

CITY OF LeROY  
COUNTY OF McLEAN  
STATE OF ILLINOIS

ORDINANCE NO. 326

AN ORDINANCE APPROVING REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR  
LEROY TAX INCREMENT FINANCING DISTRICT II

ADOPTED BY THE CITY COUNCIL OF THE CITY OF LeROY THIS 1st DAY OF August, 1988

PRESENTED: August 1, 1988

PASSED: August 1, 1988

APPROVED: August 1, 1988

RECORDED: August 1, 1988

PUBLISHED: August 1, 1988

In Pamphlet Form/~~In Newspaper~~

Voting "Aye" 5

Voting "Nay" 0

The undersigned being the duly qualified and acting City Clerk of the City of LeRoy does hereby certify that this document constitutes the publication in pamphlet form, in connection with and pursuant to Section 1-2-4 of the Illinois Municipal Code, of the above-captioned ordinance and that such ordinance was presented, passed, approved, recorded and published as above stated.

Jeanita Hagley  
City Clerk of the City of LeRoy,  
McLean County, Illinois

(SEAL)

Dated: August 1, 1988

AN ORDINANCE APPROVING REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR LEROY TAX INCREMENT FINANCING DISTRICT II

WHEREAS, the City of LeRoy, Illinois, desires to implement tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act, P.A. 79-1525 (Illinois Revised Statutes, Chapter 24, Sections 11-74.4-1 et seq. (as amended)), hereinafter referred to as the "Act", for the proposed Redevelopment Plan and Redevelopment Project within the municipal boundaries of the City of LeRoy and within the Redevelopment Project Area described in Section 1 (a) of this ordinance, which area constitutes in the aggregate more than 1 1/2 acres of land; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the LeRoy City Council caused a public hearing to be held relative to the Redevelopment Project Area on July 13, 1988, at the LeRoy City Hall, 111 East Center Street, LeRoy, Illinois; and

WHEREAS, said notice being given to taxing districts by certified mail on June 10, 1984, to the public by publication on June 15, and June 29, 1988, and to taxpayers within the redevelopment area by certified mail on June 10, 1988; and

WHEREAS, the Redevelopment Plan and Project set forth the factors constituting the proposed redevelopment area as a "Blighted Area" within the meaning of the Act, and the LeRoy City Council has reviewed the information concerning such conditions presented at the public hearing, has reviewed other studies and is generally informed of the conditions in the proposed Redevelopment Project Area; and

WHEREAS, the LeRoy City Council has reviewed the conditions pertaining to lack of private investment in the proposed Redevelopment Project Area to determine whether private development would take place in the proposed Redevelopment Project Area as a whole without the adoption of the proposed Redevelopment Plan; and

WHEREAS, the LeRoy City Council has reviewed the conditions pertaining to real property in the proposed Redevelopment Project Area to determine whether contiguous parcels of real property and improvements

thereon in the proposed Redevelopment Project Area would be substantially benefited by the proposed redevelopment project improvements; and

WHEREAS, the LeRoy City Council has reviewed its proposed Redevelopment Plan and Project and comprehensive plan for development of the municipality as a whole to determine whether the proposed Redevelopment Plan and Project conform to the comprehensive plan of the City,

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LEROY, ILLINOIS, in lawful meeting assembled, as follows:

Section 1. That the City Council of the City of LeRoy hereby makes the following findings:

a. The area constituting the proposed Redevelopment Project Area in the City of LeRoy, Illinois, is described as set forth in Exhibit A attached hereto and hereby incorporated by reference.

b. There exist conditions which cause the area proposed to be designated as a Redevelopment Project Area to be classified as a "Blighted Area" as defined in Section 11-74.4-3(a) of the Act.

c. The proposed Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Redevelopment Plan.

d. The Redevelopment Plan and Redevelopment Project conform to the comprehensive plan for the development of the municipality as a whole.

e. The parcels of real property in the proposed Redevelopment Project area are contiguous and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed redevelopment project improvements are included in the proposed Redevelopment Project Area.

f. The estimated date for final completion of the Redevelopment Project is February, 1989.

