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CITY OF TROY

ORDINANCE NO. 2019 - 13

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**AN ORDINANCE APPROVING AN AMENDMENT TO THE TAX INCREMENT
REDEVELOPMENT PLAN AND PROJECT FOR THE CENTRAL REDEVELOPMENT
PROJECT AREA, OF THE CITY OF TROY, MADISON COUNTY, ILLINOIS**

**ADOPTED BY THE
CITY COUNCIL OF THE
CITY OF TROY, ILLINOIS
THIS 16th DAY OF SEPTEMBER, 2019**

**Published in pamphlet form by the authority of the City Council of the City of Troy,
Madison County, Illinois, this 16th day of September, 2019.**

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ORDINANCE NO. 2019-13

AN ORDINANCE APPROVING AN AMENDMENT TO THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT FOR THE CENTRAL REDEVELOPMENT PROJECT AREA, OF THE CITY OF TROY, MADISON COUNTY, ILLINOIS

WHEREAS, on September 2, 1997, the Mayor and City Council (the “Corporate Authorities”) of the City of Troy, Illinois, in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”), adopted and approved (i) Ordinance No. 1997-46 An Ordinance of the City of Troy, Madison County, Illinois Approving A Tax Increment Redevelopment Plan and Redevelopment Project for the Troy TIF #1; (the “Ordinance”); and

WHEREAS, the Redevelopment Plan established the estimated date of completion of the Redevelopment Plan which date is no later than 23 years from the date of the adoption of the Redevelopment Plan by the City, and of the retirement of obligations incurred to finance redevelopment costs, which is no later than twenty (20) years from the date of issuance and prior to the expiration of the Redevelopment Plan, and the Corporate Authorities made a finding in the Ordinance that such estimated dates were, respectively, August 3, 2020 and August 3, 2020; and

WHEREAS, Section 11-74.4-3(n)(J)(3) of the Act now reads “The redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs. Those dates may not be later than the dates set forth under Section 11-74.4-3.5. A municipality may by municipal ordinance amend an existing redevelopment plan to conform to this paragraph (3) as amended by Public Act 91-478, which municipal ordinance may be adopted without further hearing or notice and without complying with the procedures provided in this Act pertaining to an amendment to or the initial approval of a redevelopment plan and project and designation of a redevelopment project area”; and

WHEREAS, Section 11-74.4-3.5(a) states “Unless otherwise stated in this Section, the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8 of this Act, is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the redevelopment project area was adopted if the ordinance was adopted on or after January 15, 1981”; and

WHEREAS, the Corporate Authorities desire to amend the Redevelopment Plan to conform the Redevelopment Plan to Section 11-74.4-3(n)(J)(3) of the Act, as amended by Public Act 91-478, in accordance with the procedures set forth in amended Section 11-74.4-3(n)(J) (3).

NOW THEREFORE be it ordained by the Mayor and City Council of the City of Troy, Madison County, Illinois, as follows:

Section 1. Recitals. The above recitals are hereby incorporated herein and made a part hereof.

Section 2. Approval of Amendment to the Redevelopment Plan. The City of Troy hereby approves the "Amendment to the Tax Increment Redevelopment Plan and Project for the Central Redevelopment Project Area", (the "Amendment to the Redevelopment Plan") a copy of which is attached hereto as Exhibit A.

Section 3. Transmittal to County Clerk. The Corporate Authorities hereby authorize and direct the City Clerk to send a copy of this Ordinance to the Madison County Clerk in order to inform the County about the additional years that the County Clerk shall collect and disburse tax increment revenues to the City of Troy.

Section 4. Finding. The Corporate Authorities hereby make the finding that the estimated dates of completion of the redevelopment project described in the Redevelopment Plan and of the retirement of obligations issued to finance redevelopment project costs set forth in the Redevelopment Plan, as amended by the Amendment to the Redevelopment Plan, conform to the provisions of Section 11-74.4-3(n) (3) of the Act, as amended Public Act 91-478.

Section 5. Invalidity of Any Section; Severability. If any provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Ordinance, and to that effect all provisions of this Ordinance are deemed severable.

Section 6. Superseder. All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 7. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage.


PASSED by the City Council of the City of Troy, Madison County, Illinois, approved by the Mayor, and deposited in the office of the City Clerk this 16th day of September, 2019.

Those voting aye: Dawson, Hellrung, Henderson, Knall,
Levo, Manley, Turner

Those voting nay: _____

Those absent: Halitano

APPROVED:

By: 

ALLEN P. ADOMITE, Mayor
City of Troy, Illinois

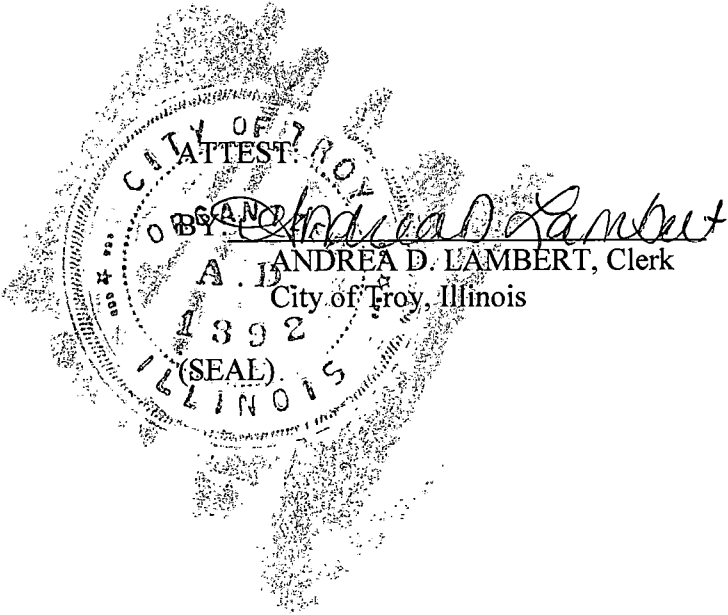


Exhibit A

Amendment to the Tax Increment Redevelopment Plan and Project for the Central
Redevelopment Project Area

G. COMPLETION OF REDEVELOPMENT PROJECT AND RETIREMENT OF OBLIGATIONS TO FINANCE PROJECT COSTS

The estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7 of the Act) are December 31 of the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8 of the Act, is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the redevelopment project area was adopted.

City of Troy, Illinois

Tax Increment Financing Redevelopment Plan

Tom Caraker, Sr. , Mayor

Mary E. Chasteen, City Clerk

Alderpersons

Susan McTaggart

John Evans

Gerald Lanahan

Jeff Soland

Larry Tessaro

Sam Italiano

Charles Burcham

Duane Hughes

Bud Klaustermeier, City Administrator

Heyl, Royster, Voelker & Allen,

Corporation Counsel

**March, 1997, as modified, May 1997; as clarified,
July, 1997**

EXHIBIT

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EXHIBIT IV.A.1	THE PREANNEXATION AGREEMENT FOR THE ANNEXATION OF 177 ACRES, MORE OR LESS OF REAL ESTATE OWNED BY HENRY ROSS, SHIRLEY F. SCHEMMER, MICHAEL NOGA AND ELFRIEDA NOGA, CONTIGUOUS TO THE CITY OF TROY, COUNTY OF MADISON.	
Exhibit IV. A. 2.	City of Troy, Illinois Tax Increment Financing District Boundary Description	

L PREFACE

The 1993 "Growth Management Plan for Troy, Illinois" identified the lack of businesses and retail shopping in Troy. In a community survey, 85% of the residents favored commercial development.

As a part of its goal establishment process, the City identified and adopted the following goals and policies:

- Develop business parks along Interstates 55 and 70 between Illinois State Route 162 and Interstate Route 270 and between United States Route 40 and Illinois State Route 162;

- As a community, actively seek commercial and retail business development;

- Encourage new business start up in the downtown area by providing additional parking, emphasizing historical aspects of the community and promoting beautification and restoration efforts; and,

- Establish a tax increment financing (TIF) district to promote the foregoing goals and provide creative financing for the promotion of private development.

As a result, the City of Troy proposes to establish a Tax Increment Financing Redevelopment Project Area that will be in conformance with its overall economic development and revitalization strategies as set forth in the Growth Management Plan.

Documented herein are the findings that the area qualifies as a conservation area. Thus, a program of public and private actions is proposed to correct the area's problems and facilitate private investment. The City of Troy has therefore initiated this comprehensive and carefully coordinated redevelopment plan in an attempt to address these problems.

This redevelopment plan is not a proposal to substitute public investment for private investment. Rather, public investment incentives will be used to transform the Redevelopment Project Area into a stable environment that will attract private investment. Through public installation of infrastructure improvements, the stage is set for growth and

development of the Redevelopment Project Area with private capital.

To assure that the required public support is forthcoming, the City of Troy proposes, pursuant to the Illinois Tax Increment Allocation Redevelopment Act (the "TIF Act") to adopt a Tax Increment Redevelopment Plan to finance the public costs of redevelopment. Tax Increment Financing must assume the lead role in catalyzing private redevelopment by providing the necessary infrastructure. Through this redevelopment plan, the City can serve as the central force for marshalling the assets and energies of the private sector for unified public-private redevelopment effort.

