 2025, at 6:00 p.m. The Planning Commission will review one Planned Use application:

- U-Haul Moving and Storage Center - 1404 W. Highway 50: The applicant is seeking approval for a Planned Use Permit application for a proposed U-Haul Moving and Storage Center to redevelop the 7.05-acre site into a multi-service facility offering self-storage, truck and trailer rentals, and related retail sale.

Anderson shared that the Building It Here Map available at www.ofallon.org has been updated with project information that is occurring throughout the City.

4. Public Comments – None

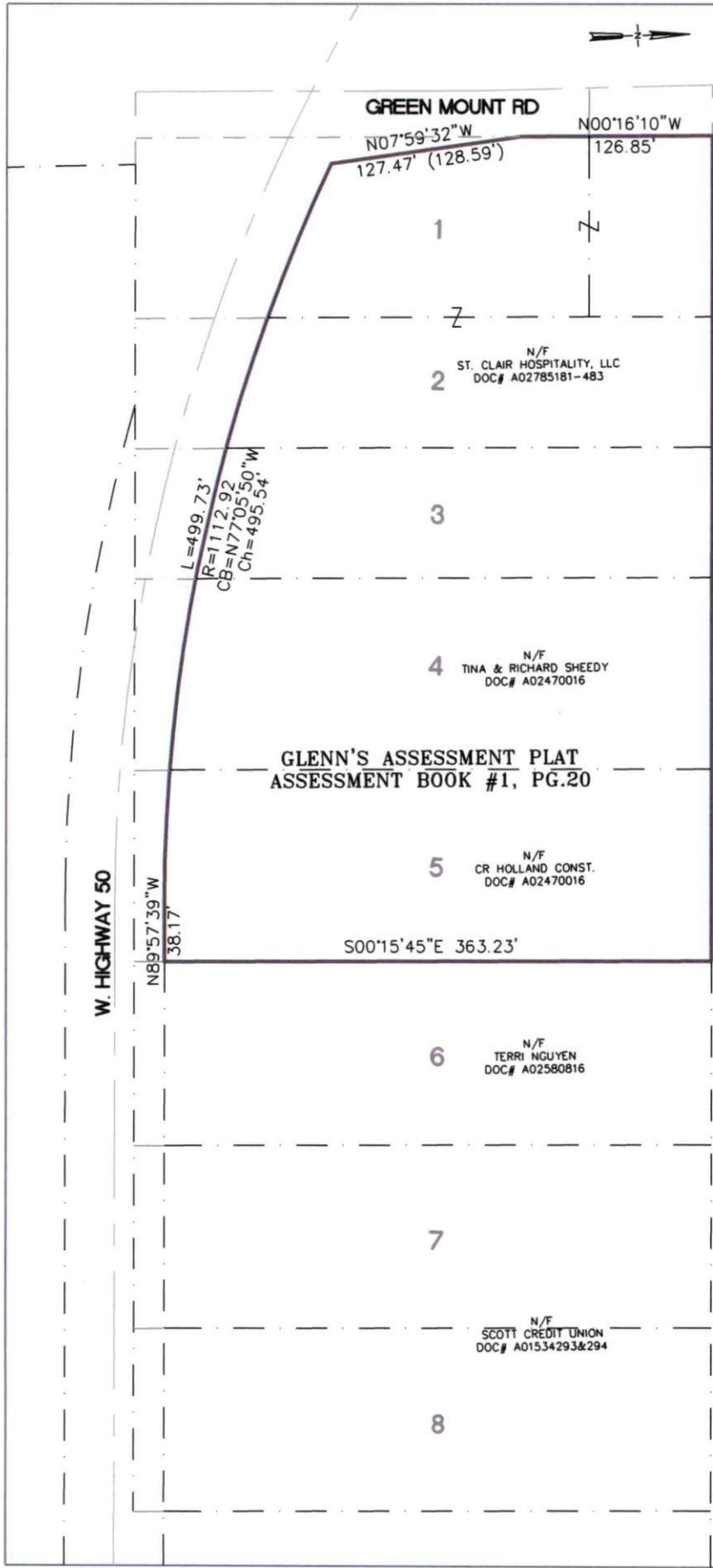
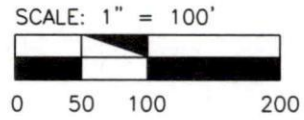
MEETING ADJOURNED: 6:24 PM

NEXT MEETING: Monday, August 25, 2025

Prepared by: Greg Anderson, Director of Community Development



EXHIBIT A



07-16-25

LEGEND

- FND IRON PIPE
- SET IRON ROD
- ⊠ FND CONC. MON.
- () RECORD MEAS.
- (R&M) RECORD and MEAS.

RGB
SURVEYING

105 E. ADAMS STREET
O'FALLON, ILLINOIS 62269
(618) 741-3931

EXHIBIT A

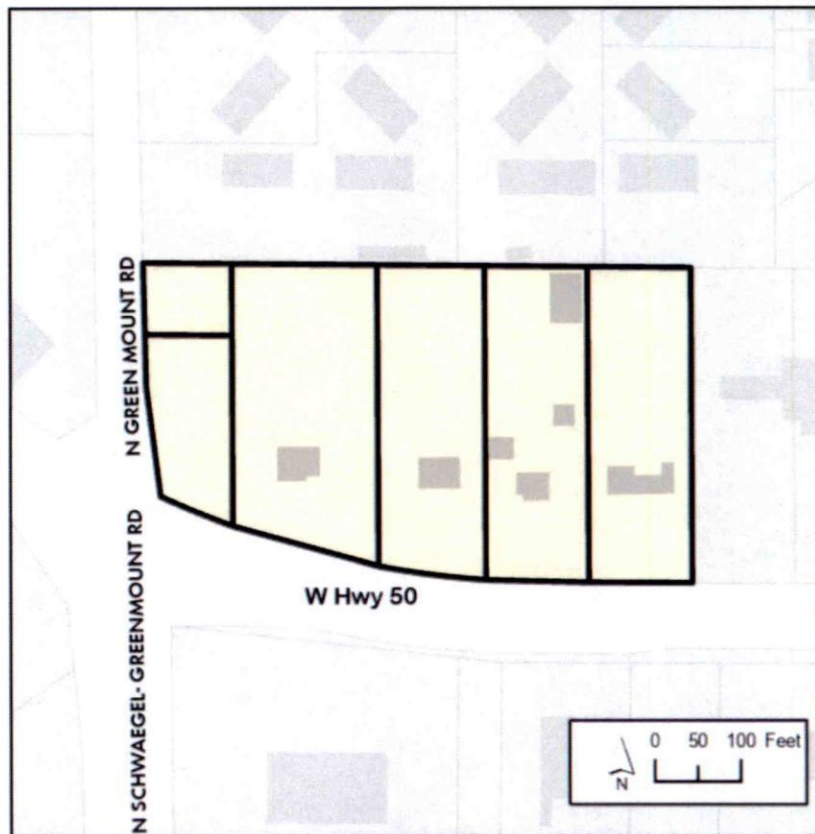
A tract of land being part of Lots 1 thru 5 in "GLENN'S ASSESSMENT PLAT as shown on the plat thereof recorded in Assessment Plat Book "1" on Page 20 in the Recorder of Deeds Office for St. Clair County, Illinois, said tract of land also being part of Lots 3 and 4 in the West Half of Section 30 in Township 2 North, Range 7 West of the Third Principal Meridian, and being more particularly described as follows:

Beginning at the intersection of the Easterly right of way line of Green Mount (width varies) Road with the Northerly right of way line of W. Highway (width varies) 50; thence on said Easterly right of way line, North 07 degrees 59 minutes 32 seconds West, 127.49 feet (128.59' record); thence continuing on said Easterly right of way line, North 00 degrees 16 minutes 10 seconds West, 126.85 feet to a point on the North line of aforementioned "GLENN'S ASSESSMENT PLAT"; thence on said North line South 89 degrees 57 minutes 39 seconds East, 537.85 feet, more or less, to the Northeast corner of Lot 5 in said "GLENN'S ASSESSMENT PLAT"; thence on the East line of said Lot 5, South 00 degrees 15 minutes 45 seconds East, 363.23 feet to a point on aforementioned Northerly right of way line of W. Highway (width varies) 50; thence on said Northerly right of way line, North 89 degrees 57 minutes 39 seconds West, 38.17 feet to a point of curvature; thence 499.73 feet on said Northerly right of way line with a curve to the right having a radius of 1,112.92 feet, the chord of which bears North 77 degrees 05 minutes 50 seconds West, a chord distance of 495.54 feet to the Point of Beginning.

Said tract of land herein described being in the City of O'Fallon, St. Clair County, Illinois.

BUSINESS DISTRICT PLAN

W HIGHWAY 50 & N GREEN MOUNT RD BUSINESS DISTRICT



O'Fallon
ILLINOIS

MARCH 31, 2025

PGAV PLANNERS LLC

ACKNOWLEDGMENTS

CITY OF O'FALLON, ILLINOIS

MAYOR

Eric Van Hook

CITY COUNCIL

Ward 1 Dennis Muyleart • Ross Rosenberg
Ward 2 Jessica Lotz • Jerry Albrecht
Ward 3 Andrea Fohne • Roy Carney
Ward 4 Stephanie Smallheer • Todd Roach
Ward 5 Aaron Hudson • Jim Blackburn
Ward 6 Tom Vorce • Jim Campbell
Ward 7 Eric Van Hook • Nathan Parchman

CITY CLERK

Jerry Mouser

CITY ADMINISTRATOR

Walter Denton

FINANCE DIRECTOR

Sandy Evans

CITY ATTORNEY

Todd Fleming

BUSINESS DISTRICT SPECIAL COUNSEL

Terry Bruckert

TABLE OF CONTENTS

SECTION 1 – INTRODUCTION 1

 Background 1

 Area Boundary and Need for the Business District 2

 Municipal Authority 4

 Additional Statutory Provisions 6

SECTION 2 – ANALYSIS OF BLIGHTING FACTORS 8

 Qualifications Analysis for the Business District 8

 Qualification Summary and Findings 11

SECTION 3 – BUSINESS DISTRICT PLAN 12

 Description of the Business District 12

 Purpose of the Plan 12

 Business District Objectives 12

 General Description, Location of Proposed Project and Developer 13

 Business District Policies 14

 Business District Project Costs 16

 Sources of Funds to Pay Business District Project Costs 16

SECTION 4 – FINDINGS AND AMENDMENTS TO THE BUSINESS DISTRICT PLAN 19

 Establishment and Term of the Business District 19

 Findings of the Plan 19

 Plan Amendments 20

FIGURES

 A Boundary Map – W Hwy 50 & Green Mount Rd Business District 2

 B Existing Land Use Map – W Hwy 50 & Green Mount Rd Business District 3

 C Qualifying Uses Map – W Hwy 50 & Green Mount Rd Business District 10

 D Estimated Business District Project Costs 16

APPENDIX

EXHIBITS

 A Attachment A Pictures– W Hwy 50 & Green Mount Rd Business District 24

 B Legal Description- W Highway 50 & N Green Mount Rd BD Legal Description 27

SECTION 1- INTRODUCTION

BACKGROUND

The City recognizes that its long-term viability depends, in part, on strengthening its tax base by diversifying its economic base. The City has determined that it is essential to its economic and social welfare to identify and promote opportunities for development and private investment in order to attract sound and stable commercial growth.

The purpose of this document is to set forth a plan to induce the commercial development of approximately 4.88 acres (not including existing or future rights-of-way) generally at the northeast quadrant of the intersection of W Hwy 50 and N Greenmount Road and is bordered on the north by the Eagle Ridge Neighborhood Condominiums. The boundary of the proposed district incorporates six parcels (PIN 04300300018, 04300300019, 04300300020, 04300300005, 04300300006, and 04300300007) to establish the W Hwy 50 & N Green Mount Rd Business District. Recently, the City has been approached by a developer wishing to build a Springhill Suites by Marriott International Hotel development containing a total of approximately 64,155 square feet of building space (the "Project") on 2.84 acres of land. However, the developer will not proceed with the Project absent financial incentives to help offset development costs.

