

3 – Coal City TIF District Redevelopment Area, Plan & Projects

TIF District Planning Process and Calendar

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

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

The process to create a TIF District is initiated by the municipality (see *Appendix B*). This process includes: creating an Interested Parties Registry; sending notification of a Public Meeting; holding a Public Meeting; drafting a Redevelopment Plan; setting a date for a Public Hearing; sending notification of the Public Hearing to all taxing districts and the Illinois Department of Commerce and Economic Opportunity (DCEO) with an invitation to attend and provide comments; convening a Joint Review Board consisting of a representative selected by each community college district, local elementary school district, high school district or each local community unit school district, park district, library district, county, a representative of the municipality and a public member; publishing a notice twice before the Public Hearing in a newspaper of general circulation in the community; mailing of the notice of the Public Hearing to all taxpayers and residents in the proposed Area; mailing of the notice of the Public Hearing to residential addresses within 750 feet of the proposed TIF District; and approving final ordinances: (1) approving the Redevelopment Plan and Projects; (2) designating the Redevelopment Project Area; and (3) adopting tax increment allocation financing.

The Village of Coal City engaged Thomas N. Jacob & Associates, Ltd. (n/k/a Jacob & Klein, Ltd.) and The Economic Development Group, Ltd. to assist the Village in establishing the Coal City TIF District. The Village has reviewed the potential annexation of properties which are not within its corporate limits, but expected to be included in the proposed TIF Redevelopment Project Area (*Appendix C*).

A review of the qualifications of the Area was completed which evaluated the potential TIF District based upon statutory definitions and determined that there is sufficient evidence for the TIF District to be classified as a combination of Blighted and Conservation Areas and, in part, an Industrial Park Conservation Area. Upon reviewing the TIF District Plan and accepting the findings herein, the Village may move forward with the process for establishing the tax increment financing district.

The timeline for certain activities relating to the establishment of the Coal City TIF District is as follows:

Establish Interested Parties Registry by Ordinance	November 23, 2009
Public Meeting Mailing	December 4, 2009
Public Meeting	December 21, 2009
Submit Draft Redevelopment Plan to Village	September 17, 2010
Set date for Public Hearing by Ordinance	September 27, 2010
Certified Mailings to Taxing Districts	October 5, 2010
Certified Mailings to Taxpayers, Resident & IPR Mailings	October 29, 2010
JRB Meeting	October 28, 2010
750' Mailing	November 3, 2010
First Publication of Notice of Public Hearing	November 3, 2010
Second Publication of Notice of Public Hearing	November 10, 2010
Public Hearing	November 22, 2010
Approve Final Ordinances to Establish TIF District	January 10, 2011

Description of Proposed Redevelopment Project Area

Pursuant to the Act, the proposed Redevelopment Project Area (Area) includes only those contiguous parcels of real property and improvements thereon which would be substantially benefitted by a redevelopment project. Also pursuant to the Act, the Area is not less in the aggregate than 1½ acres.

The Coal City TIF District Redevelopment Area includes properties shown on the attached TIF District Boundary Map (**Exhibit 1**) and legally described in **Exhibit 2** (legal description).

The Coal City TIF District includes properties within the Village which have been neglected and have not benefitted from coordinated planning efforts by either the public or private sectors. Vacant and improved properties within the proposed Redevelopment Project Area would substantially benefit by a series of proposed public and/or private redevelopment projects.

Qualifying Characteristics of Redevelopment Project Area

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

A summary of the Village’s findings is as follows:

Total Number of Parcels (improved and vacant)	655
Total Number of Qualifying Parcels (improved and vacant)	559

**Total Percentage of Parcels (improved and vacant)
which Qualify under the Act 85.3%**

Within the Coal City TIF District there were six hundred fifty-five (655) vacant and improved parcels surveyed, 85.3% of which qualify under the TIF Act as a combination of Blighted and Conservation Areas.