Section 2. The Redevelopment Plan and Redevelopment Project which were the subject matter of the hearing held July 13, 1988, and concluded on

that date, be and the same are hereby adopted and approved. A copy of such Redevelopment Plan and Redevelopment Project proposal is attached hereto as Exhibit B and is made a part of this ordinance.

Section 3. The City of LeRoy, Illinois, reserves the right, thru appropriate action of its City Council, to terminate the legal existence of the tax increment financing district established by this ordinance and any others passed consequent to this but intended as part of the same transaction if the Redevelopment Project contemplated in Exhibit B is not substantially completed by December 31, 1989.

Section 4. That this ordinance shall be in full force and effect from and after its passage by the City Council of the City of LeRoy, Illinois, approval by the Mayor thereof, and publication in pamphlet form as required by law.

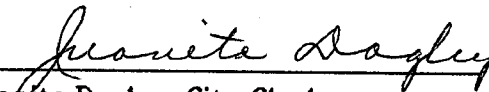
PASSED by the Mayor and City Council of the City of LeRoy, Illinois, on the 1st day of August, 1988.

Aldermen elected 5

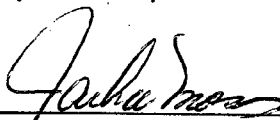
Aldermen present 5

AYES Jerry Davis, Jon Winston, Steve Dean, Randy Zimmerman, Patrick Derby

NAYES None

  
\_\_\_\_\_  
Juanita Dagley, City Clerk  
of the City of LeRoy, Illinois

APPROVED by the Mayor of the City of LeRoy, Illinois, this 1st  
day of August, 1988.

  
\_\_\_\_\_  
Jack Moss, Mayor of the City  
of LeRoy, Illinois

ATTEST:

(SEAL)