The City has determined that the Business District Development and Redevelopment Law (65 ILCS 5/11-74.3-1, et. seq.) (the "Business District Law") is an appropriate vehicle to be used as an inducement for funding a portion of the costs associated with the project. Designating the area as a Business District will advance the City's goal of strengthening its commercial base. This, in turn, will bolster both the real property and sales tax base of the City.

AREA BOUNDARY AND NEED FOR THE BUSINESS DISTRICT

The boundaries of the area to be addressed in this Plan are delineated on **Figure A, Business District Boundary** on the following page and a **legal description** is in the **Appendix** of this Plan. The business district will be named the **W Hwy 50 & N Green Mount Rd Business District** and is referred to herein as the "Business District". The Business District contains approximately 4.88 acres of land. **Figure B- Existing Land Use** shows the existing land uses.

Figure A – Business District Boundary

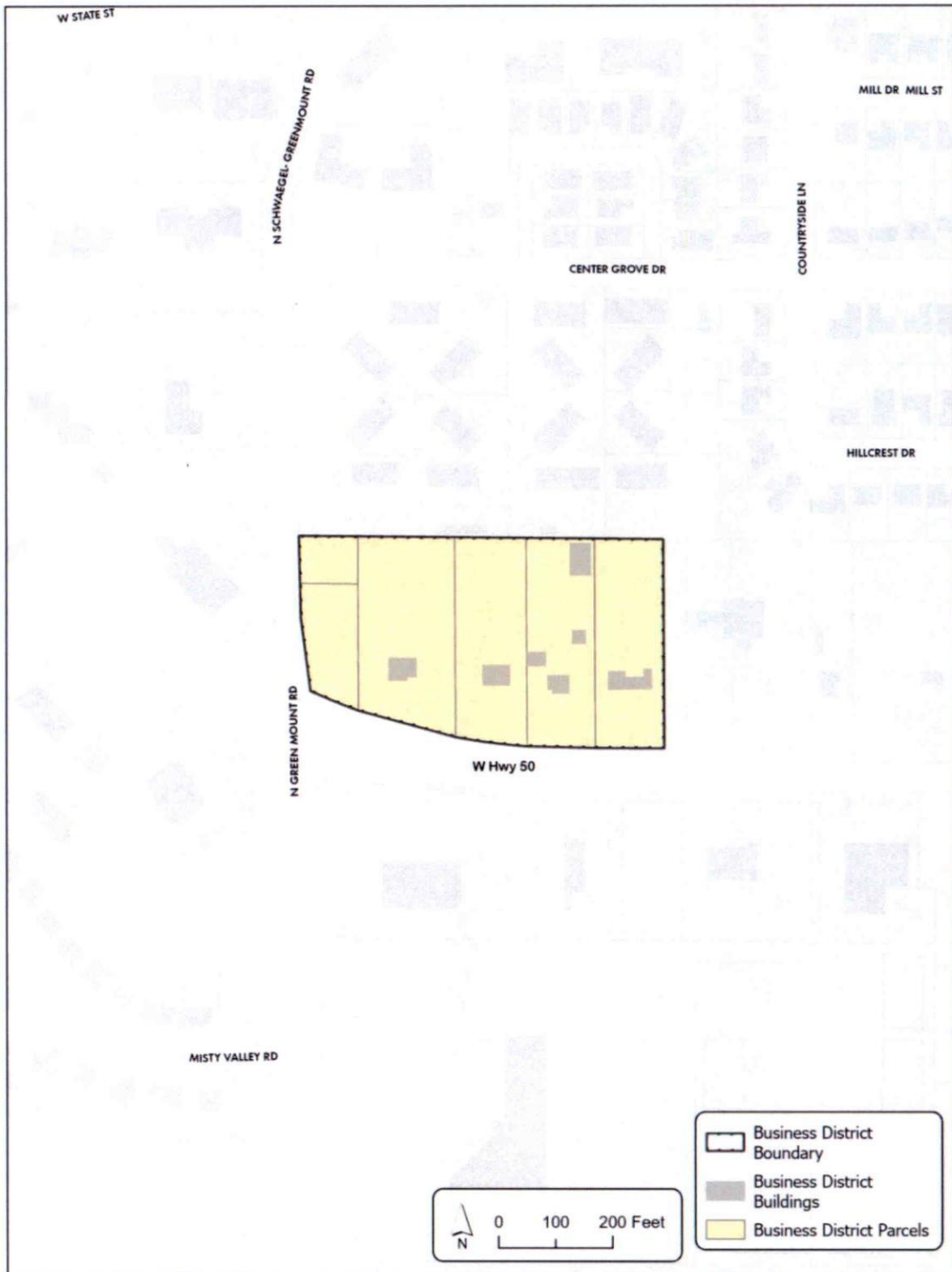
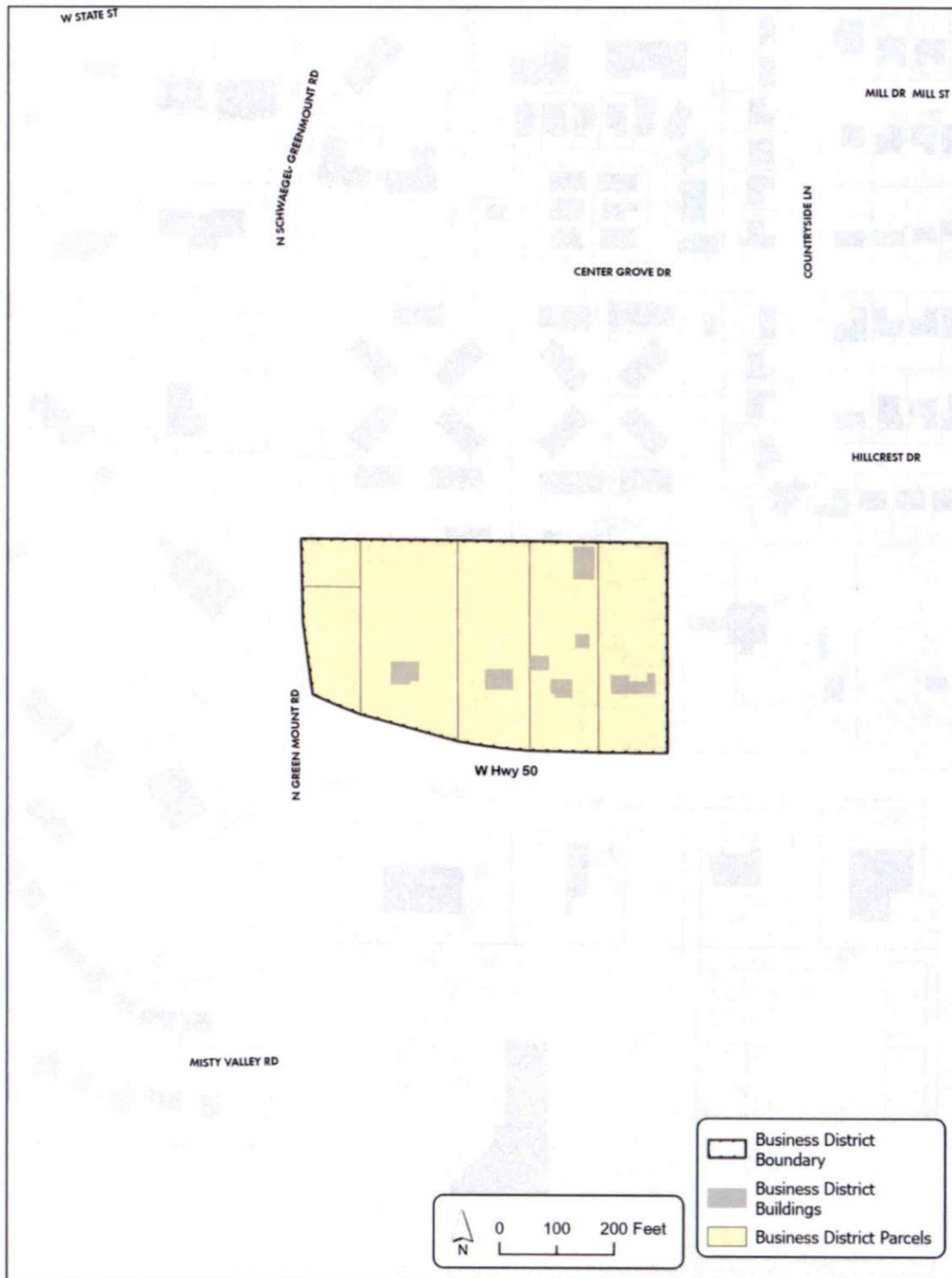