**QUALIFYING CHARACTERISTICS OF
IMPROVED PARCELS**

Improved Parcels

Total Number of Improved Parcels 535
Total Number of Improved Parcels which Qualify under the Act 442
Total Percentage of Improved Parcels which Qualify under the Act 82.6%

Of All Improved Parcels:

Total "Blighted" 16

Total Number of Structures and Site Improvements 878
Number of Structures over 35 Years of Age 626
Total Percentage of Structures over 35 Years of Age 71.3%

Total "Conservation" 444
Total Number Conservation, but Not Blighted 428

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

Number showing signs of Dilapidation 68
Number showing signs of Obsolescence 10
Number showing signs of Deterioration 501
Number showing signs of Code Violations 2
Number showing signs of Illegal Uses 0
Number showing signs Excessive Vacancy 15
Number which Lack Sanitary Facilities 3
Number with Inadequate Utilities 140
Number subject to Overcrowding 15
Number used for Deleterious Uses 0
Number with EPA Issues 0
Number showing Lack of Planning (Exhibit 5) 431
Number subject to Declining/Static EAV 535

The applicable characteristics of Blight and Conservation were found reasonably distributed throughout the 535 improved parcels, 82.6% of which qualify as a Blighted or Conservation Area within the Coal City TIF District Redevelopment Project Area.

QUALIFYING CHARACTERISTICS OF VACANT PARCELS/BLIGHTED AREAS

Vacant Parcels

Total Number of Vacant Parcels	120
Total Number of Vacant Parcels which Qualify under the Act	117
Total Percentage of <u>Vacant</u> Parcels which Qualify under the Act	97.5%

Of All Vacant Parcels:

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

Number subject to Obsolete Platting	36
Number subject to Diversity of Ownership	0
Number subject to Tax Delinquencies	0
Number subject to Deterioration of Adjacent Properties	87
Number subject to EPA Issues	0
Number subject to Declining/Static EAV	120

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

Number containing an Unused Quarry, Mine or Strip Mine Pond	0
Number containing an Unused Railroad or Railroad Right-of-way	5
Number subject to Chronic/Contribute to Flooding within same watershed (Exhibit 4)	12
Number with Disposal Site	28
Number which were Blighted before becoming Vacant	5

Of the 120 vacant parcels surveyed within the proposed Coal City TIF District, 97.5% qualify as a Blighted Area. All of the vacant parcels will contribute to the effectiveness of the TIF District as a whole and are necessary either as potential development locations or to ensure contiguity within the TIF District.

QUALIFYING CHARACTERISTICS OF VACANT PARCELS/ INDUSTRIAL PARK CONSERVATION AREA

The proposed Coal City TIF District Redevelopment Project Area includes nine (9) vacant parcels which also qualify as an "Industrial Park Conservation Area" as defined in the Act (65 ILCS 5/11-74.4 *et. seq.*). To promote and protect the health, safety, morals and welfare of the community, the blighted/conservation conditions that exist in the Coal City Redevelopment Project Area need to be

eradicated and conservation measures instituted by encouraging private investment through the use of tax increment financing.

Since Grundy County's unemployment rate of 10.1% in November, 2010 was greater than 6% (see Exhibit 3) and also 100% or more of the U.S. national unemployment rate of 9.3%, as of November, the Village of Coal City qualifies as a "Labor Surplus Municipality" and a portion of the Coal City TIF District Redevelopment Project Area qualifies as an "Industrial Park Conservation Area" as provided in the TIF Act.

Pursuant to the Act, the proposed Redevelopment Project Area includes vacant parcels that are suitable for use as an industrial park and the Area also contains blighted/conservation areas which are contiguous to such vacant land. If developed as an industrial park, these properties will promote industrial and transportation activities, thereby reducing involuntary unemployment and enhancing the community. Many of these vacant parcels also qualify as Blighted Areas. All of the vacant parcels will contribute to the effectiveness of the TIF District as a whole and are necessary either as potential development locations or to ensure contiguity within the TIF District.

The proposed Redevelopment Project Area includes nine (9) vacant parcels which also qualify as an Industrial Park Conservation Area.