*Juanita Dagley*

Juanita Dagley, City Clerk  
of the City of LeRoy, Illinois

LEGAL DESCRIPTION OF

REDEVELOPMENT PROJECT AREA

OF

LE ROY TAX INCREMENT FINANCING DISTRICT 11

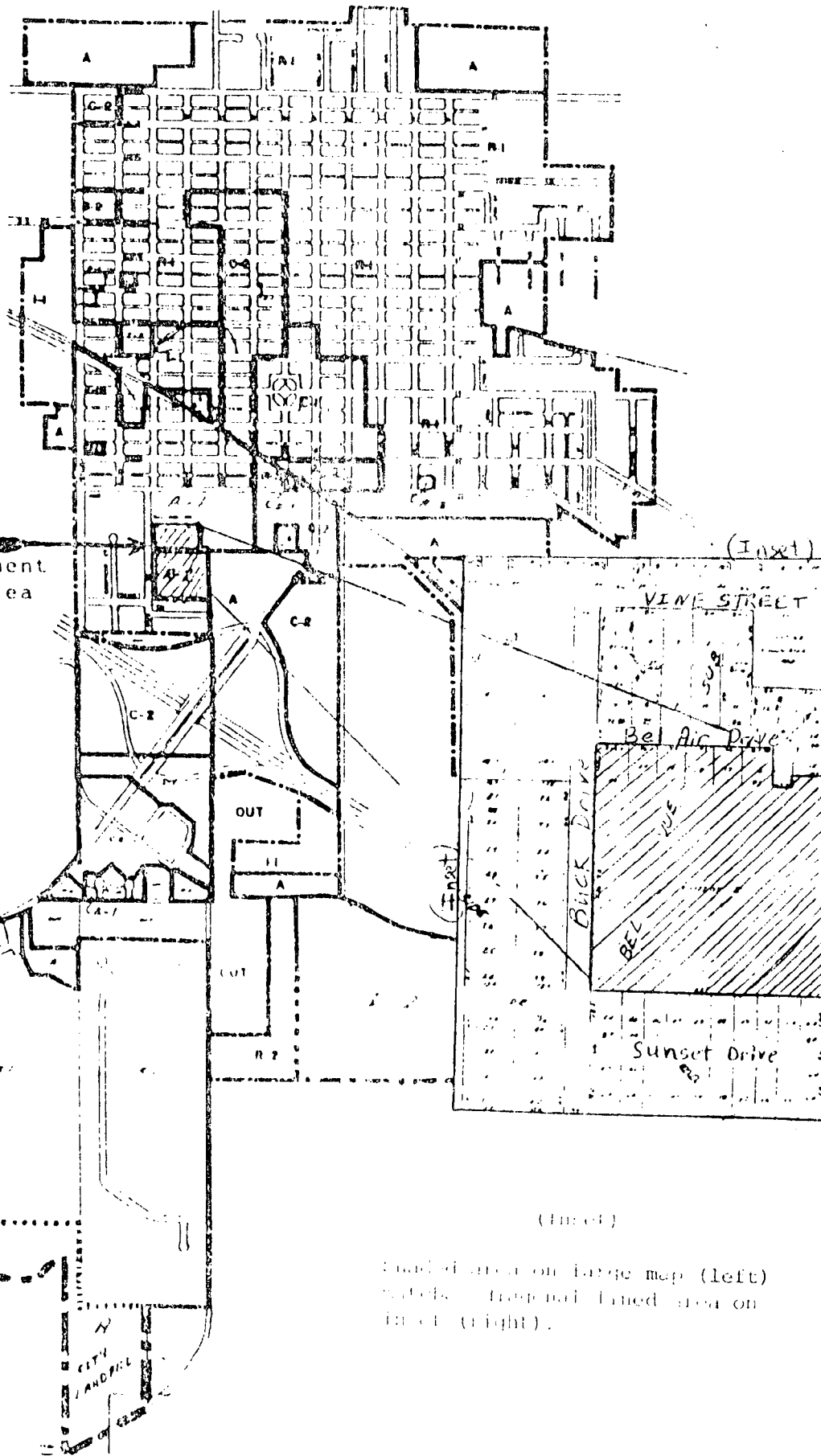
OF THE CITY OF LE ROY, ILLINOIS

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Lots 15, 16, 17, 18, 19, 20 and 21, all in Bel Vue Subdivision to the City of LeRoy, and Out Lot Z in Bel Vue Subdivision to the City of LeRoy, all in the City of LeRoy, McLean County, Illinois.

EXHIBIT A

Leroy  
TIF II  
Redevelopment  
Project Area



(Inset)  
Shaded area on large map (left)  
matches irregular lined area on  
inset (right).

CITY OF LEROY  
TAX INCREMENT FINANCING PLAN  
FOR  
LEROY TIF II

**I. BACKGROUND**

For over ten years citizens in LeRoy have been trying to establish a Nursing Home within the City. This was attempted through organizations like the Kiwanis, whose organization conducted a time consuming survey, and through interested individuals who congregated expressly for this purpose. An effort was made to seek the use of the Bishop Trust as the core for such a development. Such efforts did not accomplish the desired end because by this time in history the Illinois Health Care Planning Facilities Board had determined that McLean County was over-bedded; thus, no Certificate of Need (hereafter known as CON) would be issued. Finally in the spring of 1987 the situation changed. At this time 83 new beds were needed. Subsequently, three companies filed letters of intent with the Illinois Health Care Facilities Board.

Through the Mayor and Vancil and Associates, communications were sent to all three companies promising that if they would consider LeRoy, the City and its citizens would pledge their support in obtaining a CON.

Don Fike of RFMS and his staff responded to this offer. Through their professional efforts, backed by a very successful record in the field of Residential Facilities Management and assisted by the citizens of LeRoy, a CON was obtained.

Two exports which the City of LeRoy consistently makes is that of its youth and its elderly. Its youth find it necessary to leave because of few job opportunities and its elderly because of a lack of care facilities and services. The RFMS project will nearly halt the need for the latter export and marginally improve the former.

The response locally was intense. Every organization in the City supported the project. These efforts were supplemented with over one hundred individual letters. After the CON was awarded, 54 people requested information concerning job opportunities and there were twelve who indicated readiness for residential care.

