

# Tax Increment Financing Redevelopment Plan & Project

.....  
MOLINE PLACE PHASE II & III  
REDEVELOPMENT PROJECT AREA  
.....

Prepared for  
**City of Moline, Illinois**

Prepared by  
**PGAVURBANCONSULTING**

November 3, 2009

## **City of Moline, Illinois**

### **Mayor**

Don Welvaert

### **Aldermen**

John S. Knaack, Ward One  
Richard L. Meredith, Ward Two  
J. Scott Raes, Ward Three  
Ted Ronk, Ward Four  
Lori Turner, Ward Five  
Kevin Schoonmaker, Ward Six  
Dorothy Armstrong, Ward Seven  
Gary Brown, At Large

### **City Administrator**

Lew Steinbrecher

### **City Clerk**

Tracy A. Koranda

### **City Attorney**

Jeffrey Lester

### **Finance Director**

Kathleen Carr

### **Planning & Economic Development Director**

Ray Forsythe

### **Economic Development Manager**

Patrick Burke

## TABLE OF CONTENTS

	PAGE
<b>SECTION I INTRODUCTION.....</b>	<b>1</b>
<b>SECTION II STATUTORY BASIS FOR TAX INCREMENT FINANCING AND SUMMARY OF FINDINGS.....</b>	<b>4</b>
A. Introduction.....	4
B. Summary of Findings.....	5
<b>SECTION III BASIS FOR ELIGIBILITY OF THE AREA AND FINDINGS.....</b>	<b>6</b>
A. Introduction.....	6
B. Statutory Qualifications.....	6
C. Investigation and Analysis of Blighting Factors .....	11
D. Conclusion of Investigation of Blighting Factors for the Redevelopment Project Area.....	14
<b>SECTION IV REDEVELOPMENT PLAN .....</b>	<b>16</b>
A. Introduction.....	16
B. General Land Uses to Apply.....	16
C. Objectives.....	16
D. Program Policies to Accomplish Objectives .....	17
E. Redevelopment Project .....	17
F. Estimated Redevelopment Project Costs .....	18
G. Description of Redevelopment Project Costs .....	20
<b>SECTION V OTHER FINDINGS AND REQUIREMENTS .....</b>	<b>24</b>
A. Conformance with Comprehensive Plan .....	24
B. Area, on the Whole, not Subject to Growth and Development .....	24
C. Would Not be Developed “but for” TIF.....	24
D. Assessment of Financial Impact.....	25
E. Estimated Date for Completion of the Redevelopment Projects .....	26
F. Most Recent Equalized Assessed Valuation .....	26
G. Redevelopment Valuation .....	26
H. Source of Funds .....	26
I. Nature and Term of Obligations .....	27
J. Fair Employment Practices and Affirmative Action.....	27
K. Reviewing and Amending the TIF Plan .....	27

**EXHIBITS**

A – Redevelopment Project Area Boundary Map ..... 3  
B – Comparison of EAV Growth Rates (2004-2008)..... 13  
C – Existing Conditions ..... 15  
D – Estimated Redevelopment Project Costs ..... 19  
E – EAV Trends (2004-2008)..... 24

**APPENDIX** ..... 28

Attachment A - Resolution 1153-2009  
Attachment B – Boundary Description  
Attachment C – Photographs of Vacant Former Nurses Dormitory Building and Area Ad-  
joining Project Area  
Attachment D – PIN List, Property Owners & 2008 EAV

## SECTION I

### INTRODUCTION

On September 15, 2009 the Moline City Council passed **Resolution 1153-2009** initiating a feasibility study to determine the eligibility of establishing a tax increment finance (“TIF”) district for a portion of the City and to induce development interest within such area (see **Attachment A** in the Appendix). This is being pursued under the provisions of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et. seq. – the “TIF Act”).

The area being considered for designation as a TIF district includes a portion of the former Trinity Hospital East complex, generally bounded by 5<sup>th</sup> Avenue to the north, 8<sup>th</sup> Street to the east, 11<sup>th</sup> Avenue to the south and 4<sup>th</sup> Street to the west. The area is referred to herein as Moline Place Phase II & III Redevelopment Project Area (the “Project Area”). This document represents the Redevelopment Plan and Redevelopment Project (the “Plan”) for this proposed TIF district.

The proposed TIF district, legally defined as a “Redevelopment Project Area”, is comprised of approximately 25.5 acres inclusive of existing street and alley rights-of-way (19.9 acres net of rights-of-way). The boundaries of this Area are illustrated on **Exhibit A, Boundary Map**, and a **boundary description** is located in the **Appendix as Attachment B**.