EQUALIZED ASSESSED VALUATION (EAV) OF PROPOSED REDEVELOPMENT PROJECT AREA

The total equalized assessed valuation (before exemptions) of the Village of Coal City in tax year 2009, payable in 2010, was \$135,627,740. **The total estimated equalized assessed valuation (before exemptions) of parcels studied for the entire proposed Coal City TIF District Redevelopment Area in tax year 2009 was \$31,067,030.** Therefore, the total estimated EAV of the balance of the Village (outside of the proposed redevelopment project area) was \$104,560,710.

The Illinois TIF Act stipulates that properties (improved or vacant) may meet one of the characteristics of a "Blighted" or "Conservation" Area if: (1) the total equalized assessed valuation of the redevelopment project area decreased for three of the last five years; or (2) the total equalized assessed valuation of the redevelopment project area is increasing at an annual rate which is less than the balance of the municipality for three of the last five calendar years; or (3) the total equalized assessed valuation of the redevelopment project area increased at an annual rate which was less than the annual Consumer Price Index (CPI) for All Urban Consumers for three of the last five calendar years.

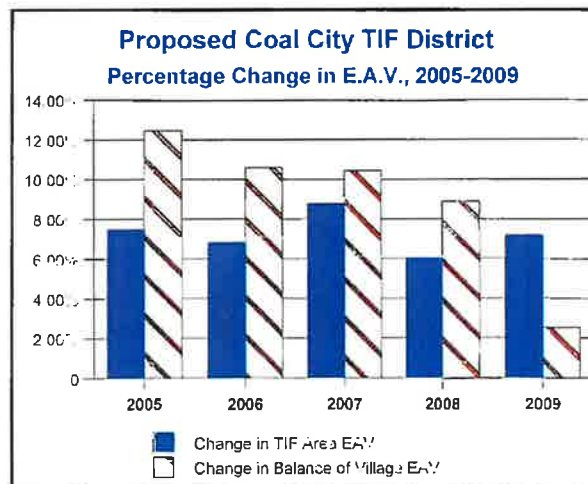


Figure 5. Grundy County Clerk's Office.

The growth in equalized assessed valuation of the proposed Area complies with qualification (2) above since it increased at an annual rate which was less than the annual growth in equalized assessed valuation of the balance of the Village in four (4) of the last five (5) years (Figure 5).

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

SUMMARY OF QUALIFICATION FINDINGS

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

1. Pursuant to the Act, the proposed Redevelopment Project Area (Area) includes only those contiguous parcels of real property and improvements thereon which would be substantially benefitted by a redevelopment project; and the Area is greater than 1½ acres in size.
2. The Proposed Redevelopment Project Area qualifies as a combination of “Blighted” and “Conservation” Areas and, in part, an “Industrial Park Conservation Area”.

The factors present throughout the Proposed Redevelopment Project Area as documented herein are present to a meaningful extent and are evenly distributed throughout the Proposed Redevelopment Project Area as follows:

- a. Within the proposed Coal City TIF District there were 655 parcels surveyed as vacant or improved, 85.3% of which qualify under the TIF Act as a combination of Blighted [improved/vacant] and Conservation [improved] Areas and, in part, an Industrial Park Conservation Area [vacant].
 - b. The applicable characteristics of Blight and Conservation were found reasonably distributed throughout the proposed TIF District as a whole. Of the total 535 improved parcels surveyed, 82.6% qualify as Blighted and/or Conservation Areas.
 - c. There were 120 vacant parcels surveyed within the proposed Coal City TIF District, 97.5% of which qualify as a Blighted Area. Nine (9) of the vacant parcels also qualify as an Industrial Park Conservation Area, pursuant to the TIF Act.
 - d. The growth in equalized assessed valuation of the proposed Area assists in qualifying the Coal City TIF District as a combination of Blighted and Conservation Areas.
3. The Redevelopment Project Area has not benefitted from coordinated planning efforts by either the public or private sectors. There is a need to focus on redevelopment efforts relating to infrastructure, property reuse, and the improvement of existing buildings. The Proposed Redevelopment Project Area would not be subject to redevelopment without the investment of public funds, including tax increments.