Figure B- Existing land Use



The purpose of the Business District is to induce the construction of one new 103 room Spring Hill Suites Hotel building totaling up to approximately 64,155 square feet by Brad McMillin Realty, Inc. (hereafter referred to as the "Developer"). This development will be adjacent to a Carrolton Bank and First Bank located to the South and East of the Business District.

The Developer has demonstrated to the City's satisfaction that the total of the costs associated with property acquisition and infrastructure improvements to serve the site is economically infeasible without another source of funding. The Business District is needed to help overcome this economic gap.

MUNICIPAL AUTHORITY

The Business District Law authorizes Illinois municipalities to designate an area within the municipality as a business district. A business district must be established in conformance with a specific plan officially approved by the corporate authorities of the municipality after a public hearing. A business district must also conform to the municipality's comprehensive plan.

The exercise of the powers provided for in the Business District Law is dedicated to the promotion of the public interest and to the enhancement of the tax base of business districts. The use of such powers for the development and redevelopment of business districts is a public use essential to the public interest. In accordance with the Business District Law, the City may exercise the following powers:

"(1) To make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan. A contract by and between the municipality and any developer or other nongovernmental person to pay or reimburse said developer or other nongovernmental person for business district project costs incurred or to be incurred by said developer or other nongovernmental person shall not be deemed an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such contract provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes (including, without limitation, taxes imposed pursuant to subsection 10) the municipality receives from the development or redevelopment of properties in the business district. Contracts entered into pursuant to this subsection shall be binding upon successor corporate authorities of the municipality and any party to such contract may seek to enforce and compel performance of the contract by civil action, mandamus, injunction, or other proceeding.

- (2) *Within a business district, to acquire by purchase, donation, or lease, and to own, convey, lease, mortgage, or dispose of land and other real or personal property or rights or interests therein; and to grant or acquire licenses, easements, and options with respect thereto, all in the manner and at such price authorized by law. No conveyance, lease, mortgage, disposition of land or other property acquired by the municipality or agreement relating to the development of property shall be made or executed except pursuant to prior official action of the municipality. No conveyance, lease, mortgage, or other disposition of land owned by the municipality, and no agreement relating to the development of property, within a business district shall be made without making public disclosure of the terms and disposition of all bids and proposals submitted to the municipality in connection therewith.*
- (2.5) *To acquire property by eminent domain in accordance with the Eminent Domain Act.*
- (3) *To clear any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land.*
- (4) *To install, repair, construct, reconstruct, or relocate public streets, public utilities, and other public site improvements within or without a business district which are essential to the preparation of a business district for use in accordance with a business district plan.*
- (5) *To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within any business district.*
- (6) *To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district.*
- (7) *To fix, charge, and collect fees, rents, and charges for the use of any building, facility, or property or any portion thereof owned or leased by the municipality within a business district.*
- (8) *To pay or cause to be paid business district project costs. Any payments to be made by the municipality to developers or other nongovernmental persons for business district project costs incurred by such developer or other nongovernmental person shall be made only pursuant to the prior official action of the municipality evidencing an intent to pay or cause to be paid such business district project costs. A municipality is not required to obtain any right, title, or interest in any real or personal property in order to pay business district project costs associated with such property. The municipality shall adopt such accounting procedures as shall be necessary to determine that such business district project costs are properly paid.*

- (9) *To apply for and accept grants, guarantees, donations of property or labor or any other thing of value for use in connection with a business district project.*
- (10) *If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a retailers' occupation tax and a service occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for business district project costs as set forth in the business district plan approved by the municipality.*
- (11) *If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a hotel operators' occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for the business district project costs as set forth in the business district plan approved by the municipality."*

ADDITIONAL STATUTORY PROVISIONS

In accord with the provisions of the Business District Law stated above, a municipality may enter into contracts necessary or incidental to the implementation and furtherance of a business district plan. This contracting power includes entering into an agreement with a developer or other nongovernmental person that provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes the municipality receives from the development or redevelopment of properties in the business district.