The Project Area is part of an existing TIF redevelopment project area that was designated in 1998. Known as “One Moline Place”, this TIF redevelopment project envisioned a mixed use development that would reutilize some of the former hospital and dormitory buildings plus contribution of new residential condominiums. This initial proposal never materialized and, eventually, a small portion of the area was developed into a mixed-density residential neighborhood. Due to a number of factors, including cost of property acquisition, incomplete building demolition, discovery of asbestos in the former dormitory, and slow market absorption of the residential lots and home construction, the One Moline Place development has become financially distressed. The developer has fallen behind in making payments on bonds issued by the City to help pay for infrastructure improvements. The City has intervened to restructure financing and to devise a strategy to complete the project with one or more new developers. Part of this strategy is to remove the undeveloped portions of the project (Phases II & III) from the existing TIF redevelopment project area and create a new TIF redevelopment project area with a new term of up to 23 years.

The City is proposing again to use tax increment financing, as well as other economic development resources, as available, to facilitate private redevelopment the Phases II and III. The remaining life of the existing TIF district doesn't have sufficient time remaining to finance the cost of demolishing the former nurses dormitory and needed infrastructure for Phase II and III. It is the intent of the City to induce the investment of significant private capital in the Project Area, which is expected to have a positive impact on the surrounding neighborhoods.

The TIF Act permits the use of tax increment financing to address the presence of blight or conditions that lead to blight. The TIF Act sets forth the requirements and procedures for establishing a Redevelopment Project Area and a Redevelopment Plan. This report presents the findings of eligibility, the Redevelopment Plan and Project for the Project Area as well as other findings, evidence and documentation required by the Act.



### Legend

 Redevelopment Project Area Boundary

### Boundary Map

Moline Place Phase II & III Redevelopment Project Area  
City of Moline, Illinois

### Exhibit A

## SECTION II

### STATUTORY BASIS FOR TAX INCREMENT FINANCING AND SUMMARY OF FINDINGS

#### A. Introduction

Tax increment financing (TIF) is a local funding mechanism created by the "Tax Increment Allocation Redevelopment Act" (the "Act"). The Act is found at 65 ILCS 5/11-74.4-1 et. seq.

As used herein, the term **Redevelopment Project** means any public or private development project in furtherance of the objectives of a redevelopment plan. The term **Redevelopment Project Area** means an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, a blighted area, a conservation area, or a combination of both blighted areas and conservation areas. **Redevelopment plan** means 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.

The concept behind the tax increment law is straightforward and allows a municipality to carry out redevelopment activities on a local basis. Redevelopment that occurs in a designated Redevelopment Project Area results in an increase in the equalized assessed valuation (EAV) of the property and, thus, generates increased real property tax revenues. This increase or "increment" can be used to finance "Redevelopment Project costs" such as land acquisition, site clearance, building rehabilitation, interest subsidy, construction of public infrastructure and other items as permitted by the Act.

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

1. That there exist 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 and welfare.

These findings were made on the basis that the presence of blight, or conditions that 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 Act specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment plan. One of these requirements is that the municipality must demonstrate that a Redevelopment Project Area qualifies for TIF under the provisions of the Act. With the definitions set forth in the Act, a Redevelopment Project Area may qualify either as an industrial park conservation area, a blighted area, a conservation area or a combination of both a blighted area and a conservation area.

**B. Summary of Findings**

The following findings and evidentiary documentation is made with respect to the proposed Redevelopment Project Area:

1. The Area as a whole meets the statutory requirements as a **blighted area** as **this term is applied to improved and vacant land**. Furthermore, the factors necessary to make this finding are present to a meaningful extent and are reasonably distributed throughout the Area.
2. The Redevelopment Project Area encompasses approximately 25.5 acres of land and, therefore, exceeds the statutory minimum size of 1-1/2 acres.
3. The Redevelopment Project Area contains contiguous parcels of real property.
4. If this Redevelopment Plan and Project is adopted and implemented by the City, it is reasonable to say that all properties included in the Redevelopment Project Area would substantially benefit from being included in the Area.
5. The Redevelopment Project Area, as a whole, has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to occur without public assistance.

## SECTION III

### BASIS FOR ELIGIBILITY OF THE AREA AND FINDINGS

#### A. Introduction

A Redevelopment Project Area, according to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-3 et. seq.), is that area designated by a municipality in which the finding is made that there exist conditions which cause the area to be classified as a blighted area, conservation area, combination of blighted and conservation areas, or an industrial park conservation area. The criteria and the individual factors defining each of these categories of eligibility are defined in the Act.

This report documents the relevant statutory requirements and how the subject area meets the eligibility criteria.

#### B. Statutory Qualifications

The Act defines the factors that must be present in order for an area to qualify for TIF. The following provides the statutory definitions of the qualifying factors relating to a blighted area:

“**Blighted area**” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where:

1. **If improved**, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of five (5) or more of the following factors, each of which is (i) present, with that presence documented to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) reasonably distributed throughout the improved part of the Redevelopment Project Area:
  - a. Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings, or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.
  - b. Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

- c. Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.
- d. Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.
- e. Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
- f. Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.
- g. Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.
- h. Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the Redevelopment Project Area.