4. All property in the proposed Redevelopment Project Area would substantially benefit by a series of proposed redevelopment projects (public and private).
5. Portions of the Redevelopment Project Area may be suitable for redevelopment (public and private) for modern and more intensive mixed use if funding is established to acquire and clear necessary properties, and put in place appropriate incentives to overcome market impediments.

Public Redevelopment Projects

The Village plans to address the conditions which qualify the Redevelopment Project Area as a combination of Blighted and Conservation Areas and, in part, an Industrial Park Conservation Area. The Redevelopment Project Area has infrastructure inadequacies and will require improvements throughout the life of the TIF District as projected below. The Village expects that the implementation of the public projects provided herein will help address current needs and attract new private investment within the Redevelopment Project Area.

The Designated and Anticipated Public Project Costs are as follows (see Exhibit 5):

1. Street, alley and public parking lot construction, repairs & re-surfacing	\$8,500,000
2. Sidewalks and other pedestrian walkway construction and repairs	\$2,000,000
3. Purchase, demolition, repair/remodeling/renovation of buildings	\$3,000,000
4. Utility upgrades/extensions, other capital projects	\$8,000,000
5. Cleanup, lighting and beautification of public areas	\$2,000,000
6. Public park & green space improvements	\$1,000,000
7. Alternate Rail & Grade Separations	\$10,000,000
8. Commercial Facade, building renovation and business development program	\$2,500,000
9. Commercial revolving loan/grant program	\$500,000
10. Neighborhood redevelopment program	\$500,000
11. Economic Development Program (e.g. Village staff, university interns, technical consultants)	\$1,000,000
12. Capital costs of other taxing districts	\$8,000,000
TOTAL DESIGNATED & ANTICIPATED PUBLIC PROJECT COSTS	\$47,000,000

Private Redevelopment Projects

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

The Designated and Anticipated Private Project Costs are as follows:

1. **Commercial/General Merchandise Project I:** This project consists of the rehabilitation and renovation of a retail merchandise facility requiring an investment of \$650,000, including \$600,000 of TIF eligible project costs.
2. **Commercial/General Merchandise Project II:** This project consists of a general merchandise retail facility requiring an investment of \$1 million, including \$200,000 of TIF eligible project costs.
3. **Convenience Store/Restaurant I:** This facility is expected to be related to a chain of convenience store/fast food facilities common to interstate highway interchanges. The restaurant is expected to employ at least three supervisory employees and 50-60 food service workers. The project is estimated to require an investment of \$800,000 to construct, including \$150,000 of TIF eligible project costs.
4. **Restaurant II:** A second restaurant is projected to be constructed (or renovated within an existing building) within the Coal City TIF District. The restaurant is expected to employ approximately two supervisory employees and 30-40 food and food service workers. The project is projected to require an investment of \$500,000 to construct, including \$100,000 of TIF eligible project costs.
5. **Restaurant III:** A third restaurant is projected to be constructed (or renovated within an existing building) within the Coal City TIF District. The restaurant is expected to employ approximately two supervisory employees and 30-40 food and food service workers. The project is projected to require an investment of \$500,000 to construct, including \$75,000 of TIF eligible project costs.
6. **Light Industrial Project I:** An 250,000 square foot manufacturing facility employing more than 80 people and requiring a total private investment of more than \$10 million, including \$8,000,000 of TIF eligible project costs (Figure 6).
7. **Light Industrial Project II:** A 100,000 square foot manufacturing facility employing more than 150 people and requiring a total private investment of more than \$7 million, including \$1,500,000 of TIF eligible project costs.

8. **Light Industrial Project III:** A 40,000 square foot manufacturing facility (or expansion/rehab of existing facility) employing more than 70 people and requiring a total private investment of more than \$2.2 million, including \$450,000 of TIF eligible project costs.



Figure 6. The Village of Coal City intends to use Tax Increment Financing to attract new industrial development to the community.