Also, the corporate authorities of a municipality may impose a retailers' occupation tax, service occupation tax, or hotel operators' occupation tax by ordinance pursuant to subsection (10) or (11) of Section 11-74.3-3 of the Business District Law. However, in order to establish such taxes, the business district area must qualify as a "blighted area" as that term is defined in Section 11-74.3-5 of said law, to wit:

*"**Blighted area**" means an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare."*

Furthermore, a business district plan shall be prepared. As defined in Section 11-74.3-5 of the Business District Law, a "business district plan" is the written plan for the development

or redevelopment of the area identified as the district and must contain the following information:

- “(i) a specific description of the boundaries of the proposed business district, including a map illustrating the boundaries;*
- (ii) a general description of each project proposed to be undertaken within the business district, including a description of the approximate location of each project and a description of any developer, user, or tenant of any property to be located or improved within the proposed business district;*
- (iii) the name of the proposed business district;*
- (iv) the estimated business district project costs;*
- (v) the anticipated source of funds to pay business district project costs;*
- (vi) the anticipated type and terms of any obligations to be issued; and*
- (vii) the rate of any tax to be imposed pursuant to subsection (10) or (11) of Section 11-74.3-3 and the period of time for which the tax shall be imposed.”*

This document constitutes the W Hwy 50 & Green Mount Rd Business District Plan. It sets forth the necessity for the designation of the Business District, the qualifications of the Business District as a “blighted area”, a statement of objectives and policies to achieve these objectives, and a description of proposed projects for the Business District.

SECTION 2- ANALYSIS OF BLIGHTING FACTORS

QUALIFICATIONS ANALYSIS FOR THE BUSINESS DISTRICT

Because the City intends to implement an additional retailers' occupation tax, service occupation tax, and hotel tax of up to 1.0% in accordance with the provisions of the Business District Law, an evaluation of the conditions within the Business District was conducted. Information gathered for this analysis was derived from research of St. Clair County property assessment records, including tax mapping showing the existing platting of the Business District, and information provided by the City. The following discussion in this section of the Plan summarizes the existing conditions within the Business District that allow it to qualify as a "blighted area" as defined by the Business District Law.

DETERIORATED SITE IMPROVEMENTS AND UNSAFE CONDITIONS

The Business District contains six parcels of real estate containing six parcels, four principal buildings, and smaller accessory buildings totaling 4.88 acres. All the buildings are vacant, except the easternmost residential property, and range from deteriorated to dilapidated. In addition, the parking areas and drives are deteriorated. Some of the site has become a dumping ground for bulk trash and tires. Access to the buildings are not secure and trespassers can easily gain entry. Rotting exterior siding, holes in the roofs from previous fire damage, dislocated building components, and interior finishes are prevalent. Evidence of these conditions are documented with photographs taken during a site investigation by PGAV staff on March 25th, 2025. A representative sample of these photographs are contained in the **Appendix as Attachment A, Photographic Evidence.**