- i. Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.
- j. Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.
- k. Environmental clean-up. The proposed Redevelopment Project Area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.
- l. Lack of community planning. The proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan, or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

- m. The total equalized assessed value (EAV) of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.
2. **If vacant**, the sound growth of the Redevelopment Project Area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:
    - a. Obsolete platting of vacant land that results in parcels of limited or narrow size, or configurations of 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, or platting that failed to create rights-of-ways for streets or alleys, or that created inadequate rights-of-way widths for streets, alleys, or other public rights-of-way, or that omitted easements for public utilities.
    - b. Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
    - c. Tax and special assessment delinquencies exist, or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.
    - d. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
    - e. The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of

- hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.
- f. The total equalized assessed value (EAV) of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.
3. **If vacant**, the sound growth of the Redevelopment Project Area is impaired by one of the following factors that (i) is present, with that presence documented to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) is reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:
- a. The area consists of one or more unused quarries, mines, or strip mine ponds.
  - b. The area consists of unused rail yards, rail tracks, or railroad rights-of-way.
  - c. The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory agency.
  - d. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.
  - e. Prior to the effective date of this amendatory Act of the 91<sup>st</sup> General Assembly, the area is not less than 50, nor more than 100 acres, and 75% of which is vacant (notwithstanding that the area has been used for

commercial agricultural purposes within five (5) years prior to the designation of the Redevelopment Project Area), and the area meets at least one of the factors itemized in paragraph (a) of this subsection, the area has been designated as a town or City center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

- f. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

### **C. Investigation and Analysis of Blighting Factors**

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a Redevelopment Project. One of these is that the municipality must demonstrate that the Redevelopment Project Area qualifies for TIF. In this situation, there two parcels. One is considered “improved” having a large vacant multi-story building one (the Phase II area). The other is considered vacant land because it is without any buildings. There are blighting factors, as they are applied to both improved and vacant land, are present.

#### **1. Improved Land**

The parcel containing the vacant former nurse’s dormitory is considered improved land. The building was built in 1961 and therefore is over 35 years old.<sup>1</sup> Therefore, the one improved parcel in the Area would meet the age threshold for designating a “conservation area”. Additionally, this parcel has the following blighting factors as applied to improved land:

- a. **Dilapidation** – As clearly evident in the photographs contained in Attachment C of the Appendix, this building is unsafe and needs to be removed. Prior to the building current state, the developer of One Moline Place had planned to renovate the building into a senior living center. The estimated costs were too high at about \$6 million and “Shamsie realized he would have to ask [for] more than \$100,000 per unit and that was too much... It’s definitely coming down”<sup>2</sup>

---

<sup>1</sup> Source of building age: “Neighbors Brace for Implosion of Nurse’s Dorm”, Quad-City Times, July 16, 2007.

<sup>2</sup> “Bluff Again to Go Boom as Dorm to be Imploded”, Quad-City Times, February 10, 2007.

- b. **Obsolescence** – The building has obviously fallen into a state of disuse and no longer serves as a dormitory. Attempts to design a retrofit it for senior living units proved too costly as well. Thus its original use and potential reuse are nil, particularly in its current condition.
- c. **Deterioration** – By virtue of the building’s dilapidated condition, deterioration is present as well. Nonetheless, there is visual evidence of deterioration of various building components including the exterior support columns that are crumbling and exposing reinforcing bars.
- d. **Structures Below Minimum Code Standards** – Collapsed sections of the elevated walkway between the former parking area and the building is a clear safety hazard. Lack of windows, stair railings, collapse wall sections are all serious building code violations.
- e. **Environmental Clean-up** – Upon discovery of asbestos containing material in the building, the demolition of this unsafe building has been delayed until an asbestos abatement plan can be implemented. Evidence of the need for abatement can be found in the Illinois Environmental Protection Agency Case No. 09CH356, filed in Circuit Court on August 31, 2009. The estimated cost of the abatement measures is between \$400,000 and \$500,000, creating another significant cost impediment to the redevelopment of the site.
- f. **Sub-par EAV Growth** – The total EAV of the proposed Area is less than the balance of the City for at least 4 of the last 5 years (see **Exhibit B – Comparison of EAV Growth Rates**).

## 2. Vacant Land

Before documenting the presence of vacant land factors, evidence is presented to prove that Phase III of the Area can be considered vacant land pursuant to the definition of “vacant land” in the Act, to wit:

“(v) As used in subsection (a) of Section 11-74.4-3 of this Act, "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 the Redevelopment Project Area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided;...”

County records show that the Phase III portion of the Area is Outlot A of the One Moline Place subdivision plat. Thus, this vacant parcel located within the Area has been “subdivided”.

**Exhibit B**

**COMPARISON OF EAV GROWTH RATES (2004 - 2008)**  
Moline Place II & III Redevelopment Project Area  
City of Moline, Illinois

Assessment Year	EAV		Area Growth Rate Less Than Balance of City?
	Project Area <sup>1</sup>	Balance of City <sup>2</sup>	
2004	\$ 361,373	\$ 630,696,509	
2005	\$ 276,668	\$ 660,213,821	
Annual Percent Change	-23.4%	4.7%	<b>YES</b>
2006	\$ 283,585	\$ 685,377,523	
Annual Percent Change	2.5%	3.8%	<b>YES</b>
2007	\$ 287,838	\$ 717,765,099	
Annual Percent Change	1.5%	4.7%	<b>YES</b>
2008	\$ 161,454	\$ 731,950,199	
Annual Percent Change	-43.9%	2.0%	<b>YES</b>

<sup>1</sup> Equalized Assessed Valuation (EAV) for the Project Area. Note that land value has been apportioned to exclude the portion of PIN 08-31-424-001 that is located outside of the Project Area.