Because of the magnitude of the public investment required, the City cannot implement the Redevelopment Plan without the use of Tax Increment Financing. Further, the ultimate benefits of the Redevelopment Plan will accrue to all taxing bodies in the form of a significantly expanded tax base, improved public infrastructure, as well as new and expanded business and employment opportunities.

II. INTRODUCTION

A significant portion of the proposed Troy Tax-Increment Financing Redevelopment Project Area has, for a number of years, registered little or no growth and, arguably, has been in a state of decline. This situation is documented by diminished growth in new commercial development, population and deterioration of some properties in the central business district. Although certain development has occurred along Illinois State Route 162, the lack of a coordinated redevelopment plan has resulted in inconsistent growth and a failure to create significant permanent employment opportunities. These factors have led to a reduction in employment opportunities and diminishing physical facilities both from the public and private sectors.

The City of Troy proposes to use the economic implementation vehicle of Tax Increment Financing, as well as other economic development resources to arrest potential further decline in the Troy Redevelopment Project Area and induce the investment of private capital.

The Redevelopment Project Area, overall, has not been subject to substantial economic growth, and the prospect for private investment is uncertain without the adoption of the proposed redevelopment plan. Anticipated private developments include, but are not limited to the development of a major business park on a tract of land fronted by Interstate 55 and approximately bounded by Illinois State Route 162 on the north and United States Route 40 on the south. A contemplated business park could be developed as a multi-use development containing retail and service businesses which are intended as a destination for transient traffic along Interstate Route 55 as well as citizens of Troy and in the immediate vicinity

outside of the City of Troy. Other possible private projects include additional commercial development along Illinois State Route 162, renovation of all types of existing structures within the Troy Redevelopment Project Area, as well as construction of new commercial facilities in the central business providing retail and service businesses for transient traffic, Troy citizens and nearby residents. Private development which proposes the construction of substantial amounts of new housing stock will be specifically discouraged by design of the redevelopment plan and the implementation strategy to avoid the creation of a disproportionate negative impact on taxing bodies whose ad valorem real property tax revenues are frozen by adoption of Tax Increment Financing.

The public improvements that are anticipated for the Redevelopment Project Area include, but are not limited to, street construction and renovation, sidewalks, storm and sanitary sewers, water lines, demolition and site clearance, land acquisition, commercial rehabilitation, residential renovation, as well as landscaping and aesthetic improvements to the primary commercial corridor of City of Troy along Illinois State Route 162 and the central business district of the City. Finally, the City of Troy also proposes a vigorous marketing program in conjunction with the Troy Chamber of Commerce for the Redevelopment Project Area to attract new economic development that will create additional employment for the citizens of the City.

Tax increment financing is permitted by the Illinois Tax Increment Redevelopment Act and sets forth the requirements and procedures for establishing a Redevelopment Project Area. The redevelopment plan documents the qualifications of the area as a "conservation area". The purpose of the redevelopment plan is to provide an instrument that can be used to correct

the blighting conditions in the Redevelopment Project Area. The Redevelopment Plan creates an outline of specific projects, activities, sources of funds, procedures and various other necessary regulations in order to implement Tax Increment Financing in the Troy Redevelopment Project Area, all pursuant to the TIF Act. The adoption and implementation of the Redevelopment Plan is necessary to provide for the development and revitalization of the Redevelopment Project Area.

Coordinated planning is necessary to realize the full development potential of the selected Redevelopment Project Area in a cost-effective and timely manner. Without a comprehensive redevelopment plan to stabilize and preserve the Redevelopment Project Area, blighting conditions may continue to occur and spread. The increased deterioration, in conjunction with decreased assessed valuation, resulting in decreased real property taxes and the reduction in both the work force and employment opportunities will make further demands upon limited public services and revenues.

It is essential the City of Troy's Tax Increment Financing program assume the lead role in catalyzing private redevelopment by eliminating conditions of deferred maintenance, deterioration, inadequate utilities, insufficient land use planning and obsolescence which have been problems in the past. Through this redevelopment plan, the City of Troy can serve as the central force for marshalling the assets and energies of the private sector for unified private-public redevelopment effort.

III. TAX INCREMENT FINANCING

A. INTRODUCTION

Tax Increment Financing is a local funding mechanism created by the "Tax Increment Allocation Redevelopment Act" (the "TIF Act"). The TIF Act, which became effective on January 10, 1977, is recorded in the Illinois Compiled Statutes, 65 ILCS 5/11-74.4 et seq.

Tax increment financing is a technique intended to be used by municipalities to eradicate deteriorated conditions and carry out redevelopment and conservation measures. Thus, Tax Increment Financing is a tool which allows a municipality to institute a redevelopment program which will capture redevelopment costs, those real property taxes derived from the redeveloped property which exceed the real property taxes derived from the property prior to redevelopment.

The concept behind the TIF Act is straight forward and allows a municipality to carry-out redevelopment activities on a local basis. Redevelopment which occurs in a designated Redevelopment Project Area will increase the equalized assessed valuation of the property and, thus, generate increased property tax revenues. This increase or "increment" can be used to finance the project costs, such as land acquisition, site clearance, building rehabilitation and the construction of public infrastructure.

The Illinois General Assembly made various findings in adopting the Tax Increment Allocation Redevelopment Act, among them were:

1. That there exists in many municipalities within the State blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that the presence of blight or conditions which lead to blight is detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the TIF Act specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that redevelopment project areas qualify either as a "blighted area" or as a "conservation area" or as a combination of both blighted areas and conservation areas within the definitions for each set forth in the TIF Act.

B. DEFINITIONS

As used in this Redevelopment Plan and in the Tax Increment Allocation Redevelopment Act, the following items shall mean:

- (1) **"Blighted Area"** any improved or vacant area within the boundaries of the redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of (5) or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused rail yards, rail tracks and railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity of the area, which improvements have been in existence for at least 5

years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed for construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the Redevelopment Project Area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose;

- (2) **"Conservation Area"**, any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of a municipality in which fifty (50) percent or more of the structures in the area have an age of thirty-five years (35) or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout depreciation of physical maintenance; lack of community planning is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area;
- (3) **"Industrial Park"**, means an area in a blighted or conservation area suitable for use by any manufacturing, industrial, research or transportation enterprise, of facilities to include but not be limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, industrial distribution centers, warehouses, repair, overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities, and which area is sufficiently large to accommodate more than one such facility;
- (4) **"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 one and one-half 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 and 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;
- (5) **"Labor Surplus Municipality"**, a municipality in which, at any time during the six months before the municipality by ordinance designates the

Redevelopment Project Area, the unemployment rate was over six percent and was also 100 percent or more of the national average unemployment rate for the same time as published in the United State Department of Labor, Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication;

- (6) **"Municipality"**, a city, village or incorporated town;
- (7) **"Obligations"**, bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations;
- (8) **"Payment in lieu of taxes"**, those estimated tax revenues from real property in a redevelopment project area acquired by a municipality, which according to the redevelopment project or plan is to be used for private use, which taxing districts would have received had a municipality not adopted tax increment allocation financing, and which would result from levies made after time of the adoption of 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;
- (9) **"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;
- (10) **"Redevelopment Project"**, any public and private development project in furtherance of the objectives of the redevelopment plan;
- (11) **"Redevelopment Project Area"**, means an area designated by the municipality, which is not less in the aggregate than one and one-half acres and in respect to which the municipality has made a finding that there exists 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;
- (12) **"Redevelopment Project Costs"**, include the sum total of all reasonable or necessary costs incurred or estimated to be incurred any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, to the following:

- a) **Cost 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, marketing, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected;**
- b) **Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights of interest therein, demolition of buildings, and the clearing and grading of land;**
- c) **Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;**
- d) **Cost of construction of public works or improvements;**
- e) **Cost of job training and retraining projects;**
- f) **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 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (36) months thereafter, and including reasonable reserves related thereto;**
- g) **All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;**
- h) **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;**
- i) **Payments in lieu of taxes consisting of those estimated tax revenues from real property in a Redevelopment Project Area 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 adopted tax increment allocation financing and which would result from levies made after the time of the adoption of tax increment allocation financing to the time the current equalized-value of real property in the project area exceeds the total initial equalized value**

of real property in said area;

- j) **Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project. Such payments in any one year may not exceed 30% of such annual interest costs and the total of such interest payments may not exceed 30% of the total redevelopment project costs, excluding any property assembly costs and relocation costs incurred pursuant to the Tax Increment Allocation Redevelopment Act.**
- (13) **"Taxing Districts", counties, townships, cities and incorporated towns and villages, school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservation, tuberculosis sanitarium and any other municipal corporations or districts with the power to levy taxes;**
- (14) **"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; and**
- (15) **"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 five years prior to the designation of the Redevelopment Project Area, unless such parcel is included in an industrial park conservation area or such parcel has been subdivided.**

IV. REDEVELOPMENT PROJECT AREA

A. Boundary Delineation

There are a number of factors that need to be taken into consideration when establishing the boundary of a Tax Increment Financing Redevelopment Project Area. The administration of the City of Troy has established planning guidelines and standards herein that have been followed in the delineation of the Redevelopment Project Area boundary, as well as in the preparation of this redevelopment plan. In many cases these standards and guidelines exceed those minimums established by the Tax Increment Allocation Redevelopment Act.