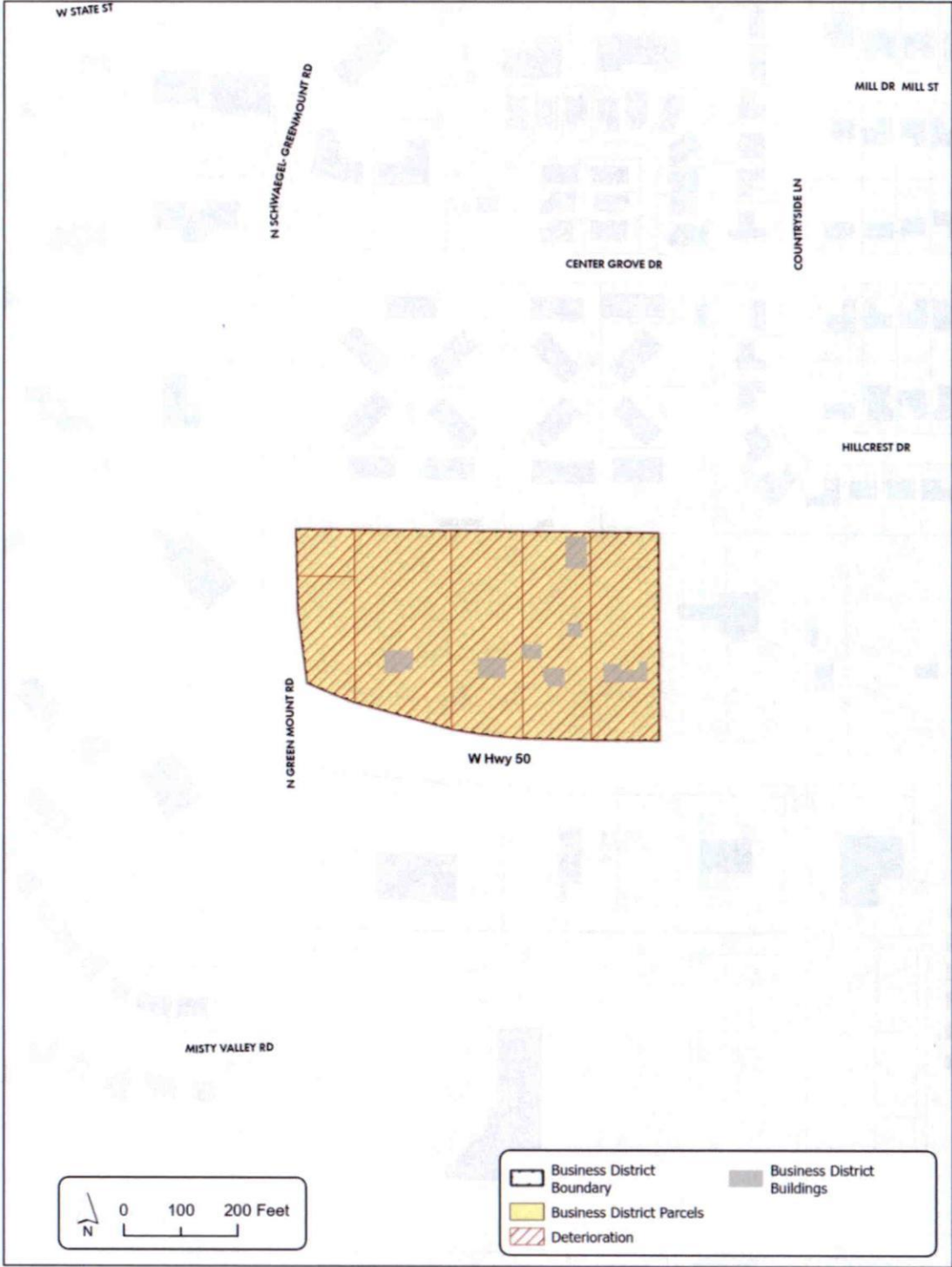
ECONOMIC LIABILITY AND ECONOMIC UNDERUTILIZATION

Currently, the six properties located within the proposed Business District generates relatively little in real property taxes. The combined parcels, at approximately 4.88 acres (St. Clair Co. PIN 04300300018, 04300300019, 04300300020, 04300300005, 04300300006, and 04300300007), carry an assessed value of \$258,045. The land value is far below any of the adjoining commercially developed property, especially considering the prime location of this parcel at the W Hwy 50/Green Mount Road interchange. Typically, improvement values are considerably higher than the land values and land values for developed property are greater than vacant tracts (particularly those classified as farmland).

In addition to property taxes, the Business District has the potential to generate substantial sales taxes for the City of O'Fallon. Currently, no sales taxes are generated within the Business District. In conclusion, the Business District has the potential to generate substantially more in property and sales taxes. The overall goal of the City is for the Business District to facilitate the commercial development therein, which in turn will provide additional retail goods and services to the community as well as additional revenue to help fund City and other local government services such as schools.

Figure C – Qualifying Factors, on the following page, shows the location of parcels containing site improvements that exhibit signs of deterioration and parcels which do not have road infrastructure to serve potential development or have inadequate roadways to serve the current business needs.

Figure C- Qualifying Factors



QUALIFICATION SUMMARY AND FINDINGS

Based on the "blighted area" definition outlined in the Business District Law, there are enough conditions that represent the required qualifications. These include:

- Vacant and deteriorating buildings in the footprint of the proposed new Business District.
- The properties within the Business District produce relatively little property taxes and no sales tax have the potential to generate considerably more property taxes and new sales taxes. This constitutes an economic underutilization of the properties within the Business District and thus creates an economic liability to the City.

Therefore, the Business District meets the standards as a "blighted area" per Section 11-74.3-5(3) of the Business District Law for designation as a "Business District" for purposes of imposing a tax pursuant to subsections (10) or (11) of Section 11-74.3-3 of the Business District Law. The Business District represents an area of the City, which by reason of unsafe conditions, obsolete platting, underutilization of the area, and a menace to public health, safety, morals, or welfare.

SECTION 3- BUSINESS DISTRICT PLAN

DESCRIPTION OF THE BUSINESS DISTRICT

The W Hwy 50 & N Green Mount Rd Business District consists of approximately 4.88 acres of territory. The boundaries of the Business District are delineated on **Figure A - W Hwy 50 & N Green Mount Rd Business District**, and a boundary description is attached in the **Appendix** as **Figure**.

PURPOSE OF THE PLAN

The purpose of the Business District Plan (the "Plan") is to induce private investment in construction of buildings and site improvements related to commercial development. The Plan establishes the objectives and policies for the development of the Business District.

Under the provision of the Illinois Business District Development and Redevelopment Law, the City intends to adopt each of the Business District sales taxes (retailers', service, and hotel operators' occupation sales taxes) as provided for in Section 11-74.3-3 (10) and (11) of the Law at the level of 1.0% for the retailer's and service occupations sales taxes and at 1.0% for the hotel operator's occupation sales tax. The Plan also describes the proposed uses of the revenue to be generated by the Business District taxes and lays out policies for using Business District tax revenue to provide incentives to achieve the City's objectives for the Business District.

BUSINESS DISTRICT OBJECTIVES

It is the overall objective of this Plan to induce the development of a planned commercial development. More specifically the objectives include:

Objective #1: Expansion of O'Fallon's economic base.

To use incentives to enhance the City's commercial base by bringing new commercial development within the City's prime commercial centers along W Highway 50 and Green Mount Rd. It is anticipated that the new commercial will attract additional hotel and retail sales. It will also provide additional commercial services to the residents of O'Fallon and attract business patronage from residents in surrounding communities.

Objective #2: Encourage investment and growth in areas outside the District.

The location of the District is within one of its primary commercial growth zones of the City. The proposed Project will further solidify O'Fallon as a key business center within St. Clair County. The CVS and banking institutions bordering the District to the southeast will complete the development of the Green Mount/W Highway 50 interchange.

Objective #3: Remedy blighted conditions.

To provide for the demolition of deteriorated sites that will eliminate unsafe conditions that caused by site disrepair to qualify as a blighted area as defined in Business District Law.

GENERAL DESCRIPTION, LOCATION OF PROPOSED PROJECT AND DEVELOPER

The developer proposing the redevelopment of the property within the Business District is Brad McMillin Realty, Inc. (the "Developer"), incorporated in the State of Illinois and authorized to do business in Illinois. Since 1986, Brad McMillin Realty, Inc has developed retail and mixed-use development in O'Fallon, IL. Below is a general description of the Project they propose for the Business District:

- The developer, Brad McMillin of Brad McMillin Realty, Inc., will develop a new 103 room, 5-story Springhill Suites by Marriott International located at the northeast corner of North Green Mount Road and West Highway 50.

BUSINESS DISTRICT POLICIES

It is the intent of this Plan to foster development within the Business District in a manner that is consistent with good urban planning practices, the City's economic development goals and objectives, and all applicable codes and ordinances. The policies as set forth below are established to promote these objectives.