<sup>2</sup> Total City EAV minus Project Area EAV.

The Phase III parcel is considered vacant land. This parcel has the following blighting factors as applied to vacant land:

- a. **Deterioration of Structures or Site improvements in Neighboring Areas** – The photographs contained in Attachment C of the Appendix shows the conditions of various properties located immediately north of the Area across 5<sup>th</sup> Street. These photographs show the presence of significant deterioration of buildings and site improvements. These conditions will be deterrent to the marketing of the Area, particularly the Phase III portion of the Area. **Exhibit C – Existing Conditions** shows the blighting conditions present within the Area and the adjoining study area.

- b. **Sub-par EAV Growth** – This factor is also included in the definition of blight applying to vacant land. The total EAV of the proposed Area is less than the balance of the City for at least 4 of the last 5 years (see **Exhibit B – Comparison of EAV Growth Rates**).

**D. Conclusion of Investigation of Blighting Factors for the Redevelopment Project Area**

It is found that the Redevelopment Project Area contains conditions that qualify it as a **blighted area** as this term is applied to both improved and vacant land in the TIF Act. The qualifying factors are present to a meaningful extent and distributed sufficiently throughout the Area to severely inhibit redevelopment.

Although it may be concluded that the mere presence of the stated eligibility factors might be sufficient to make a finding of qualification as a blighted area, this evaluation was made on the basis that the factors must be present to an extent that would lead reasonable persons to conclude that public intervention is appropriate or necessary. It can be concluded that public intervention is necessary because of the conditions documented herein and that private investment in the Area is lacking. While private investment has occurred in adjoining areas, none of this investment would have occurred absent significant public incentive. The City Council should review this analysis and, if satisfied with the findings contained herein, proceed with the adoption of these findings in conjunction with the adoption of the Redevelopment Plan and establishment of the Redevelopment Project Area.



**Redevelopment Project Area:**

- Boundary
- \* Over 35 Years of Age
- Deteriorated Structure
- Deteriorated Site Improvements
- ▲ Dilapidated Structure
- Obsolete Building
- ∨ Vacant
- ⊘ Unused Disposal Site
- + Deterioration in Neighboring Areas

**Adjoining Study Area:**

- Boundary
- Deteriorated Structure
- Deteriorated Site Improvements
- Vacant / Undeveloped Land

**Existing Conditions**

Moline Place II & III Redevelopment Project Area  
 City of Moline, Illinois

**Exhibit C**

## SECTION IV

### REDEVELOPMENT PLAN

#### A. Introduction

This section presents the Redevelopment Plan and Project for Moline's Moline Place Phase II & III Redevelopment Project Area. A **Redevelopment Plan** is defined in the Act as "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".

#### B. General Land Uses to Apply

The Plan proposes redeveloping the Area into a mix-density residential development (detached and attached single-family dwellings). Furthermore, the Project shall be subject to the provisions of the City of Moline's ordinances and other applicable codes as may be in existence and may be amended from time-to-time.

#### C. Objectives

The objectives of the Redevelopment Plan are:

1. Reduce or eliminate those conditions that qualify the Redevelopment Project Area as eligible for tax increment financing by carrying out the Redevelopment Plan. These improvements may include other actions permitted by the Act, including infrastructure needs.
2. Enhance the real estate tax base for the City and all other taxing districts, which extend into the Redevelopment Project Area through the implementation and completion of the activities identified herein.
3. Encourage and assist private investment in redevelopment projects within the Redevelopment Project Area through the provision of financial assistance for new development as permitted by the Act.
4. Provide for safe and efficient traffic circulation.

5. Complete all public and private actions required in this Redevelopment Plan in an expeditious manner.

**D. Program Policies to Accomplish Objectives**

The City of Moline has determined that it is appropriate to provide limited financial incentives for private investment within the Redevelopment Planning Area. It has been determined through extensive financial analyses by City staff that a renewed tax increment financing program constitutes the best way to finish the redevelopment of the Area. The City will incorporate appropriate provisions within any redevelopment agreement entered into between the City and private parties to achieve the successful completion of the redevelopment project described below.

**E. Redevelopment Project**

To achieve the Plan objectives and the overall project proposed in the Plan, a number of public and private activities will need to be undertaken. This includes a combination of private developments and public investment to leverage this private development. Improvements and activities necessary to implement the Plan may include the following:

**1. Private Redevelopment Activities:**

Through a new bond issue associated with Phase I of Moline Place (not in the this proposed TIF district), the bank holding the current debt would be responsible for implementing the asbestos abatement plan and demolish the former nurse's dormitory. The Phase II and III areas will then be redeveloped by private developers for market rate residential.