There was conducted by the Southwestern Illinois Planning Commission and special counsel to the City extensive field investigation, interviews with City officials as well as with private developers and other representatives of private enterprise. Based upon these investigations and interviews, requirements for establishing the boundaries of the Redevelopment Project Area were determined.

Properties to be annexed prior to adoption of the Redevelopment Plan are subject to Preannexation Agreement. Those Agreements are contained as Exhibit 4.A.1.

The legal description of the boundaries of the Troy Tax Increment Financing Redevelopment Project Area is presented in Exhibit 4.A.2. The boundaries that have been drawn are sound and logical, consistent with the TIF Act public programs for the eliminating of blighted areas and/or preventing blight from occurring.

B. Program Requirements/Findings

The following findings have been made with respect to establishing the Troy

Redevelopment Project Area:

1. The Redevelopment Project Area meets the requirements of the statute as a blighted area. Further, the factors are present to a meaningful extent and are reasonably distributed throughout the area.
2. The Redevelopment Project Area exceeds the minimum size of one and a half acres.
3. The Redevelopment Project Area is contiguous, contained within a single perimeter boundary.
4. All properties included in the Redevelopment Project Area will substantially benefit from being included in the area.
5. The Redevelopment Plan is consistent with the Comprehensive Plan for the community.
6. The Redevelopment Project Area has not been subject to growth in private investment and is not likely to do so without the adoption of this Redevelopment Plan.
7. There will be a commitment to fair employment practices by any and all recipients of Tax Increment Financing assistance. Each recipient of Tax Increment Financing assistance will be required to adhere to fair employment practices in the conduct of their business and in any redevelopment activities in which they may become involved within the Redevelopment Project Area.

V. BASIS FOR REDEVELOPMENT

A. INTRODUCTION

A Redevelopment Project Area according to the Tax Increment Allocation Redevelopment Act is that area designated by a municipality (city, village or incorporated town) in which the finding is made that there exists conditions which cause the area to be classified as a blighted area, conservation area, or industrial park conservation area. The criteria and the individual factors that are employed in pursuing the evaluation of the physical conditions in the area under investigation were based on applicable regulations.

B. ELIGIBILITY OF A CONSERVATION AREA

To qualify as a "Conservation Area", it must be shown that 50 percent or more of the structures in the area have an age of 35 years or more and that there is a combination of three or more of the following ten factors, as contained in the TIF Act as noted in the definitions hereof.

- Dilapidation
- Obsolescence
- Deterioration
- Presence of structures below minimum code standards
- Abandonment
- Excessive vacancies
- Excessive land coverage
- Deleterious land-use or lay-out
- Depreciation of physical maintenance
- Lack of community planning

The eligibility of the Redevelopment Project Area is based on the conditions of the area as a whole, not on an area by area, parcel by parcel or structure by structure basis. Thus, the presence of the minimum number of stated factors may be sufficient to make a finding that an area is a "Blighted Area" or "Conservation Area". Although not a statutory

requirement, it was found that the factors are present to a meaningful extent and further the factors are reasonably distributed throughout the Redevelopment Project Area.

C. ELIGIBILITY OF A BLIGHTED AREA (UNDEVELOPED AREA)

There are certain requirements that must be met before undeveloped land can be included in a Redevelopment Project Area, one of which is that the area must meet the qualifications of being "vacant" land.

"Vacant land" means 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 a Redevelopment Project Area, unless such parcel is included in an industrial park conservation area or such parcel has been subdivided [Chapter 24, Section 11-74.4-3(v)].

Once undeveloped land meets the definitions of being vacant, it then, in order to fully qualify, must meet the TIF Act's other requirements. This includes a finding that the sound growth of the taxing districts is impaired by a combination of two or more of the following factors:

1. Obsolete platting of the vacant land;
2. Diversity of ownership of such land;
3. Tax and special assessment delinquencies on such land;
4. Flooding on all or part of such vacant land;
5. Deterioration of structures or site improvements in neighboring area adjoined to the vacant land.

-or-

Alternatively, the vacant property qualifies if one or more of the following factors is

presented:

1. The area which immediately prior to becoming vacant qualified as a blighted improved area; or
2. The area consists of an unused quarry or unused quarries; or
3. The area consists of unused rail yards, rail tracks or railroad rights-of-way; or
4. The area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in the vicinity of the Redevelopment Project Area which improvements have been in existence for at least five years; or
5. The area consists of an unused disposal site, containing earth, stone, building debris or similar materials, which were removed from construction demolition excavation of dredge site; or
6. The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the Redevelopment Project Area.

D. INVESTIGATION AND ANALYSIS OF BLIGHTING FACTORS

A qualitative and quantitative investigation of the existence of the 10 blighting factors, in addition to the existence of structures that are thirty-five years of age or more was performed along with a statistical analysis. This data was supplemented by information provided by officials of the City of Troy, private business and others. The results of this investigation and evaluation of the redevelopment area for each of the blighting factors that were determined to exist is hereafter documented.

1. Analysis Of An Improved Area

The Redevelopment Project Area consists of a total of 165 properties (parcels) which contain approximately 140 structures. There was undertaken by the Southwestern Illinois

Planning Commission an examination and evaluation of each property and/or structure in the Redevelopment Project Area to determine the presence of the individual blighting factors. The specific conditions that were determined to exist at the time of the field investigation in 1996 by the Southwestern Illinois Planning Commission, as they relate to each blighting factor is summarized in the following analysis.

AGE OF STRUCTURE

The age of structures is a key factor in the evaluation of the physical conditions in the area. Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be ideally suited for modern-day uses meeting contemporary space and development standards.

Summary of Finding

The Redevelopment Project Area contains a total of 129 structures of which 58 percent or 75 structures are thirty-five years of age or older as determined by field surveys made by the Southwestern Illinois Planning Commission.

The Redevelopment Project Area, as well as adjacent areas is characterized as an area that contains a high percentage of older structures and are in need of repair. The geographical distribution of the structures that are thirty-five (25) years old or more is widespread throughout the Redevelopment Project Area.

DILAPIDATION

Dilapidation refers to an "advanced" state of disrepair of buildings or improvements or the neglect of necessary repairs, suffering the building or improvements to fall into a state of decay. Dilapidation is a factor based upon the documented presence and reasonable distribution of the buildings and improvements that are in an advanced state of disrepair.

At a minimum, dilapidated buildings are those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting and plumbing), and secondary

structural components in such combination and extent the (a) major repair is required or, (b) the defects are so serious and so extensive that the buildings must be removed.

Summary of Findings

The field survey of blighting factors conducted by Southwestern Illinois Planning Commission did not test for the existence of dilapidated structures in the Redevelopment Project Area. However, City of Troy officials have provided information indicating that a minimal number of structures within the Redevelopment Project Area are in a state of disrepair which would qualify as dilapidated. Notwithstanding these observations, dilapidation is not considered to be a qualification factor which is relied upon in qualifying the Redevelopment Project Area pursuant to the TIF Act.

OBSOLESCENCE

An obsolete building or improvement is one which is no longer used. An obsolescent building or improvement is one which is becoming obsolete or going out of use -- not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse.

Functional Obsolescence

Functional obsolescence is due to design features in the structures, such as high ceilings, inefficient use of upper floor space, undesirable floor space, inadequate ingress and egress to ground and upper floors, inadequate storage spaces, utility deficiencies, freight inaccessibility and loading deficiencies, and handicapped inaccessibility. The structures need rehabilitation or removal to provide for more modern functional and economical than in the original design.

Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

Obsolete Platting

Obsolete platting would include parcels of limited or narrow size and configuration or 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. Platting that created inadequate row widths for streets, alleys and other public, row's or which omitted easements for public utilities, should also be considered obsolete.

Obsolete Site Improvements

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curb and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capabilities, outdated design, etc.

Summary of Findings

Obsolete platting is found to exist in all parcels of land within the Redevelopment Project Area from Riggins Street on the west to the eastern boundary of the district. Numerous lots contained within this portion of the district particularly those along Parkside Drive, Diana Street and in the central business district are of irregular size and shape that create difficulty of development in a planned basis and in a manner compatible with contemporary standards and requirements.

In addition, obsolete site improvements are found to occur in the same area. For example, obsolete improvements include open drainage ditches along street frontages caused by obsolete construction of streets without enclosed storm sewers, curbs and gutters. Certain areas in or adjacent to the Redevelopment Project Area are without sidewalks. Observations of these conditions are on the basis of field inspections in 1996 by City of Troy officials.

DETERIORATION

Deterioration refers to any physical deficiencies or disrepair of structures and/or site improvements requiring treatment or repair.

Structures

While deterioration may be evident in basically sound structures, e.g., lack of painting, loose or missing materials, or holes and cracks over limited areas, such deterioration can be corrected through normal maintenance.