Development Agreements or Other Such Instruments

In order to ensure that development occurs in a manner consistent with this Plan, the City and the Developer are expected to enter into a development agreement or other such instrument that will establish the terms and conditions under which Business District financial incentives are to be provided. Such instruments may establish, among other things:

- the development entity to receive the incentives;

- the public and/or private improvements to be built, and
- identification of the type and amount of project costs to be reimbursed from Business District sales taxes.

The City may enter into multiple development agreements or other such instruments with other developers, if necessary to implement the Business District Plan.

Development Policies

Development within the Business District should occur in a planned fashion. To this end, this Plan provides the following policy guidelines:

- Development should take place in a planned scheme that is consistent with the development guidelines of the City's 2040 Master Plan which is the City's comprehensive plan document.
- To achieve the desired planned development, the Project will be subject to the City's planned development procedures under its zoning ordinance.

Economic Incentives Policies

In order to induce private investment in the Business District, the City may provide certain economic incentives to private parties. In providing such incentives, it is not the policy or intent of the City to create an unfair advantage of one business over a like-kind business. Instead, incentives will be used to help make projects feasible by helping to offset extraordinary project costs associated with constructing the new internal roadway and any other costs permitted in the Business District Law and as cited earlier in this Section.

BUSINESS DISTRICT PROJECT COSTS

The following costs are anticipated to be incurred in implementing the W Hwy 50 Business District. The Business District projects described above may entail a range of public and private activities and associated costs as provided for in Section 11-74.3-5 of the Business District Law, including without limitation the following:

“(1) costs of studies, surveys, development of plans and specifications, implementation and administration of a business district plan, and personnel and professional service costs including architectural, engineering, legal, marketing, financial, planning, or other professional services, provided that no charges for professional services may be based on a percentage of tax revenues received by the municipality;

- (2) *property assembly costs, including but not limited to, acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by that developer or other nongovernmental person;*
- (3) *site preparation costs, including but not limited to clearance, demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements and clearing and grading of land;*
- (4) *costs of installation, repair, construction, reconstruction, extension, or relocation of public streets, public utilities, and other public site improvements within or without the business district which are essential to the preparation of the business district for use in accordance with the business district plan, and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by the developer or nongovernmental person;*
- (5) *costs of renovation, rehabilitation, reconstruction, relocation, repair, or remodeling of any existing buildings, improvements, and fixtures within the business district, and specifically including payments to developers or other nongovernmental persons as reimbursement for costs incurred by those developers or nongovernmental persons;*
- (6) *costs of installation or construction within the business district of buildings, structures, works, streets, improvements, equipment, utilities, or fixtures, and specifically including payments to developers or other nongovernmental persons as reimbursements for such costs incurred by such developer or nongovernmental person;*
- (7) *financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued under this Law that accrues during the estimated period of construction of any development or redevelopment project for which those obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of those obligations; and*
- (8) *relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law."*

The City intends to provide limited economic development assistance through the funding of certain development costs to be incurred by the Developer under the terms and conditions of a separate development agreement in furtherance of the objectives of this Plan. Economic

development assistance may include expenditures for public and private improvements as itemized on **Figure D 1, Estimated Business District Project Costs.**

Description	Estimated Cost
A. Public Works <i>(Street improvements and other public improvements)</i>	\$127,600
B. Property Assembly <i>(Acquisition of land and other real and personal property)</i>	\$255,200
C. Site Preparation	\$0
D. Construction of Buildings and Other Site Improvements	\$510,400
E. Building Renovation, Repair, and Retrofit	\$191,400
F. Planning, Legal, and Professional Services	\$63,800
G. General Administration	\$38,280
H. Relocation Costs	\$38,280
I. Financing Costs	51,040
J. Contingency (10%)	\$127,600
Total Estimated Costs	\$1,403,600

Notes:

1. All costs shown are in 2025 dollars.
2. Adjustments may be made among line items within the budget to reflect program implementation experience.
3. Municipal financing costs such as interest expense, capitalized interest and cost of issuance of obligations are not quantified herein. These costs are subject to prevailing market conditions and will be considered part of the total business district project cost if and when such financing costs are incurred.
4. Private redevelopment costs and investment are in addition to the above.
5. The total estimated business district project costs shall not be increased by more than 5% after adjustment for inflation from the date of the Business District Plan was approved, per subsection 11-74.3-2 (f) of the Business District Law.

Table 1 should not be construed to limit the ability of the City to enter into development agreements, which provide for other costs, additional costs, or a different distribution of these costs among the various line items. Specific limitations on such cost items and any distribution between them will be specified in development agreements by and between the City and any developer(s), property owner, or business tenant.

SOURCES OF FUNDS TO PAY BUSINESS DISTRICT PROJECT COSTS

A portion of the funds necessary to pay for Business District project costs are to be derived from the following Business District Sales Taxes in accordance with Section 11-74.3-3 (10) and (11) of the Business District Law:

"...retailers' occupation tax and a service occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for business

district project costs..." and "...a hotel operators' occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for the business district project costs..."

These taxes are to be imposed at the rates specified below pursuant to the definitions in Section 11-74.3-6 of the Business District Law as follows:

"(b) ...a Business District Retailers' Occupation Tax levied upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, and at retail in the business district at a rate of 1.0% of the gross receipts from the sales made in the course of such business... The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use."

"(c) ...a Business District Service Occupation Tax shall also be imposed upon all persons engaged, in the business district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the business district, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax shall be imposed at the same rate as the Business District Retailers' Occupation Tax, a rate of 1.0% of the selling price of tangible personal property so transferred within the business district, ... The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use."

The City is intending to implement the hotel operators occupation tax within this district. As well, the City shall deposit the proceeds of the above-described retailers occupation tax and the service occupation tax imposed into a special fund of the City named the **"W Highway 50 Business District Tax Allocation Fund"**.

Other sources of funds that may be used to pay the costs of implementation of the Business District objectives include:

- Private capital which is available to the Developer through its own cash reserves or financing entities;
- Improvements funded by third party tenants; and
- Other sources of public financing that may be identified at such a time in the future to fund project costs.