**2. Public Redevelopment Activities:**

Public improvements and support activities will be used to induce and complement private investment. These may include but are not limited to land assembly and site preparation, public streets and utilities, interest write-down, and marketing of properties, as well as other programs of financial assistance, as may be provided by the City.

### 3. **Land Assembly, Displacement Certificate & Relocation Assistance:**

The City is in the process of acquiring the Phase II and III properties within the Area with the intent to eventually convey to private entities in order to finish the redevelopment of the Area. The City will issue an RFP to provide reasonable opportunity for any person to submit alternate proposals or bids pursuant to the requirements of the TIF Act. Additionally, this Plan will not include the displacement of inhabited housing units because there are no housing units located within the Project Area.

#### ***Displacement Certificate:***

Under Sections 11-74.4-3 (n) (5) and 11-74.4-4.1 (b) of the Tax Increment Allocation Redevelopment Act, the City hereby certifies that this Redevelopment Plan will not result in the displacement of any inhabited residential units.

### F. **Estimated Redevelopment Project Costs**

The estimated costs associated with the eligible public redevelopment activities are presented in **Exhibit D** entitled **Estimated Redevelopment Project Costs**. This estimate includes reasonable or necessary costs incurred, or estimated to be incurred, in the implementation of this Redevelopment Plan. These estimated costs are subject to refinement as specific plans and designs are finalized and experience is gained in implementing this Redevelopment Plan and do not include financing costs or interest payments that may be incurred in conjunction with redevelopment projects.

In addition to the proposed TIF funding, the City may seek the assistance of various State of Illinois Departments (Illinois EPA, Department of Commerce and Economic Opportunity, etc), or appropriate agencies of the Federal Government to assist in funding site preparation, infrastructure, or other required projects or improvements. To the extent additional funds can be secured from the State of Illinois, or any federal program or other public or private sources, the City may use such funding sources in furtherance of the Redevelopment Plan and Projects.

Exhibit D

**ESTIMATED REDEVELOPMENT PROJECT COSTS**  
**Moline Place Phase II & III Redevelopment Project Area**  
City of Moline, Illinois

<b>Description</b>	<b>Estimated Cost</b>
<b>A. Public Works or Improvements</b> <i>(Improvement of streets, curb and gutters, utilities, and other public improvements)</i>	\$3,300,000
<b>B. Property Assembly</b> <i>(Acquisition of land and site preparation)</i>	\$500,000
<b>C. Taxing District Capital Costs</b>	\$10,000
<b>D. Job Training</b>	\$20,000
<b>E. School District Increased Costs</b>	\$2,500,000
<b>F. Interest Costs Incurred by Developers</b> <i>(30% of interest costs)</i>	\$5,800,000
<b>G. Planning, Legal &amp; Professional Services</b>	\$100,000
<b>H. General Administration</b>	\$100,000
<b>I. Financing Costs</b>	See Note 3
<b>J. Contingency</b>	\$500,000
<b>Total Estimated Costs</b>	<b>\$12,830,000</b>

**Notes:**

1. All costs shown are in 2009 dollars.
2. Adjustments may be made among line items within the budget to reflect program implementation
3. Municipal financing costs such as interest expense, capitalized interest and cost of issuance of obligations are not quantified herein. These costs are subject to prevailing market conditions and will be considered part of the total redevelopment project cost if and when such financing costs are incurred.
4. Private redevelopment costs and investment are in addition to the above.
5. The total estimated redevelopment project costs shall not be increased by more than 5% after adjustment for inflation from the date of the Plan adoption, per subsection 11-74.4.5 (c) of the Act.

## **G. Description of Redevelopment Project Costs**

Costs that may be incurred by the City in implementing the Redevelopment Plan may include project costs and expenses as itemized in **Exhibit B**, subject to the definition of “redevelopment project cost” as contained in the TIF Act, and the “Contingency” line item may include any other costs that are eligible under said definition. Itemized below is the statutory listing of “redevelopment project costs” currently permitted by the TIF Act [bold typeface added for emphasis]. Note that some of the narrative below has been paraphrased (see full definitions in the TIF Act).

1. **Costs of studies, surveys, development of plans and specifications**, wetland mitigation plans, implementation and administration of the Redevelopment Plan, including but not limited to staff and professional service costs for architectural, engineering, legal, environmental, financial, planning or other services, subject to certain limitations:
  - a. There are limitations on contracts for certain professional services with respect to term, services, etc.
  - b. Annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan.
  - c. Marketing costs are allowable so long as they relate to marketing sites within the redevelopment project area to prospective businesses, developers, and investors.
2. **Property assembly costs**, including but not limited to acquisition of land and other property, real or personal or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground level environmental contamination, including but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.
3. **Cost of construction of public works or improvements**, except that redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that it is not intended to replace an existing public building as provided for in paragraph 3 above, unless either:

- a. the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999; or
  - b. the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan.
4. **Cost of job training** and retraining projects, including the cost of “welfare to work” programs **implemented by businesses** located within the redevelopment project area.
5. **Financing costs**, including but not limited to, all necessary and incidental expenses related to the issuance of obligations by the City, and which may include payment of interest on any obligations issued thereunder including interest 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.
6. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a **taxing district's capital costs** resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.
7. **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 or in order to satisfy Subsection 11-74.4-3 (n) (7) of the TIF Act (re: federal Uniform Relocation Assistance and Real Property Acquisition Policies Act requirements).
8. **Costs of job training**, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, **incurred by one or more taxing districts**, provided that such costs:
  - a. are related to the establishment and maintenance of additional job training, advanced vocational education or career education or career education programs for persons employed or to be employed by employers located in a redevelopment project area: and



cipality. For purposes of this paragraph, termination means closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area; but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

## SECTION V

### OTHER FINDINGS AND REQUIREMENTS

#### A. Conformance with Comprehensive Plan

Development projects proposed to be undertaken in implementing this Redevelopment Plan conform to the Comprehensive Plan for the City of Moline. In addition, all development in the Redevelopment Planning Area will comply with applicable codes and ordinances.

#### B. Area, on the Whole, not Subject to Growth and Development

Based upon visual observations and an examination of equalized assessed valuation (EAV) data, it is clear that the Redevelopment Project Area on the whole has not been subject to growth and investment. Growth of the tax base of the Area has actually dropped. Between 2004 and 2008 the total EAV of the Area decreased by nearly \$200,000 (see **Exhibit E**). This represents a negative annual growth rate of -11%, compared to a positive 3% for the balance of the City.

#### Exhibit E

##### EAV TRENDS (2004 - 2008) Moline Place II & III Redevelopment Project Area City of Moline, Illinois

	EAV				Annual Percent Rate
	2004	2008	Change	Percent	
RPA	\$361,373	\$161,454	-\$199,919	-55%	-11%
Balance of City	\$630,696,509	\$731,950,199	\$101,253,690	16%	3%

#### C. Would Not be Developed “but for” TIF

The City has found that the Redevelopment Project Area would not reasonably be developed without the use of tax increment revenues. The City further commits that such incremental revenues will be utilized for the development and revitalization of the Redevelopment Project Area as provided in the Act. 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 commitments for private development and revitalization.

The City has prepared numerous financial pro-forma analyses of developing Moline Place Phase II & III that clearly show that the project is not feasible without TIF to reimburse a future developer(s) for certain TIF eligible redevelopment project costs. Several key economic disincentives include the cost of site preparation and infrastructure costs. If just infrastructure costs alone were to be absorbed by lot sale proceeds, the lots would need to sell or approximately \$37,400 on average. Similar lots in Phase I of Moline Place are appraised by the County at about \$23,500.

It is the intent of this TIF Redevelopment Plan to help overcome the economic disincentives. Without financial incentives to overcome these barriers, investment by private enterprise will not take place to redevelop this Area.

#### **D. Assessment of Financial Impact**

The City finds that the financial impact of the Project on or increased demand for facilities or services from any taxing district affected by the Plan will be limited. To the extent that the new housing units to be built as part of the proposed Project generate a net increase in new students, the Moline Unit School District 40 may be entitled to receive a portion of the tax increment generated by TIF assisted housing units that create the net increase in new students (see 65 ILCS 11-74.4-3 (q) (7.5)). In lieu of this provision of the Act, the City and/or developer may seek other arrangements with the School District to offset any increase costs that may occur as a result of this Project. Alternatively, the School District may waive its right to all or a part of such TIF payments in order to make the project feasible. Currently, services (fire, police, and utility) and facilities appear to be adequate for the foreseeable future to support the proposed Project.

The City, to the extent that surplus revenues become available from the Project Area, will return these surplus revenues to the County to distribute on a pro-rata basis to local taxing bodies. Every effort will be made to reduce the time frame for completion of the TIF program to something less than the allowable 23-year timeframe.

The City and Joint Review Board will monitor the progress of the TIF program and its future impacts on all local taxing bodies. In the event significant adverse impacts are identified that increase demands for facilities or services in the future, the City will consider utilizing tax increment proceeds or other appropriate actions, to the extent possible, to assist in addressing the needs.

**E. Estimated Date for Completion of the Redevelopment Projects**

The estimated date for completion of the Redevelopment Project or retirement of obligations issued shall not be later than December 31<sup>st</sup> of the year in which the payment to the City 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 calendar year after the year in which the ordinance approving the Redevelopment Project Area is adopted.

**F. Most Recent Equalized Assessed Valuation**

The most recent total equalized assessed valuation (EAV) for the Redevelopment Project Area is \$161,454. A listing of the **parcels of real property located in the Project Area, and the 2008 Assessment Year EAV**, is located in the **Appendix as Attachment D**. The County Clerk of Rock Island County will verify the base EAV amount of each property after adoption of the City ordinances approving the Redevelopment Plan and establishing the Redevelopment Project Area.