Deterioration which is not easily correctable in the course of normal maintenance may also be evident in buildings. Such buildings may be

classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

Surface Improvements

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration; surface cracking, crumbling, potholes, depressions, loose paving materials, weeds protruding through the surface, etc.

Summary of Findings

The property field survey did not empirically test those structures subject to structure deterioration. However, interviews with City of Troy officials indicates that surface improvements within the Redevelopment Project Area suffer from deterioration which requires maintenance and, in some cases, reconstruction of streets, alleys, curbs, gutters, and sidewalks.

PRESENCE OF STRUCTURES BELOW CURRENT MINIMUM CODE STANDARDS

The presence of structures below minimum code standards of the City of Troy includes all structures which do not meet the current standards of zoning, subdivision, building, housing property maintenance, fire or other City codes applicable to the property. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

Summary of Findings

Individual technical code inspections were not conducted on structures within the district. However, substantial portions of structures within the central business district area of the TIF district were originally constructed prior to the adoption of technical codes for their construction. It is therefore presumed that the majority of the structures within the Redevelopment Project Area do not meet the current standards of fire and other technical building codes applicable within the City.

EXCESSIVE VACANCIES

Excessive vacancies refer to the presence of structures which are unoccupied or underutilized in a high percentage (50 or more) of the total floor space and

which represents an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort toward their occupancy or utilization and vacancies within structures.

Summary of Findings

No empirical testing within the Redevelopment Project Area was performed to determine the existence of excessive vacancies.

INADEQUATE UTILITIES

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electric service which may be shown to be inadequate.

Inadequate utilities would including those which are (a) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas, (b) deteriorated antiquated, obsolete, or in disrepair or (c) lacking.

Summary of Findings

As a part of its survey, Southwestern Illinois Planning Commission reviewed engineering reports prepared for the City of Troy which demonstrate the insufficiency of sanitary sewer facilities requiring the construction of additional facilities along Collinsville Road and the increase in capacity of other elements of the sanitary sewer system of the City. In addition, the portion of the Redevelopment Project Area west of Riggins Street has no utilities within the overwhelming portion of the land area thereby preventing adequate drainage because of a lack of storm sewers and storm drainage and an inability to construct any development because of a lack of water, electric, gas, telephone and telecommunications service.

ABANDONMENT

Abandonment includes buildings that have been abandoned from the original designed use or they have been vacant for a period of 12 months or more.

Summary of Findings

No empirical testing was performed as a part of the field survey to determine the existence of abandonment within the Redevelopment Project Area.

EXCESSIVE LAND COVERAGE

Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions including buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect also on nearby development.

Summary of Findings

The central business district portion of the Redevelopment Project Area particularly along Market, Charter and Main Street exhibits characteristics of excessive land coverage as evidenced by the lack of appropriate access onto public right-of-ways and the absence of public or private off-street parking. Land uses abutting Illinois State Route 162 and Formosa Road which have been developed which create parcels of inadequate shape in relation to present-day standards of development and by creating isolated tracts of land made unsuitable for development as a result of denial of access from a major thoroughfare.

DELETERIOUS LAND USE OR LAYOUT

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

Summary of Findings

The aforementioned area is not only denied access as a result of excessive land coverage but is also adversely impacted as a result of abutting land uses and layouts not included within the Redevelopment Project Area. Retail and commercial uses existing along the southern edge of Illinois State Route 162 from Formosa Road to Riggins Street isolate property to the south included in the Redevelopment Project Area from an appropriate use or uses.

DEPRECIATION OF PHYSICAL MAINTENANCE

This factor considers the effects of deferred maintenance and the lack of

maintenance of buildings, improvements and grounds comprising the proposed redevelopment area.

Site Improvements

Front yards, side-yards, back yards and vacant parcels; accumulation of trash and debris; broken sidewalks; lack of vegetation; lack of paving and dust control; potholes, standing water; fences in disrepair; lack of mowing and pruning of vegetation, etc.

Streets, Alleys and Parking Areas

Streets, alleys and parking areas: potholes, broken-up or crumbling surfaces; broken curbs and/or gutters; areas of loose or missing materials; standing water, etc.

Utilities

Deteriorated storm drainage facilities (e.g., open channels, curbs and gutters), inadequate water pressure, water storage and deteriorated storage facilities.

Summary of Findings

The large majority of the Redevelopment Project Area exhibits characteristics that reflect a depreciation in physical maintenance.

These are characteristics in building and site deterioration and obsolescence, as well as streets, alleys, sidewalks, curbs and storm drainage improvements, and water facilities that need resurfacing, replacement and new construction. Nearly all the properties are impacted to some degree by a decline in physical maintenance based on field observations. A majority of the streets and alleys need to be rebuilt due to inadequate roadway structure and width. An upgraded sidewalk system is needed to provide a safe pedestrian circulation system in the Redevelopment Area.

LACK OF COMMUNITY PLANNING

The lack of, or inadequate community planning at the time the Redevelopment Project Area was originally developed can result in obstacles to redevelopment. Thus, if no community plan existed or it was considered inadequate, and/or virtually ignored during the time of the area's development. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight analysis.

Summary of Findings

Prior to the 1970s there was no evidence of any formally adopted plans by the City of Troy. The western portion of the TIF district (west of Riggins Street) has been under planning control of Madison County. The County's plan for development has not been updated in over 25 years. The central business district portion of the Redevelopment Project Area is characterized by inappropriate lot sizes for commercial development and poor street layout. The western portion of the TIF district (largely undeveloped) is characterized by lack of access into the property and lack of utilities.

E. SUMMARY OF BLIGHTING FACTOR ANALYSIS

As required by the statute, more than 50 percent of the structures within the district are at least thirty-five years of age or more. In addition, substantially more than three of the blighting factors are determined to exist within the district. As a result, the Redevelopment Project Area as a whole qualifies as a "Conservation Area" as defined by the TIF Act.

F. FINDINGS OF NEED FOR TAX INCREMENT FINANCING

The preceding two sections determine that the Redevelopment Project Area as a whole is a conservation area. However, the TIF Act states that no redevelopment plan shall be adopted without meeting the following four requirements.

1. The Redevelopment Project Area is not subject to growth.

The existence of a majority of the structures having an age of thirty-five years or more along with a substantial tract of land within the Redevelopment Project Area remaining undeveloped indicates that little, if any, growth has occurred within the central business district portion of the Redevelopment Project Area and that no new development has occurred in the western portion of the area designated as a Redevelopment Project Area. The existence of numerous other blighting factors in addition to age all contribute to the failure of this area to develop. Although new retail businesses have developed along Illinois State Route 162,

the areas included within the Redevelopment Project Area have not benefited from this growth as a result of the existence of the blighting factors. This overall decline in economic activity and private investment coupled with the cumulative force of the factors described above may transform the Redevelopment Project Area from a conservation area to a blighted area of serious decay and dilapidation (particularly in the central business district portion) unless corrective actions are taken in the near future.

Proposed private redevelopment projects are contingent upon adoption of a Redevelopment Project Area and redevelopment plan because there is little likelihood that the necessary financial resources required to make the necessary public improvements to serve the development sites in the absence of tax increment financing funds can be raised. Without participation and assistance by the public sector, private investment will not take place in the Redevelopment Project Area as a whole; the tax base will further erode; and, the health, safety and welfare of the public within the Redevelopment Project Area will be impaired.

Most recently, a proposed developer of a substantial portion of the tract of land abutting Formosa Road withdrew its proposal for redevelopment of the area in the absence of assistance and incentives for the attraction of new private enterprise to the City.

2. The Redevelopment Plan Must Conform With the City's Comprehensive Plan.

A previously adopted comprehensive plan for the City of Troy proposes continuing commercial development within the Redevelopment Project Area. Currently the City's Plan Commission is updating the growth management plan. It is the determination of the officials of the City of Troy that the redevelopment plan is presented herein generally conforms to the existing comprehensive plan, the existing growth management plan, the City's Zoning

Ordinance and subdivision code in terms of residential, public and commercial land uses.

3. The Redevelopment Plan Must Estimate The Dates Of Completion Of The Redevelopment Projects.

Obligations incurred, if any, to finance the improvements discussed as a part of the redevelopment plan will be repaid by increments of ad valorem real property taxes collected over an estimated period of approximately 20 years from the date of adoption of the Ordinance approving the redevelopment plan. Contractual obligations of the City as the administrator of the Redevelopment Project Area may vary in length, however, the estimated date for the completion of all projects initiated pursuant to the redevelopment plan shall be no later than 23 years from the date of adoption of the redevelopment plan by the City.

4. The Redevelopment Project Area Would Not Be Developed But For Tax Increment Financing.

The City Council has found that the Redevelopment Project Area would not reasonably be developed without the use of tax increment revenues, and that such incremental revenues will be exclusively utilized for the development of the Redevelopment Project Area. Underscoring the economic need for municipal financial assistance in the form of tax increment financing is the fact that without the City's commitment to provide such municipal financial assistance, there will not be commitment for private investment and redevelopment. This assertion is best illustrated by the submission and subsequent withdrawal of the redevelopment plan for Troy Junction Centre of Lincoln Land Development of Springfield, Illinois.