9. **Light Industrial/Commercial Project IV:** A 35,000 square foot manufacturing facility employing more than 60 people and requiring a total private investment of more than \$2 million, including \$400,000 of TIF eligible project costs.
10. **Light Industrial/Commercial Project V:** A 35,000 square foot manufacturing facility employing more than 60 people and requiring a total private investment of more than \$1.75 million, including \$350,000 of TIF eligible project costs.
11. **Light Industrial/Commercial Project VI:** A 30,000 square foot manufacturing facility employing more than 40 people and requiring a total private investment of more than \$2 million, including \$400,000 of TIF eligible project costs.
12. **Warehouse Distribution Center Projects:** Two (2) 350,000 square foot warehouse distribution centers, each employing approximately 360 workers and requiring 30 acres per facility. The total private investment is estimated to be \$32 million, including \$4 million of TIF eligible project costs.
13. **Senior Development Project I:** This project consists of approximately 65 senior housing units and facilities on parcels located within the proposed Coal City TIF District. Phased over a period of ten (10) years, the development is projected to offer homes with average market values of \$155,000. Total investment is projected to exceed \$10 million, including \$1.5 million of TIF eligible project costs.
14. **Residential Rehabilitation/Renovation Projects:** The equivalent of twenty (20) projects involving exterior siding, roof or other structural repairs to existing residential buildings within the proposed Redevelopment Project Area are anticipated. Each project is valued at approximately \$75,000 and projected to be completed between 2015 and 2024. The cumulative result of these projects will increase total equalized assessed valuation within the Coal City TIF District by more than \$500,000 when completed.
15. **Elderly Supportive Living Facility:** The demand for senior housing often exists for elderly residents with low, fixed incomes. A single-story facility located on approximately six acres with projected capacity for 10 private pay and 10 government subsidized units in Coal City is projected to require an investment of \$4.5 million, including \$750,000 of TIF eligible project costs.

16. **Commercial Rehabilitation/Renovation Projects:** The equivalent of fifteen (15) projects involving facade renovations, structural rehabilitation and other repairs to existing buildings and facilities within the proposed Redevelopment Project Area are anticipated. Each project is valued at approximately \$150,000 and projected to be completed between 2015 and 2026. The cumulative result of these projects will increase total equalized assessed valuation within the Coal City TIF District by more than \$750,000 when completed.

TOTAL DESIGNATED AND ANTICIPATED PRIVATE PROJECT COSTS \$13,625,000

Sources of Funds to Pay TIF Eligible Project Costs

The Village plans to enter into Redevelopment Agreements with Developers through which the Village can utilize a portion of the Real Estate Tax Increments generated from these projects to reimburse Developers for a portion or all of their eligible project costs as provided in the Act [Section 65 ILCS 5/11-74.4-3 (q)]. The Village further plans to use a portion of any Real Estate Tax Increment generated for TIF eligible public project costs as well. The Village may also use Municipal Sales Taxes or any other sources of funds it may lawfully pledge.

Project Description	Years Completed	Total Projected Investment	Estimated Cumulative Real Estate Tax Increment	Designated & Anticipated Eligible Project Costs
Commercial/Gen Merch Project I	2012	\$650,000	\$300,375	\$600,000
Commercial/Gen Merch Project II	2014	\$1,000,000	\$407,082	\$200,000
Convenience Store/Restaurant I	2014	\$800,000	\$325,666	\$150,000
Restaurant II	2013	\$500,000	\$217,130	\$100,000
Restaurant III	2018	\$500,000	\$152,421	\$75,000
Light Industrial Project I	2011	\$10,000,000	\$4,906,686	\$8,000,000
Light Industrial Project II	2012	\$7,000,000	\$3,234,810	\$1,500,000
Light Industrial Project III	2014	\$2,200,000	\$895,581	\$450,000
Light Industrial/Commercial Project IV	2013	\$2,000,000	\$868,518	\$400,000
Light Industrial/Commercial Project V	2015	\$1,750,000	\$665,994	\$350,000
Light Industrial/Commercial Project VI	2017	\$2,000,000	\$658,928	\$400,000
Warehouse Distribution Center Projects	2015-2017	\$32,000,000	\$11,360,508	\$4,000,000
Senior Development Project I	2012-2021	\$10,075,000	\$3,471,609	\$1,500,000
Residential Rehab/Renovation Projects	2015-2024	\$1,500,000	\$203,566	\$200,000
Elderly Supportive Living Facility	2015	\$4,500,000	\$1,712,556	\$750,000
Commercial Rehab/Renovation Projects	2015-2026	\$2,250,000	\$608,365	\$450,000
TOTALS:		\$78,725,000	\$29,989,793	\$13,625,000
NOTE: See <i>Exhibit 6</i> for Examples of TIF District Projections relating to these projects.				