By the time the CON was obtained land had been purchased and property zoned. Now efforts to perfect financing became intensified. Because of the October stock market reversals, coupled with the reluctance of major banks to make large loans in small communities, difficulties were encountered.

The Marine Bank of Springfield has indicated it would be willing to lend \$2,080,000 for the project with the subject requirement that the facility be included in a Tax Increment Financing District as per resolution, EXHIBIT A, passed by the City Council of LeRoy.



The area chosen for the proposed project is adjacent to LeRoy's TIF Number One and will meet the criteria to qualify it for TIF Number Two. The Assessed Valuation for the area has not appreciated in value any in the last ten years. Meanwhile, inflation has increased over 30%. The Illinois Supreme Court in ruling as to the constitutionality of the Illinois Tax Increment Financing Allocation Statute noted that "...we have a new definition of urban blight, i. e., economic stagnation." So, the question that confronts us is how to induce development into such an area. The answer is to use Tax Increment Financing to induce a developer's investment.

Without TIF the alternatives would be the following:

- A. Use a federal program which would make the whole property tax exempt and concomitantly increase the cost of financing and construction with the resultant higher user fees for our elderly.
- B. Initiate a long delay with the threat of loss of the CON--and thus, the loss of a socially valued facility and service, not to mention the economic impact to the community at large.

RFMS has indicated a willingness to invest \$2,725,415 in the described area in return for an interest buydown of \$300,000. This will establish a 75 bed Nursing Home. In a second phase of this development RFMS will erect and operate a 48 unit facility for Assisted Living. This investment will exceed \$2,000,000 and the proposed TIF inducement is \$100,000 for interest buydown.

In summary, the TIF inducement of \$400,000 is being offered to a strong company for two viable projects which will result in an investment in excess of \$4,800,000.

## II. Introduction

The City of LeRoy is suffering from high unemployment and, as a consequence, has had no growth in its economic and tax base. Even though McLean County has one of the lowest unemployment rates in the State of Illinois, a Survey done in July of 1985 using the materials furnished by the Department of Employment Services showed that the unemployment rate in LeRoy was above the national average. In like manner, the growth in the City's sales tax receipts and income from state income tax, motor fuel tax and real estate taxes have not kept pace with inflation during the past ten years.

Previously, the City had formed a Tax Increment Financing District to assist in economic development. The proposed second District will spur immediate economic growth by assisting in the development of a Nursing Home and an Assisted Living complex. The development of this entire area will be accomplished only through the use of Tax Increment Financing. The inducement will be accomplished by means of an interest buydown.

The two primary areas of potential development will create over 75 new jobs in Phase I. When the projects are completed the EAV will increase by over \$1,500,000.

### **III. Redevelopment District**

This proposed District is outlined on the attached map, EXHIBIT B, and the exterior boundaries are described in EXHIBIT C.

In the District the areas of potential growth have been identified and the City has determined that economic growth cannot reasonably occur without the use of the Real Estate Tax Increment. These incremental tax revenues will be used exclusively for the development of the Redevelopment Project Area.

### **IV. Blighted Conditions in District**

This proposed District qualifies as a blighted area because of obsolete platting and deterioration of structures in the adjacent area. The vacant ground has not been used for commercial farming and has been subdivided.

### **V. Redevelopment Goals and Objectives**

The City intends to implement plans and enter into Development Agreements with Owners/Developers to assist them in developing their sites to attract new businesses to LeRoy to accomplish the following:

- A. Eliminate those existing conditions which qualify the area as a Blighted Area;
- B. Create new jobs in the City;
- C. Increase the real estate tax base of the City and other taxing bodies
- D. Increase the sales and use tax revenues to the City;
- E. Coordinate the expenditures of redevelopment project costs with the investment of private funds to enhance redevelopment projects in the District;
- F. Buy down interest rates for appropriate private redevelopment projects;
- G. Fund directly or refund to private developers all costs of studies, surveys, development of plans and specifications, implementation and administration of the development plan, including the costs of establishment of this District (costs include, but are not limited to staff costs and professional service costs for economic planners, lawyers, engineers, marketing groups, financial planners or other special services);