G. FINDINGS AND CONCLUSION

The Redevelopment Project Area shall be designated as a "Conservation Area" as

defined by the Tax Increment Allocation Redevelopment Act. The Redevelopment Project Area exhibits blighting factors contained in Chapter 24, Section 11-74.4-3 of the Illinois State Statutes. By definition, "Conservation Area" means:

"any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of a municipality in which fifty (50) percent or more of the structures in the area have an age of thirty-five (35) or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies, overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area".

V. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The City of Troy hereby establishes the following goals and objectives for the Redevelopment Project Area. These goals and objectives are consistent with the Subdivision Code, Zoning Ordinance, Growth Management Plan and Comprehensive Plan of the City as each exists at the time of the publication of the Redevelopment Plan. These goals and objectives shall be modified by the City Council of the City of Troy as each or any of the foregoing are amended. The Redevelopment Plan and Redevelopment Project Area is consistent with the Comprehensive Plan and Growth Management Plan for the development of the City of Troy as a whole.

A. GENERAL CITY GOALS

The goals of the Redevelopment Project Area of the City of Troy are:

1. To preserve and improve the tax and employment base of the City;
2. To preserve and revitalize the Central Business District Area within the Redevelopment Project Area as a viable commercial area;
3. To establish an additional area for commercial and business development within the municipality utilizing the unique geographic positioning of the City of Troy adjacent to Interstate Routes 70 and 55, Illinois State Route 162 and United States Route 40;
4. To encourage re-use of existing dormant properties within the Redevelopment Project Area;
5. To upgrade the utility and transportation systems within the Redevelopment Project Area;
6. Insofar as possible, to administer the TIF in a manner that will impact positively on other taxing bodies;
7. To upgrade the overall physical appearance of the Redevelopment Project Area and the properties contained therein;

8. To encourage the development and/or redevelopment of property for retail, commercial and mixed uses.

B. SPECIFIC CITY OBJECTIVES

The specific objectives of the City of Troy in designating the Redevelopment Project

Area and publishing the Redevelopment Plan are:

1. To establish a high volume retail and commercial area for the City of Troy by developing a concentration of modern commercial, business and retail properties adjacent to Illinois Route 162, Formosa Road and United States Route 40;
2. To preserve the core business, retail and commercial uses of the Central Business District Area of the City of Troy without harming the historic character of the structures, facilities and public areas of said district;
3. To provide adequate, safe and sound infrastructure to support the development of the retail, business and commercial areas;
4. To eliminate both the appearance and reality of blighted conditions and economic and functional obsolescence of structures within the Redevelopment Project Area; and,
5. To upgrade and expand, where necessary, the streets, sewer and water systems available to the Redevelopment Project Area and to the City as a whole.

VI REDEVELOPMENT PLAN

A. INTRODUCTION

This section presents the Redevelopment Plan for the City of Troy Redevelopment Project Area. Pursuant to the Tax Increment Allocation Redevelopment Act, when the finding is made that an area qualifies as either a Conservation, Blighted or Industrial Park Conservation Area, there shall be prepared a Redevelopment Plan. A Redevelopment Plan is defined in the Act as a 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 qualify 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.

B. REDEVELOPMENT PLAN AND PROJECT OBJECTIVES

The City of Troy proposes to realize its goals and objectives through the use of public finance techniques including, but not limited to, tax increment financing:

1. By implementing a plan that provides for the financing of those eligible Redevelopment Project Costs of prospective developers necessary to stimulate the further development of the retail, commercial and business base of the City. Such development will occur as the result of private development projects, some of which will be constructed in response to the availability of Tax Increment Financing incentives;
2. By constructing public improvements necessitated by private development projects or otherwise needed to serve the Redevelopment Project Area, including:
 - a) Street improvements (including new street construction and widening and reconstruction of current streets);

- b) Utility improvements (including, but not limited to, water, storm water management and sanitary sewer projects within the Redevelopment Project Area);
 - c) Signalization and traffic control device installation on thoroughfares within the City necessary to enhance the efficient and safe movement of traffic within the City;
 - d) The provision of additional off-street parking in the central business district and as necessary to service new developments located within the City;
 - e) Street-scaping, landscaping and aesthetic beautification of public areas within the Redevelopment Project Area and the City;
 - f) Other public structures as necessitated by the development generated within the Redevelopment Project Area; and,
 - g) Providing for the capital needs of effected taxing bodies generated by the tax increment development projects located within the Redevelopment Project Area.
3. By entering into redevelopment agreements with developers for qualified redevelopment projects. Such agreements will utilize incentives authorized by the real property Tax Increment Allocation Act to entice private development into the City.

C. PROPOSED GENERAL LAND USE PLAN

The proposed general land use plan for the Troy Redevelopment Project Area shall be consistent with the comprehensive plan of the City of Troy and the Growth Management Plan as both now exist or hereinafter may be amended.

All Redevelopment Projects shall be subject to the provisions of the City of Troy's Zoning and Subdivision Ordinances and other applicable technical codes (building, electrical, fire and occupancy) as may be in existence and as may be amended from time to time.

The City of Troy proposes to realize its goals of conservation of desirable features in the Redevelopment Project Area while eliminating the conditions of blight and other

deficiencies. The City will, thereby, be encouraging private investment in new commercial, industrial, business, retail and public facilities through the utilization of Tax Increment Financing.

The City of Troy proposes to undertake a Redevelopment Plan which consists of planned economic development activities, sound physical policies, marketable land uses and public and private activities.

D. POLICIES OF REDEVELOPMENT PLAN

1. The City of Troy may provide assistance for site acquisition and control as needed to enhance redevelopment projects, including the acquisition of property and dedication of land for public street right-of-way.
2. Economic development programs, as well as loans and grants from the State of Illinois to assist redevelopment projects, may be pursued by the City as needed to provide financial feasibility for development.
3. The City will provide appropriate utilities, public works, site improvements and street and road developments which are necessary to encourage private investment and development in the Redevelopment Project Area.
4. Financial assistance for the redevelopment and enhancement of existing residential and commercial properties in conformance with the Redevelopment Plan will be provided by the City.
5. Relocation assistance will be provided by the City, as may be necessary in order to enhance the probability of additional private investment and development within the City.

E. REDEVELOPMENT PROJECTS

To achieve the objectives proposed in the redevelopment plan for the redevelopment project area, a substantial number of projects must be undertaken. An essential element of the redevelopment plan is a combination of private developments, as well as public investments and infrastructure improvements as indicated in the estimated Redevelopment

Project Costs, shown hereafter as Table 2. These projects may include, but are not restricted to, the following:

1. Private Redevelopment Project Activity

To achieve a total Redevelopment Plan, many projects may be employed. Thus, a combination of private investments and public improvements is an essential element of the Redevelopment Plan. The private projects that are proposed for the Redevelopment Project Area include development of a high volume business and retail commercial center along Illinois State Route 162, Formosa Road and United States Route 40. In addition, projects will be undertaken to preserve existing businesses within the Redevelopment Project Area along Illinois State Route 162 and within the central business district of the Redevelopment Project Area. Finally, to preserve, rehabilitate and improve existing housing stock within the Redevelopment Project Area. The exact design, scope, timing, implementation and funding strategy of each such project shall be determined on an individual basis by the City Council of the City of Troy.

2. Public Redevelopment Project Activities

Public projects will be used to serve and complement private investment. These projects may include, but are not limited to, street improvements, sidewalks, land assembly (i.e., acquisition and demolition) site preparation, installation of storm sewers, water mains, electrical facilities, signalization, traffic control devices and street lighting, as well as other programs of financial assistance to develop public infrastructure and facilities of the City of Troy and of other school districts and units of local government whose jurisdiction co-exists within the Redevelopment Project Area. Thus, to achieve the objectives of the redevelopment

plan, the City of Troy may undertake construction of the following public improvements:

1. Street and roadway construction and related signalization, resurfacing, reconstruction, pavement removal and repair;
2. Curb and gutter construction and/or replacement;
3. Traffic signalization and traffic control device construction and/or replacement;
4. Street lighting replacement or upgrading;
5. Storm sewer and related drainage facility construction, repair and/or replacement;
6. Sidewalk construction, replacement and/or repair;
7. Water main, trunk, line and appliance construction, repair and/or replacement;
8. Street-scaping and landscaping of streets, entry of traffic islands, including signs on public rights-of-way;
9. Land acquisition, demolition and site clearance; and,
10. Site grading for land development capabilities and storm water drainage.

VII. IMPLEMENTATION STRATEGY

The development of and the carrying out of a well-devised implementation strategy is a key element in the success of the City of Troy Redevelopment Project Area. Thus, in order to maximize program efficiency and to take advantage of current conservation redevelopment actions and with full consideration of available funds, a phased implementation strategy will be employed. However, to achieve a total redevelopment plan, a number of projects will need to be undertaken. Thus, a combination of private investments and public improvements is an essential element of the redevelopment plan.

A. PRIORITIES FOR PUBLIC ACTIONS

The City of Troy anticipates undertaking the following activities.