TIF Financing Summary

<u>Total Designated & Anticipated Eligible Public Project Costs</u> within the Proposed Redevelopment Project Area	\$47,000,000
<u>Total Designated & Anticipated Eligible Private Project Costs</u> within the Proposed Redevelopment Project Area	<u>\$13,625,000</u>
<u>Total Designated & Anticipated Eligible Project Costs (Public & Private)</u>	<u>\$60,625,000</u>
<u>Designated & Anticipated Annual TIF Administration Fee (plus CPI and Costs) ...</u>	<u>\$3,500-\$25,000</u>
<i>Fees and costs of annual administration of the redevelopment project will be paid by in part by the Developers on a proportionate basis as increment is generated. Such fees and costs will be paid first from the increment before the Developers receive their reimbursements.</i>	

All project cost estimates are in year 2011 dollars. In addition to the public and private project costs listed above, any bonds issued to finance a Project may include an amount sufficient to pay interest, as well as customary and reasonable charges associated with the issuance of such obligations as well as to provide for capitalized interest and reserves as may be reasonably required.

Adjustments to the designated and anticipated line item (public and private) costs provided in this Redevelopment Plan are expected. Each individual project cost and the resulting tax revenues will be re-evaluated as each project is considered for public financing under provisions of the Act. The totals of line items set forth in this Redevelopment Plan are not intended to place a total limit on the described expenditures or intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the Area, provided the total amount of payment for eligible redevelopment project costs shall not exceed the amount set forth herein or as adjusted. Adjustments may be made to the designated and anticipated line items within the total, either increasing or decreasing line item costs for redevelopment. By adoption of this Plan, the Village may without further formal statutory approval increase the total limit or any line item by the increase in the Consumer Price Index (currently All Urban Consumers, Chicago-Gary-Kenosha), plus 5%.

The potential developments included herein are not assured to occur but are reasonable expectations. The actual reimbursements may be for other projects and costs not anticipated in this list. Types of projects, investments and eligible project costs may be re-allocated from time to time by the Village Board upon adoption of Redevelopment Agreements with private developers.

The classifications of industrial and commercial jobs projected to be created by the Private Redevelopment Projects listed above are as follows:

1. Managerial/Clerical Occupations	35
2. Industrial Management/Material Handling Occupations	1,180
3. Retail/Food Service Occupations	125
Total Industrial & Commercial Jobs Projected to be Created	1,340

Present and Projected Tax Increment

The anticipated increases in equalized assessed valuation (EAV) for the Coal City TIF District are as follows:

1. Total Projected Private Investment \$78,725,000
2. Estimated Cumulative Real Estate Tax Increment
Generated Over 23 years \$29,989,793
3. Base Year (2009) EAV of Proposed Redevelopment Area *(before exemptions)* \$31,067,030
4. Estimated Potential Increase in EAV \$26,241,667
5. Total Estimated EAV of Redevelopment Project Area
after Redevelopment Projects are Completed *(line 3 plus line 4)* \$57,308,697

Assessment of Financial Impact

New economic development is not expected to occur within the Village of Coal City without the creation of the TIF District. Without tax increment financing, the overlapping taxing districts are not expected to experience any significant increase in real estate tax revenue from the proposed area.