## VI. Redevelopment Plan and Projects

- A. Proposed Private Development:
1. A 98 bed Nursing Home Facility
  2. An Assisted Living Center with 48 units.
- B. Present and Projected Equalized Assessed Valuation and Sales Tax Increment: The most recent Equalized Assessed Valuation in the TIF District is \$3,797. It is estimated that the proposed private development will raise the Equalized Assessed Valuation by approximately \$1,600,000.
- C. General Land Uses: The City will follow existing plans for the economic development and growth of the Community. Zoning will remain as planned or as modified by ordinance.
- D. Provisions for Amending Redevelopment Plan: This Redevelopment Plan may be amended in accordance with the Tax Increment Allocation Redevelopment Act and other applicable City ordinances.
- E. Term of Plan and District: The Redevelopment Plan and District shall extend for 23 years after the adoption of the Plan by the City of LeRoy.
- F. Review of Plan: The City will review this Plan annually.

## VII. Conclusion

The City of LeRoy concludes that it is in the best interest of the City and that the citizens of the City will be benefited by the adoption of this Tax Increment Financing Development Plan.

By: \_\_\_\_\_  
Mayor, Jack Moss

By: \_\_\_\_\_  
City Clerk, Jaunita Dagley

Resolution 88-3

WHEREAS, the City of LeRoy has areas which have not been subject to growth and development to its potential, and;

WHEREAS, developers have indicated a willingness to make substantial investment with a resulting increase in employment and tax base, and;

WHEREAS, the City of LeRoy may induce such development by using the Tax Increment Reallocation Act;

NOW BE IT THEREFORE RESOLVED THAT THE LEROY CITY COUNCIL:

1. Place on file with the Clerk of the City of LeRoy, Illinois the Tax Increment Financing Redevelopment Project Area and Plan, which has been developed according to the Illinois Revised Statute, Chapter 24, Paragraph 11-74.4 et seq., and recommend it for a Public Hearing to be held by the City Council in Council chambers at 7:30 p.m. on July 13, 1988.

2. Further, that the City Council does hereby instruct the City Attorney to prepare the necessary mailings and public notices and cause them to be mailed and posted in a timely manner.