1. Adoption of redevelopment plan.
2. Initiate a business and commercial rehabilitation assistance program.
3. Provide a marketing and site development design program to entice new economic development.
4. Construction of streets and public utilities (e.g., water and storm drainage) for new economic development.
5. Demolition and site preparation for new economic development, including any necessary land acquisition of property.
6. Undertake the various public improvements including street improvements, alleys, sidewalks, lighting, parking, and other similar improvements in the Redevelopment Project Area. Public improvements will be coordinated with the time and completion of private development projects.
7. Provide redevelopment subsidies to developers.

B. ESTIMATED REDEVELOPMENT PROJECT COSTS

1. The City of Troy may include as Redevelopment Project Costs all reasonable

costs incurred or estimated to be incurred and any costs which are incidental to redevelopment projects and the Redevelopment Plan.

Such costs include, without limitation to, 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 marketing, financial, planning or other services.
- b. Property acquisition and preparation costs, including but not limited to demolition of buildings and the clearing and grading of land.
- c. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures.
- d. Cost of construction or public works or improvements.
- e. Cost of job training and retraining.
- f. 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 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (36) months thereafter, and including reasonable reserves related thereto.
- g. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs.
- h. 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.
- i. Payments in lieu of taxes.
- j. Interest cost incurred by a developer or redeveloper related to the construction, renovation or rehabilitation of a redevelopment project. Such payments in any one year may not exceed 30% of such annual interest costs and relocation costs incurred pursuant to the Tax Increment Allocation Redevelopment Act.

The estimated total cost associated with the eligible redevelopment projects described, herein, is presented in Table Two. Any bonds issued shall have a life of not more than 20 years. This estimate includes all reasonable or necessary costs incurred or estimated to be incurred in the implementation of the redevelopment plan. These estimated costs are subject to refinement as specific plans and designs are finalized.

VILB.2. TAXING DISTRICT CAPITAL COST ASSISTANCE

Of the numerous legislative policies expressed in the Act, the Legislature has authorized municipalities adopting tax increment financing to provide assistance with capital costs to taxing districts who are affected by the creation of a Tax Increment Financing District and implementation of tax increment financing. The City of Troy believes that the nature of the redevelopment undertaken strongly warrants providing for such assistance to those taxing bodies who may be affected. As a result, taxing bodies affected by the implementation of the Tax Increment Financing District will be encouraged to apply to the City Council of the City for assistance with capital costs (as defined in the Act) that arise as a direct and proximate result of the implementation of the Redevelopment Plan and tax increment financing.

Those taxing districts seeking such assistance will be encouraged to provide a written document to the City detailing those capital costs with which assistance is sought and an explanation as to how those costs are a direct and proximate result of the implementation of tax increment financing. All requests for such assistance will be submitted to the City Council for its review. Those requests for assistance with capital costs which are approved by the City Council will be memorialized in an Intergovernmental Agreement between the

City of Troy and the affected taxing body which shall, at a minimum, delineate the capital costs which are paid from tax increment financing funds, an explanation of how the need for such funds is a direct and proximate result of adoption of the Redevelopment Plan and implementation of tax increment financing and such other matters as the City Council and the affected taxing district may deem necessary or appropriate to such an agreement.

The City of Troy will not at any time seek assistance for the payment of such costs from any other affected taxing body. However, the City reserves the right to provide for payment of such capital costs through application for and receipt of grants, loans or other financial assistance from units of government other than the affected taxing districts.

VILB.3. DISTRIBUTION OF SURPLUS INCREMENTAL FUNDS

Of the general City goals enumerated as a part of this Plan, the City seeks to administer a Tax Increment Financing District in a manner that will assist, rather than hinder, other taxing bodies. It is clear that not all adverse effects resulting to other taxing districts can be eliminated, however, the City seeks to distribute a portion of the funds which are unnecessary for Redevelopment Project activities. Distribution of unnecessary funds as Payments in Lieu of Taxes as provided for in the Act discourages unnecessary retention of incremental funds and, can in fact, encourage disposition of redevelopment obligations at an earlier time thereby permitting termination of the District prior to the statutory maximum.

For the purposes of this Section, the following definitions apply:

"Redevelopment Plan Year" shall mean a period of one year commencing on the date of adoption of tax increment financing and ending on the preceding date in the subsequent year and on the anniversary date of each year thereafter until the statutory expiration of the Plan or termination of the Plan by action of

the City Council of the City of Troy, whichever occurs earlier.

"Incremental Revenues" shall mean those revenues deposited into the special tax allocation fund as calculated pursuant to 65 ILCS 5/11-74.4-8(b).

"Surplus Funds" shall mean those incremental funds which are not pledged as security for the payment of obligations issued pursuant to the Tax Increment Allocation Redevelopment Act nor subject to contractual obligations of the municipality for redevelopment activities authorized by redevelopment projects and contracts approved by the City Council of the City of Troy or redevelopment programs authorized by Ordinance by the City Council of the City of Troy.

Commencing at the end of the third Plan Year, the City of Troy shall, within 90 days of the end of the Plan Year, calculate the amount of Surplus Funds available in the Special Tax Allocation Fund generated during the immediately concluded Plan Year. The City of Troy shall then direct the Municipal Treasurer to pay 50% of the said Surplus Funds generated in the immediately concluded plan year to the affected taxing districts, such payments to be paid to the taxing districts in the same proportion as the most recent distribution by the County Collector to the affected taxing districts of real property taxes from taxable real property in the Redevelopment Project Area.

TABLE TWO

ESTIMATED REDEVELOPMENT PROJECT COSTS *

A.	<u>Property Assembly</u> (acquisition, demolition, site clearance, and grading relocation, etc.)	\$500,000
B.	<u>Public Works or Improvements</u> (construction of streets, sidewalks, storm sewers, water and electric utilities, traffic controls, etc.)	\$15,000,000
C.	<u>Program Administration</u>	\$600,000
D.	<u>Professional Services</u> (planning, legal, engineering, architectural, financial, marketing, or other services)	\$300,000
E.	<u>Subsidies to Developers</u>	\$5,000,000
F.	<u>Rehabilitation of Existing Buildings</u> (rehabilitation, reconstruction, repair or remodeling of existing buildings and fixtures)	\$2,500,000
G.	<u>Contingency</u> (necessary and related, costs of financing, cost overruns, capitalized interest, etc.)	\$1,100,000
		<hr/>
		\$25,000,000

*Cost may be allocated among these line items or may be used for any other project cost as permitted by the Act.

C. MOST RECENT EQUALIZED ASSESSED VALUATION

The total equalized assessed valuation for the City of Troy Tax Increment Redevelopment Project Area has been estimated at approximately \$2,770,000. This figure will be verified by the County Clerk of Madison County.

D. REDEVELOPMENT VALUATION

Thus, contingent on the adoption of this Tax Increment Redevelopment Plan and commitment by the City to the Redevelopment Program, it is anticipated that several major private developments may occur within the Redevelopment Project Area designated.

The private redevelopment investment in this Redevelopment Project Area is expected to increase the assessed tax valuation from \$35,000,000 to \$38,000,000 upon completion of the private projects.

E. SOURCE OF FUNDS

The source of funds to pay for redevelopment project costs associated with implementing the redevelopment plan shall be funds collected pursuant to Tax Increment Allocation Financing to be adopted by the City. Under such financing, tax increment revenue in the form of increases in the equalized assessed value (EAV) of property, as well in the Redevelopment Project Area shall be allocated to a special fund each year (the "Special Allocation Fund"), and the assets of the Special Allocation Fund shall be used to pay Redevelopment Project Costs and retire obligations incurred to finance Redevelopment Project Costs. In order to expedite the implementation of the Redevelopment Plan and construction of the public improvements projects, the City of Troy pursuant to the authority granted it under the Tax Increment Allocation Redevelopment Act may issue obligations to pay for the

Redevelopment Project Costs. These obligations may be secured by future amounts to be collected and allocated to the Special Allocation Fund. Such obligations may take the form of any loan instruments authorized by the Tax Increment Allocation Redevelopment Act. The City may also use local retail sales tax as a source of revenue to finance project costs.

If available, revenues from other economic development funding sources may include State and Federal programs, and land disposition proceeds from the sale of land in the Redevelopment Project Area. The final decision concerning redistribution of yearly increment revenues may be made a part of a bond ordinance. It is assumed that the cost of implementing the redevelopment plan will require committing all increment funds from the Tax Increment Conservation - Redevelopment Area to debt retirement. It is estimated that present financial feasibility requires revenues available each year equal to 125% - 175% of the annual debt services payment in connection with the retirement of the bonds. In the event there is any excess of the funds deemed necessary by ordinance for the retirements of obligations, reserves, sinking funds, and redevelopment project costs, this may be declared as surplus and will be available for distribution to the various taxing districts in the Redevelopment Project Area in the manner provided by Statute.

F. NATURE AND TERM OF OBLIGATIONS

Without excluding other methods of City financing, the principal source of funding will be tax increment revenue obligations, issued pursuant to this redevelopment plan, for a term not to exceed 20 years bearing an annual interest rate as permitted by law. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the bonds and not needed for other redevelopment project costs or early bond retirements may

be declared as surplus and become available for distribution annually to the taxing bodies to the extent that this distribution of surplus does not impair the financial feasibility of the project. One or more bond issues may be sold at any time in order to implement this redevelopment plan.