Using real estate tax rates from tax year 2009 payable 2010 and assuming an increase in real estate development of \$300,000 or a \$100,000 increase in equalized assessed valuation, the projected annual financial impact on the taxing bodies which levy taxes in the proposed TIF District are as follows:

Taxing Districts Listed on Tax Bill	2009 Payable 2010 Real Estate Tax Rate	Projected Annual Impact (Dollars) for each \$100,000 Increase in EAV
Grundy County	0.6524%	\$652.40
Braceville Township	0.0544%	\$54.40
Braceville Twp Rd & Bridge	0.1731%	\$173.10
Felix Township	0.0638%	\$63.80
Felix Township Rd & Bridge	0.2056%	\$205.60
Joliet Junior College #525	0.2153%	\$215.30
Coal City CUSD #1	2.8430%	\$2,843.00
Coal City Fire District	0.2896%	\$289.60
Coal City Public Library	0.1573%	\$157.30
Braceville-Maine MTAD	0.0067%	\$6.70
Village of Coal City	1.2670%	\$1,267.00

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

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

As the Coal City TIF District relates to the School District, the actual impact to the Coal City Unit School District #1 is less than the perceived loss, as the TIF Act contains a clause which requires the Illinois State Board of Education to ignore increases in assessed valuation within Tax Increment Financing Districts when calculating the School State Aid Formula.

The excerpt from [65 ILCS 5/11-74.4-8] Tax Increment Allocation Financing in reference to the impact on Schools states:

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

The Village may enter into Intergovernmental Agreements with taxing districts if there is any additional impact resulting from development within the redevelopment project area. If some portion of TIF funds are used to pay for additional capital costs the taxing districts incur because of the Coal City TIF District, the taxing districts will be required to provide the Village with a list of future projected capital costs as part of an ongoing impact analysis.

The Village will reimburse the taxing districts from the Special Tax Allocation Fund as an impact fee to be used for capital costs, pursuant to current Section 4-3(q)(7) of the TIF Act, and each taxing district shall provide the Village with a list of the expenditures annually. In the event that capital costs exceed the amount of distribution in any given year, any unreimbursed capital costs may be carried over to a subsequent year or years. For the School District, the term "capital" shall include all real property, and all personal property having a value in excess of \$500 and, having a useful life of at least six (6) months and otherwise meeting the definition of "Capital" as set forth by the Illinois State Board of Education. Examples of capital costs are, but not limited to: (a) Acquisition of land to serve the immediate or future needs of students; (b) Improvement to any existing school site which already serves such needs; (c) Development of classrooms, parking lots, sidewalks, traffic signals, internal roadways, connections with water, sewer and electrical lines, playgrounds, recreation grounds and athletic fields; (d) Remodeling or renovation of School facilities; (e) Purchase and prefabrication of classroom units; (f) Material, goods or equipment as set forth in Exhibit A of the Illinois Program Accounting Manual for local Education Agencies prepared by the Illinois State Board of Education; (g) Buses, maintenance, equipment, office

equipment, district vehicles, or playground equipment; or (h) Any other piece of capital equipment deemed necessary by the School District.

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

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

4 – Other Statutory Requirements

General Land Uses. The general uses of the land within the Coal City TIF District conform to the existing and land uses as well as current zoning and subdivision codes.

Certification of No Displacement of Residential Units. The Village of Coal City hereby certifies that the Redevelopment Plan will not result in the displacement of residents from ten or more inhabited residential units. However, the proposed Area does contain more than 75 inhabited residential units.

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

Provisions for Amending the Coal City TIF District Redevelopment Plan. The Redevelopment Plan may be amended in accordance with the Tax Increment Allocation Redevelopment Act and other applicable Village Ordinances.

Term of the Coal City TIF District Redevelopment Plan and Projects. The Redevelopment Plan and District shall be completed no later than December 31 or the year in which the payment to the County Treasurer is made with respect to ad valorem taxes levied in the 23rd calendar year following the year in which the ordinances approving the Redevelopment Plan and Projects Area are adopted by the Village Board. The Village intends to utilize the incremental revenues generated in the 23rd year of the TIF District and received by the Village the following year for those projects included in the Plan.

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