**G. Redevelopment Valuation**

Contingent on the adoption of this Tax Increment Redevelopment Plan and commitment by the City to the Redevelopment Program, it is anticipated that the redevelopment investment in this Redevelopment Project Area will amount to over \$20 million. Based on this level of investment, the equalized assessed valuation is estimated to increase by \$4.5 to \$5 million (2009 dollars) upon completion of the redevelopment project.

**H. Source of Funds**

The primary source of funds to pay for Redevelopment Project Costs associated with implementing the Redevelopment Plan and Projects shall be funds collected pursuant to tax increment allocation financing to be adopted by the City of Moline. Under such financing, tax increment revenue resulting from increases in the EAV of property, in each Redevelopment Project Area shall be allocated to a special fund each year (the "Special Tax Allocation Fund"). The assets of the Special Tax Allocation Fund shall be used to pay Redevelopment Project Costs and retire any obligations incurred to finance Redevelopment Project Costs.

In order to expedite the implementation of the Redevelopment Plan and Projects and construction of the public improvements, the City of Moline, pursuant to the authority granted to it under the TIF Act, may issue bonds or other obligations to pay for the eligible Redevelopment Project Costs. These obligations may be secured by future revenues to be collected and allocated to the Special Allocation Fund.

If available, revenues from other economic development funding sources, public or private, will be utilized. These may include State and Federal programs, local retail sales tax, applicable revenues from any adjoining Tax Increment Financing Areas, and land disposition proceeds from the sale of land in the Redevelopment Project Area, as well as other revenues. The final decision concerning redistribution of yearly tax increment revenues may be made a part of a bond ordinance.

**I. Nature and Term of Obligations**

Without excluding other methods of City or private financing, the principal source of funding will be those deposits made into the Special Allocation Fund of monies received from the taxes on the increased value (above the initial equalized assessed value) of real property in the Area. These monies may be used to repay private or public sources for the expenditure of funds made as "Redevelopment Project Costs" for applicable public or private redevelopment activities noted above, or may be used to amortize Tax Increment Revenue obligations, issued pursuant to this Redevelopment Plan and Project, 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 viability of the project.

**J. Fair Employment Practices and Affirmative Action**

The City of Moline will insure that all private and public redevelopment activities are constructed in accordance with fair employment practices and affirmative action by any and all recipients of Tax Increment Financing assistance.

**K. Reviewing and Amending the TIF Plan**

This Redevelopment Plan may be amended in accordance with the provisions of the TIF Act. Also, the City shall adhere to all reporting requirements and other statutory provisions.

# APPENDIX

**ATTACHMENT A**

**Resolution 1153-2009**

Council Bill/Resolution No. 1153-2009

Sponsor: \_\_\_\_\_

A RESOLUTION

PROVIDING for a feasibility study on the designation of a portion of the City of Moline as a redevelopment project area and to induce development interest within such area; and

AUTHORIZING expenditures in the course of planning and redevelopment, prior to a redevelopment project area being established, that may be reimbursable from TIF proceeds.

\_\_\_\_\_  
WHEREAS, the City of Moline (the "City") is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, *65 ILCS 11-74.4-1, et seq.* ("the Act"), to finance redevelopment project costs in connection with redevelopment project areas established in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, pursuant to the Act, to implement tax increment financing (TIF), it is necessary for the City to adopt a redevelopment plan and redevelopment project, designate a redevelopment project area on the basis of finding that the area qualifies pursuant to statutory requirements, and make a finding that the redevelopment project area on the whole has not been subjected to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan, which plan contains a commitment to use public funds; and

WHEREAS, the City desires to undertake a feasibility study to determine whether findings may be made with respect to an area of the City (referred to as the "Moline Place Phase II & III Redevelopment Project Area), which may be designated as a redevelopment project area, to qualify the area as a blighted area or a conservation area or a combination thereof as defined in the Act, and other research necessary to document the lack of growth and development through private enterprise; and

WHEREAS, the boundaries of the redevelopment project area being considered is delineated on Exhibit A attached hereto, provided that the actual redevelopment project area to be established may contain more less land than that shown on Exhibit A; and

WHEREAS, the City will be expending certain funds to determine eligibility of the proposed redevelopment project area and to prepare the required redevelopment plan if the City decides to implement tax increment financing for all or a portion of the proposed TIF area; and

WHEREAS, the City may expend other funds in furtherance of the objectives of the anticipated redevelopment plan; and

WHEREAS, it is the intent of the City to recover these expenditures from the first proceeds of the TIF program, if established; and

WHEREAS, the City wishes to encourage developers to pursue the redevelopment of the area and make such expenditures as are reasonably necessary in that regard with confidence that said expenditures may be allowable redevelopment project costs under the plan once adopted and subject to a redevelopment agreement between the City and the Developer; and

WHEREAS, the purpose of the proposed redevelopment plan and project is to generate private investment in the targeted area, thereby eliminating or reducing blighted conditions or conditions that may lead to blight and provides for the long-term sound growth of the community; and

WHEREAS, tax increment allocation financing utilizes the increase in real estate taxes ("tax increment") resulting from the increase in value of properties located in a redevelopment project area to pay for certain redevelopment projects costs as provided for in the Act; and

WHEREAS, given that none of the purposes of the proposed redevelopment plan or proposed redevelopment project area are reasonably expected to result in the displacement of residents from ten (10) or more inhabited residential units within the area, the feasibility study is not required to include the preparation of any housing impact study as described in Section 11-74.4-4.1 (b) of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the City Council has examined the proposed area and circumstances and at this time finds that it is reasonable to believe that a tax increment financing plan can be adopted for said area and expenditures of development costs in furtherance of the plan, and potential development should be allowable project costs under the plan, provided that this resolution is not a guarantee that any such plan will be adopted, but rather an expression of the sense of the City at this time.