G. COMPLETION OF REDEVELOPMENT PROJECT AND RETIREMENT OF OBLIGATIONS TO FINANCE PROJECT COSTS

The estimated date for the completion of the redevelopment plan is no later than 23 years from the date of adoption of the redevelopment 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 said expiration of the redevelopment plan.

H. FAIR EMPLOYMENT PRACTICES

The City of Troy will insure that all private and public redevelopment activities are constructed in accordance with fair employment practices by any and all recipients of tax increment financing assistance. Each recipient of TIF assistance will be required to adhere to fair employment practices in the conduct of their business and in any redevelopment activities in which they may become involved within the Redevelopment Project Area.

VIII. REVIEWING AND AMENDING THE TIF PLAN

A. AMENDING REDEVELOPMENT PLAN

The City of Troy Redevelopment Plan may be amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, Chapter 24, Section 11-74.4, et seq. of the Illinois Compiled Statutes. Also all reporting requirements and other statutory provisions will be adhered to.

The Act stipulates that once the City of Troy adopts an ordinance approving a redevelopment plan, redevelopment projects, and project area, no ordinance shall be adopted which alters the Tax Increment Financing District boundaries, or affects the proposed general land use or the nature of the project without complying with the public hearing procedures provided in the Tax Increment Allocation Redevelopment Act. The City shall comply with these requirements in connection with any amendments to this Redevelopment Plan proposed in the future.

EXHIBIT IV.A.1

**THE PREANNEXATION AGREEMENT FOR THE ANNEXATION OF 177 ACRES,
MORE OR LESS OF REAL ESTATE OWNED BY HENRY ROSS, SHIRLEY F.
SCHLEMMER, MICHAEL NOGA AND ELFRIEDA NOGA, CONTIGUOUS TO THE
CITY OF TROY, COUNTY OF MADISON.**

THIS AGREEMENT is made and entered into this 10th day of March, 1997, by and between the CITY OF TROY, ILLINOIS, a Municipal Corporation, located in the County of Madison, in the State of Illinois, created and existing under and by virtue of the laws of the State of Illinois (hereinafter referred to as the "CITY"), and HENRY ROSS and MICHAEL NOGA, (hereinafter referred to as "ANNEXATION PETITIONERS"), WITNESSETH:

WHEREAS, HENRY ROSS and MICHAEL NOGA are owners with other cooperating parties of a certain real estate which is described as follows:

PARCEL 1: A tract of land in the Southwest Quarter of Section 8, Township 3 North, Range 7 West of the Third Principal Meridian, Madison County, Illinois, more particularly described as follows: Commencing at the Northeast corner of said Southwest Quarter-Section thence North 89 degrees 10 minutes 34 seconds West (Assumed Bearing) along the north line of said Southwest Quarter-Section, a distance of 1045.27 feet to the point of beginning of the tract of land herein described; thence South 00 degrees 02 minutes 36 seconds West, a distance of 1285.91 feet to the Northerly right-of-way line of Old U.S. Route 40 (S.A.R. 11, Also known as Collinsville Road, 66 feet wide); thence South 65 degrees 23 minutes 11 seconds West along said right-of-way line, a distance of 675.81 feet to the beginning of a 5,775.58 foot radius tangent curve to the right; thence Southwestwardly along said curve an arc distance of 327.82 feet; thence South 68 degrees 38 minutes 19 seconds West along said right-of-way line, a distance of 607.22 feet; thence North 84 degrees 58 minutes 39 seconds west along said right-of-way line, a distance of 169.96 feet to the east right-of-way line of Formosa Road, (50.00 feet wide); thence North 00 degrees 00 minutes 00 seconds East along said East line, a distance of 1925.80 feet to the said North line of said Southwest Quarter section; thence South 89 degrees 10 minutes 34 seconds East along said North line a distance of 1672.12 feet to the point of beginning and containing 62.77 acres, more or less.

PARCEL 2: Part of the Northwest Quarter of Section 8, Township 3 North, Range 7 West of the Third Principal Meridian, Madison County, Illinois more particularly described as follows: Commencing at the southwest corner of said Northwest Quarter

thence east along the south line of said Northwest Quarter 25 feet to a point on the east Right-of-Way line of U.S. Route 66, FAR 190) which is the true point of beginning; thence North along said Right-of-Way line (1900 ft. more or less) to the South line of a tract conveyed to Donald and Pearl Soffer in Book 2515 on Page 149 of the records of the Madison County, Illinois Recorder's Office; thence East along the South line of said Soffer tract and a straight extension thereof to the east a distance of approximately 2280 feet more or less to the north-south center line of said Section 8, thence south along said north-south center line a distance of approximately 1980 feet to the Center of said Section 8, thence west along the east-west center line of said Section 8 approximately 2722 feet to the point of beginning, containing 112 acres more or less.

PARCEL 3: Lots 7 and 8 of Troy Junction, according to the plat thereof, recorded in Plat Book 52, page 145 recorded in the Recorder's Office of Madison County, Illinois,

(hereinafter referred to as the "Annexation Tract");

WHEREAS, the ANNEXATION PETITIONERS have requested the CITY annex the Annexation Tract; and has requested that the CITY provide Tax Increment Financing

(hereinafter referred to as "TIF");

WHEREAS, there are no electors residing on the Annexation Tract, and the owners of record of said tracts are agreeable to annexing their property to the CITY by this agreement;

WHEREAS, the Corporate Authorities of the CITY, after due and careful consideration, have found and determined and do hereby declare that the annexation of the Annexation Tracts to the CITY, on the terms and conditions herein made and provided, will further the orderly growth and development of the CITY, allow the CITY to control the growth and development of the property, and is in the welfare and best interests of the CITY; and,

WHEREAS, the annexation of the Annexation Tract to the CITY and the subject development thereof is contingent upon compliance with the terms and conditions provided for in this Annexation Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, is mutually agreed by and between the parties hereto, as follows:

1. **ANNEXATION AND ZONING OF THE ANNEXATION TRACT.**

Following the enactment of a CITY ordinance to authorize this Annexation Agreement by two-thirds (2/3) vote of the Corporate Authorities of the CITY holding office, as required by Division 15.1 of the Illinois Municipal Code (which authorizes and controls the making and enforcement of annexation agreements in the State of Illinois, 65 ILCS 5/11-15.1.1 et. seq.), the parties hereto shall make and enter into this agreement by executing the same. As soon as practicable thereafter, the CITY shall annex the Annexation Tract to the CITY by enactment of an appropriate ordinance in accordance with Section 7.1.1 and 7.1.8 of the Illinois Municipal Code (65 ILCS 5/7.1.1 and 5/7.1.8) and the ordinance annexing the property to the CITY and an accurate map of the Annexation Tract, together with this Annexation Agreement and a certified copy of the ordinance authorizing the Annexation Agreement shall be recorded in the office of the Madison County, Illinois Recorder, and the annexation ordinance and map shall be filed in the office of the Madison County, Illinois Clerk in accordance with the requirements of Sections 7-1-8 and 7-1-40 of the Illinois Municipal Code (65 ILCS 5/7-1-8 and 5/7-1-40) and Section 1.02 of the Illinois Plat Act (765 ILCS 205/1.02).

2. **TAX INCREMENT FINANCING.** For the development of the Annexation Tract and the other property to be included in the Redevelopment Project Area to be designated by the CITY, the CITY shall adopt a Redevelopment Plan and Tax Increment Financing pursuant to the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS

5/1174.4.1, et seq., the "Act"). See Redevelopment Plan shall include the Annexation Tract described herein.

2.1 As the Annexation of the TIF Tract is developed, the CITY shall be entitled to receive its usual and customary utility taxes, sales taxes, sewer and water service connection fees and any other taxes that would pertain to the annexation and development of the Annexation Tract except real estate taxes which shall be assessed and paid to the CITY for Tax Increment Financing in accordance with this agreement and the Act.

2.2 The foregoing Annexation of the Annexation Tracts shall be contingent upon adoption of tax increment financing within sixty (60) days of the date of this agreement.

3. **DISCONNECTION OF ANNEXATION TRACT.** If, for any reason, the Redevelopment Plan as heretofore described is not authorized within 60 days from the date of this agreement, then this Annexation Agreement shall terminate and be rendered null and void and of no further force and effect. As soon as practicable thereafter, the Annexation Tract will be disconnected from the CITY and the CITY shall enact all ordinances and take all other corporate action required to disconnect the Annexation Tract from the CITY and ANNEXATION PETITIONERS will cooperate in every reasonable way to accomplish the disconnection.

4. **CHANGE IN ORDINANCES.** The CITY agrees to apply its Codes and Ordinances, and where required in order to honor its comments under this Agreement, to amend its Codes and/or Ordinances which are in conflict with this Agreement, in order to perform its obligations undertaken by in this Agreement to the extent permitted by law, except that in compliance with the provisions of the 1961 Illinois Municipal Code, as

amended (65 ILCS 11-15.1.2(b)), any public hearing required by law to be held before the enactment of any ordinance amendment required in order for the CITY to do and perform its obligations under this Agreement shall be held prior to the execution of this Agreement and all such ordinance amendments required by this Agreement shall be enacted according to law. As of the date hereof the CITY affirmatively states that to the best of its knowledge, information and belief there are no currently effective ordinances of the CITY this Agreement would violate and which ordinances would need to be amended in order for the CITY to honor and perform its obligations under this Agreement.