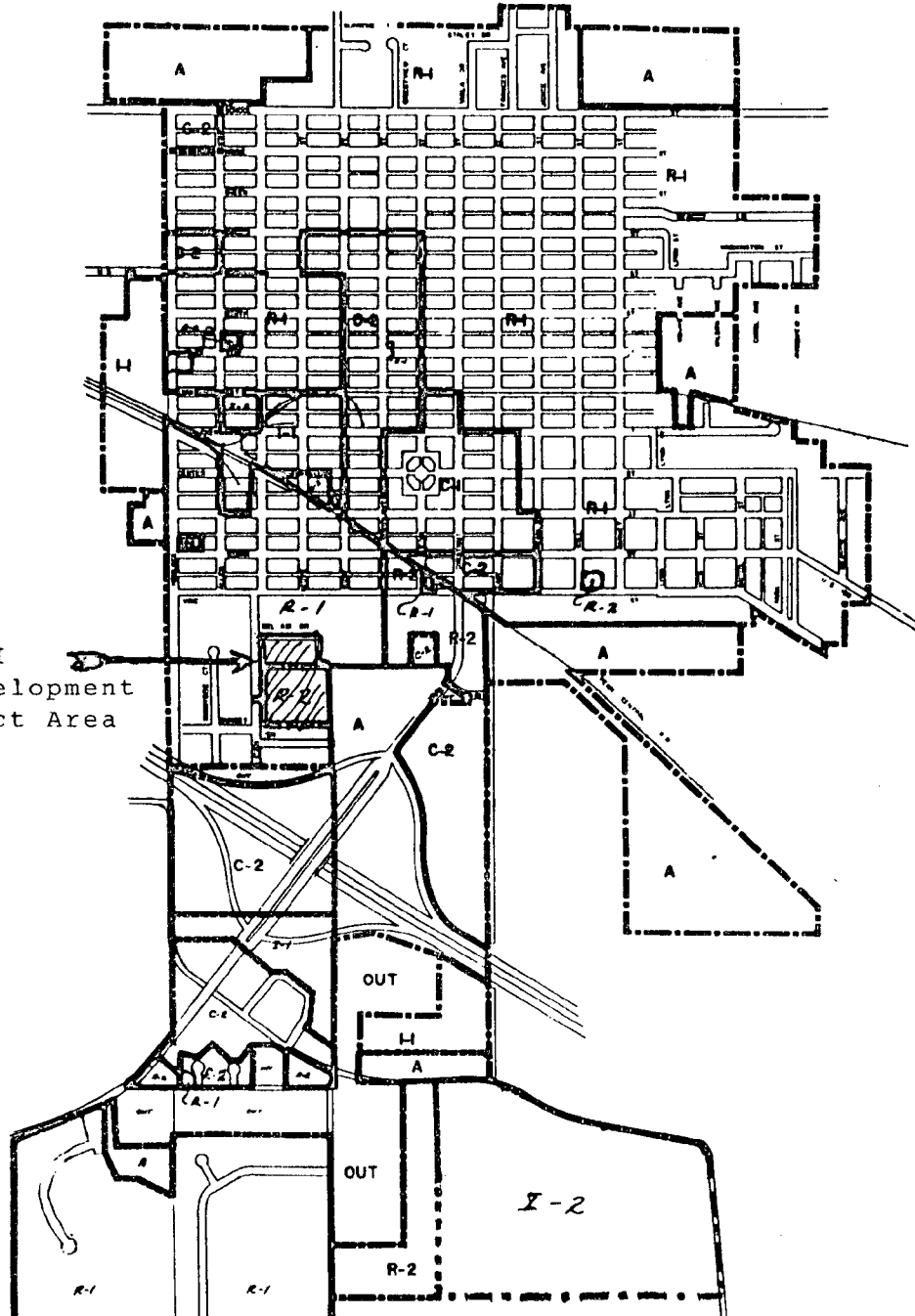
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(City Clerk)

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(Mayor)

LeRoy  
TIF II  
Redevelopment  
Project Area



REVISED	REVISED	
2-16-88	2-23-76	A AGRICULTURAL
	3-1-78	I-1 LIGHT INDUSTRIAL
	8-24-79	C-1 CENTRAL COMMERCIAL
	3-18-81	C-2 HIGHWAY COMMERCIAL
	12-31-82	R-1 1 & 2 FAMILY RESIDENTIAL
	1-24-84	R-2 GENERAL RESIDENTIAL
	1-18-85	I-2 HEAVY INDUSTRIAL
	2-8-86	
	3-6-87	

CITY OF LEROY

CORPORATE LIMITS

ZONING DISTRICT BOUNDARY

McLEAN COUNTY

CITY PLANNING COMMISSION



EXHIBIT C

REDEVELOPMENT PROJECT AREA  
FOR  
THE CITY OF LEROY, ILLINOIS  
TAX INCREMENT FINANCING DISTRICT NUMBER TWO

Lots 15 through 21, both inclusive, and Out Lot Z  
in Bel Vue Subdivision as platted in the City of LeRoy,  
McLean County, Illinois

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CERTIFICATE

I, Juanita Dagley, certify that I am the duly elected and acting municipal clerk of the City of LeRoy, McLean County, Illinois.

I further certify that on August 1, 1988, the Corporate Authorities of such municipality passed and approved Ordinance No. 326, entitled:

AN ORDINANCE APPROVING REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR LEROY TAX INCREMENT FINANCING DISTRICT II,

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 326, including the Ordinance and a cover sheet thereof was prepared, and a copy of such Ordinance was posted at the municipal building, commencing on August 1, 1988, and continuing for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the municipal clerk.

Dated at Le Roy, Illinois, this 1st day of August, 1988.

(seal)

Juanita Dagley  
Municipal Clerk