The City may issue obligations secured by the Business District Tax Allocation Fund to provide for the payment of Business District project costs. Those obligations, if so issued, shall be retired in the manner provided in the ordinance authorizing the issuance of those obligations and shall be for a term not later than 20 years after the date of issue or the dissolution date of the Business District, whichever is earlier.

SECTION 4

FINDINGS AND AMENDMENTS TO THE BUSINESS DISTRICT PLAN

ESTABLISHMENT AND TERM OF THE BUSINESS DISTRICT

The establishment of the Business District shall become effective upon adoption of an ordinance by the City Council adopting this Plan. The Business District shall expire in accordance with the provisions of the Business District Law in Section 11-74.3-6 (f) that states:

"When business district project costs, including, without limitation, all obligations paying or reimbursing business district project costs have been paid, any surplus funds then remaining in the Business District Tax Allocation Fund shall be distributed to the municipal treasurer for deposit into the general corporate fund of the municipality. Upon payment of all business district project costs and retirement of all obligations paying or reimbursing business district project costs, but in no event more than 23 years after the date of adoption of the ordinance imposing taxes pursuant to subsection (10) or (11) of Section 11-74.3-3, the municipality shall adopt an ordinance immediately rescinding the taxes imposed pursuant to subsection (10) or (11) of Section 11-74.3-3."

FINDINGS OF THE PLAN

The City hereby finds and determines as follows:

1. This Plan constitutes a specific plan for a business district named the W Hwy 50 and Green Mount Rd Business District in the City of O'Fallon, St. Clair County, Illinois.
2. The designation of the Business District as identified in this Plan and the boundaries thereof delineated on Figure A – W Hwy 50 and Green Mount Rd Business District, and as described by the boundary description contained in the Appendix, will assure opportunities for development and attraction of quality commercial growth to the City.
3. The Business District is contiguous and includes only parcels of real property directly and substantially benefited by this Plan.
4. The City's exercise of the powers provided in the Business District Law is dedicated to the promotion of the public interest and to the enhancement of the tax base of the Business District, and the use of the powers for the development and redevelopment of the

Business District as provided in this Plan is declared to be a public use essential to the public interest of the residents of the City of O'Fallon, St. Clair County, Illinois.

5. The Business District qualifies as a blighted area because the District represents a portion of the City, which by reason of non-existent streets and inadequate traffic signalization, constitutes an economic liability and an economic underutilization of the area.
6. The Business District, on the whole, has not been subject to growth and development through investment by private enterprises and would not reasonably be anticipated to be developed or redeveloped without the adoption of this Business District Plan. The Developer has stated that the projects will not take place absent the establishment of the Business District and using Business District sales tax revenue to reimburse the Developer for the extraordinary costs to develop the Project.
7. The Business District Plan conforms to the City of O'Fallon's July 2022 Future Land Use Map which designated "regional commercial" development for the Business District area. A discussion of the land use recommendations in the City's 2040 Master Plan adopted in February of 2022 contains some specific development guidelines and policies and discusses the included uses for "regional commercial". These include the proposed uses as noted previously in this report.

The plan defines "Regional Commercial areas" as:

"... have higher commercial activity. These areas, such as the Downtown District and along Interstate highway 64, are highly trafficked and attract regional activity. Therefore, concentrating retail development in these areas could result in greater tourism and sales revenue while minimizing impacts on other parts of the City."

These include uses such as:

"Heavy traffic and lighting generators, big box, dealerships, entertainment, fast food and sit-down restaurants, theaters, and outdoor merchandise display"

Therefore, the proposed land uses for the Business are consistent with the latest City comprehensive planning document and development guidelines.

PLAN AMENDMENTS

The procedure for amending this Plan shall also be in conformance with the provisions of the Business District Law.

APPENDIX
ATTACHMENT A
Photographic Evidence

**Deteriorated and Fire Damage-
722 W Hwy 50**



**Deteriorated and Unsafe Conditions-
722 W Hwy 50**



**Deteriorated and Unsafe Conditions-
720 W Hwy 50**



04/11/2025

**Deteriorated and Unsafe Conditions-
720 W Hwy 50**



PCAVPLANNERS

**Deteriorated and Fire Damage –
720 W Hwy 50**



**Deteriorated Driveway-
720 W Hwy 50**



**Deteriorated and Open Dumping –
720 W Hwy 50**



**Deteriorated and Unsafe Conditions –
720 W Hwy 50**



**Deteriorated and Demo Materials –
1614 N Green Mount Rd**



**Deteriorated and Demo Materials –
1614 N Green Mount Rd.**



ATTACHMENT B
Legal Description
W Hwy 50 and Green Mount Business District

A tract of land being part of Lots 1 thru 6 in "GLENN'S ASSESSMENT PLAT as shown on the plat thereof recorded in Assessment Plat Book "1" on Page 20 in the Recorder of Deeds Office for St. Clair County, Illinois, said tract of land also being part of Lots 3 and 4 in the West Half of Section 30 in Township 2 North, Range 7 West of the Third Principal Meridian, and being more particularly described as follows:

Beginning at the intersection of the Easterly right of way line of Green Mount (width varies) Road with the Northerly right of way line of W. Highway (width varies) 50; thence on said Easterly right of way line, North 07 degrees 59 minutes 32 seconds West, 127.49 feet (128.59' record); thence continuing on said Easterly right of way line, North 00 degrees 16 minutes 10 seconds West, 126.85 feet to a point on the North line of aforementioned "GLENN'S ASSESSMENT PLAT"; thence on said North line South 89 degrees 57 minutes 39 seconds East, 657.85 feet, more or less, to the Northeast corner of Lot 6 in said "GLENN'S ASSESSMENT PLAT"; thence on the East line of said Lot 6, South 00 degrees 15 minutes 45 seconds East, 363.23 feet to a point on aforementioned Northerly right of way line of W. Highway (width varies) 50; thence on said Northerly right of way line, North 89 degrees 57 minutes 39 seconds West, 158.17 feet to a point of curvature; thence 499.73 feet on said Northerly right of way line with a curve to the right having a radius of 1,112.92 feet, the chord of which bears North 77 degrees 05 minutes 50 seconds West, a chord distance of 495.54 feet to the Point of Beginning.

Said tract of land herein described being in the City of O'Fallon, St. Clair County, Illinois.