5. **NOTICES.** All notices, requests, and demands of either party to the other shall be in writing and shall be delivered personally or by certified mail, return receipt requested, addressed as follows:

If to the CITY: CITY Clerk
 Troy City Hall
 116 E. Market Street
 Troy, IL 62294-1518

If to the
Annexation
Petitioners:

or to such other address or addresses as either of the parties shall hereinafter designate to the other party in writing.

6. **ATTORNEY'S FEES AND COSTS.** If either party takes legal action on account of the other party's breach of this Agreement, then and in that event, the losing party to the controversy shall pay the prevailing party's reasonable legal fees and court costs and

other costs incurred in this litigation.

7. **BINDING EFFECT.** This Annexation Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors and assigns, including successor owners of record of the Annexation Tract, and all parts thereof, and upon any successor municipality. Nothing herein shall prevent the alienation or sale of the Annexation Tract or portions thereof, except that said transfer and conveyances shall be subject to the provisions hereof and of the Zoning Code, Subdivision Code, and other codes and ordinances of the CITY then in effect and the new owners or transferees shall be both benefitted and bound by the terms, conditions, and restrictions therein and herein expressed.

8. **ENFORCEMENT.** This Annexation Agreement shall be enforceable in any Court of competent jurisdiction by any of the parties hereto by an appropriate action at law or in equity to secure performance of the covenants hereof in accordance with the provisions of Section 5/11.15.4 of the Illinois Municipal Code (65 ILCS 5/11.15.4).

9. **TERM.** In accordance with the Illinois Municipal Code (65 ILCS 11.15.1.1), this Annexation Agreement shall be in effect for a term of twenty (20) years from the date of its execution.

10. **SEVERABILITY.** In the event any provision of this Annexation Agreement shall be declared invalid by a Court of competent jurisdiction, the invalidity of such provision shall not affect the validity of any other provisions of this agreement and the agreement shall be read and enforced as if the invalid provision did not exist and had been struck from the agreement.

IN WITNESS WHEREOF, the parties hereto have made and entered into this Annexation Agreement on the date first above written.

CITY OF TROY, ILLINOIS, A
Municipal Corporation,

By: _____
TOM CARAKER, Mayor

ATTEST:

MARY E. CHASTEEN, City Clerk

ANNEXATION PETITIONERS,

/s/ HENRY ROSS

HENRY ROSS

/s/ MICHAEL NOGA

MICHAEL NOGA

STATE OF ILLINOIS)
) ss
COUNTY OF MADISON)

The undersigned, a Notary Public in and for the County and State aforesaid, hereby certifies that TOM CARAKER and MARY E. CHASTEEN, personally known to me and known to me to be the Mayor and the City Clerk, respectively, of the City of Troy, Illinois, a Municipal Corporation, appeared before me, in person, this date, and acknowledged that they signed and delivered the above and foregoing document as their free and voluntary act and deed and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

Given under my hand and Notary Seal this _____ day of _____, 1997.

Notary Public

STATE OF ILLINOIS)
) ss
COUNTY OF MADISON)

The undersigned, a Notary Public in and for the County and State aforesaid, hereby certifies that HENRY ROSS and MICHAEL NOGA, personally, appeared before me in person this date and acknowledged that they signed and delivered the above and foregoing document as their free and voluntary act and deed, for the uses and purposes therein set forth.

Given under my hand and Notary Seal this ____ day of _____,
1997.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF MADISON)

I, MARY E. CHASTEEN, hereby certify that I am the duly elected and acting City Clerk of the City of Troy, Illinois, Madison County, Illinois, and as such I am the keeper of the books, records, files and corporate seal of said City.

I do further certify that the agreement to which this certificate is attached, entitled:

THE PREANNEXATION AGREEMENT FOR THE ANNEXATION OF 177 ACRES, MORE OR LESS OF REAL ESTATE OWNED BY HENRY ROSS, SHIRLEY F. SCHLEMMER, MICHAEL NOGA AND ELFRIEDA NOGA, CONTIGUOUS TO THE CITY OF TROY, COUNTY OF MADISON.

between the City of Troy, Madison County, Illinois, a Municipal Corporation created and HENRY ROSS and MICHAEL NOGA (herein referred to as "Annexation Petitioners"), said agreement being dated the 10th day of March, 1997, is an accurate, true and complete copy of said Annexation Agreement as appears in the books and records of the City of Troy, Illinois and as authorized by City Ordinance No. _____ passed by the Troy City Council and approved by the Mayor the _____ day of _____, 1997.

Mary E. Chasteen, City Clerk

Exhibit IV. A. 2.
City of Troy, Illinois
Tax Increment Financing District
Boundary Description

Beginning at the intersection of the west ROW line of Formosa Road and its extension and the south ROW line of Collinsville Road (Old U.S. Route 40) and its extension in the township of Jarvis, the county of Madison, and the State of Illinois. Thence northeast along the south ROW line of Collinsville Road to the intersection with the east line and its extension of Parcel #22-08-00-015 thence north along said east line and the east line of Parcel #22-08-00-015.001 to its intersection with the south line of Parcel #22-08-00-000-002, thence east along said line and the south line of Parcel #22-08-00-000-009 to its intersection with the west line of Parcel #22-08-00-000-011, thence north along said west line to the north line of said Parcel then east to its intersection with Parcel #22-08-00-000-010 then north to the northwest corner of said Parcel then east along the north line of said Parcel to the southeast corner of Parcel #22-08-00-000-009 then north along the east line of said Parcel to a point of intersection with the center line of McKinley Street and its extension, thence east along said centerline to its extension to its intersection with the centerline of Laundry St., thence south along said centerline to its intersection with the centerline of Wynona Street, thence east along said centerline to its intersection with the centerline of Sarah Street, thence south and southeast along said centerline of Sarah Street to its intersection with the south ROW line of Collinsville Road (Old U.S. Route 40), thence northeast along said ROW line to its intersection with the centerline of Charter Street, thence east along said centerline to its intersection with the west line of Parcel #22-09-07-204-035 and its extension, thence southwest along said west line and the west line of Parcel #22-09-07-204-034 crossing Plum Street continuing to the southwest along the west line of Parcel #22-09-11-201-002 and its extension with the centerline of Center Street, thence southeast along said centerline to its intersection with the west line of Parcel #22-09-11-202-001 and its extension, thence northeast along said west line to its intersection with the centerline of Plum Street, thence southeast along said centerline to its intersection with the centerline of Kimberlin Street, thence northeast along said centerline to its intersection with the centerline of Charter Street, thence southeast along the centerline of Charter Street to its intersection with the centerline of Ash Street, thence northeast along said centerline and its extension crossing Market Street to the northeast corner of Parcel #22-09-07-205-010, thence northwest along the north line of said parcel and its extension crossing Hickory, Main, Washington, and Border Streets to the northwest corner of Parcel #22-09-06-103-008, thence north along a line projected from the west line of said Parcel #22-09-06-103-008, thence north along a line projected from the west line of said Parcel #22-09-06-103-008 to its

intersection with the north ROW line of Clay Street, thence west along said north ROW line to it's intersection with the north ROW line of Illinois Route 162, thence northwest and west along said north ROW line of Illinois Route 162 to it's intersection with a line projected from the west line of Parcel #22-08-02-201-018, thence south along said projected line to the southwest corner of said Parcel #22-08-02-201-018, thence west along the south line of Parcel #22-08-02-201-017 to it's intersection with east line of Parcel #22-08-02-201-016, thence south along said east line to the southeast corner of Parcel #22-08-02-201-016.001, thence west along the south line of said parcel to the west line of Parcel #22-08-02-201-016.002 and it's extension, thence north along said west line to the southeast corner of Parcel #22-08-02-201-015.001, thence west along said the south line of said parcel and it's extension to it's intersection with the centerline of Section 08, Township 03 North, Range 07 West, thence south along said centerline to the southeast corner of Parcel #22-08-00-003.002, thence west along the south line of said parcel and it's extension to the southwest corner of Parcel #22-08-00-001.003, thence north along the west line of said parcel and it's extension to it's intersection with the north ROW line of Illinois Route 162, thence east along said north ROW line to it's intersection with the centerline of Section 05, Township 03 North, Range 07 West, thence north along said centerline to the northeast corner of Parcel #22-05-00-012, thence west along the north line of said parcel and it's extension to it's intersection with the east ROW line of Formosa Road, thence south along said west ROW line to it's intersection with the west ROW line of Intersection 55-70, thence south along said west ROW line to it's intersection with the centerline of Section 07, Township 03 North, Range 7 West, thence east along said centerline to it's intersection with the west ROW line of Formosa Road, thence south along said West ROW line to the point of beginning.

IV. A. 2. 2

END OF DOCUMENT