BE IT FURTHER RESOLVED that the person to contact for additional information about the proposed redevelopment project area and who should receive all comments and suggestions regarding the redevelopment of the area shall be:

Ray Forsythe  
Planning and Economic Development Director  
City of Moline  
619 16th St.  
Moline, IL 61265  
Telephone (309) 797-0708

CITY OF MOLINE, ILLINOIS



Mayor

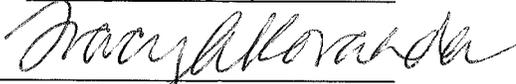
September 8, 2009

Date

Passed: September 8, 2009

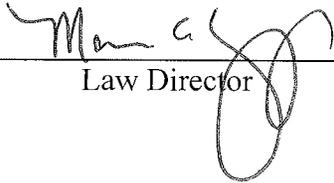
Approved: September 15, 2009

Attest:



City Clerk

APPROVED AS TO FORM:



Law Director



Legend

 Redevelopment Project Area boundary

**Boundary Map**

Moline Place II & III Redevelopment Project Area  
City of Moline, Illinois

Exhibit A

## **ATTACHMENT B**

### **Boundary Description Moline Place Phase II & III Redevelopment Project Area**

## **ATTACHMENT C**

### **Photographs Vacant Former Nurses Dormitory Building and Area Adjoining Project Area**



The buffer between the parking lot at the corner of the alley and 4th St is being used as an entrance. (Adjoining Area)



The siding and windows on 433 5th Avenue are deteriorated. (Adjoining Area)



The rear parking area for 439 1/2 5th Avenue is severely cracked. (Adjoining Area)



The siding and windows on 431 5th Avenue are rotted. (Adjoining Area)



The rear driveway and parking area at 419 5th Avenue is deteriorated. (Adjoining Area)



420 5th Street is missing sections of siding. (Adjoining Area)



The siding and roofing materials on 523 5th Avenue is severely deteriorated. (Adjoining Area)



The garage in the rear of 523 5th Avenue has rotted siding and doors. (Adjoining Area)



The foundation blocks for the garage at 519 5th Avenue are separating. (Adjoining Area)



The driveway in the rear of 607 5th Avenue is deteriorated and overgrown. (Adjoining Area)



Close up of the roof on 422 7th Street shows deteriorated roof and fascia board. (Adjoining Area)



The siding on 422 7th Street is deteriorated. (Adjoining Area)



The window frames on 407 8th Street are rotted. (Adjoining Area)



The fence at 714 4th Avenue is falling over. (Adjoining Area)



Broken windows and deteriorated siding at 714 4th Avenue. (Adjoining Area)



The parking area for 714 4th Avenue is severely deteriorated. (Adjoining Area)



The garage in the rear of 415 8th Street has step cracking and the windows are boarded up. (Adjoining Area)



Building debris from the demolition of the Public Hospital remains on the vacant parcel that is East of 5th Street.



The former nursing dormitory is vacant and dilapidated.



Partial demolition at the main entrance of the vacant nursing dormitory.



The concrete on the columns supporting the nursing dormitory is crumbling leaving reinforcing rods exposed.



The walkway leading to the former Lutheran Hospital is collapsing.



The manhole cover on the dormitory site is missing, presenting a hazard.



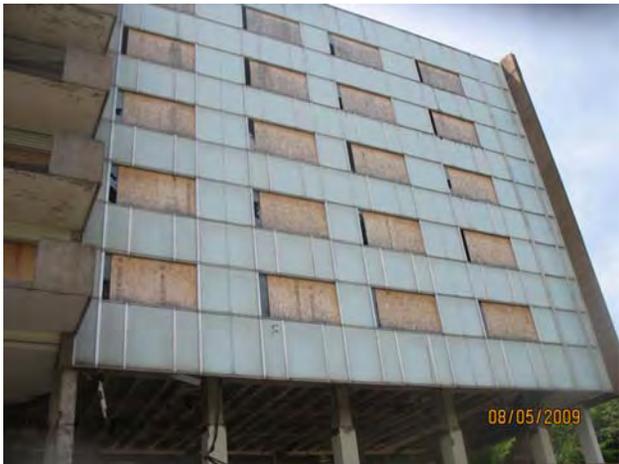
Debris from the Lutheran Hospital still remains on the dormitory site.



This hole in the fence is one of the places trespassers and vandals can enter the former dormitory.



The dormitory building contains large amounts of graffiti from vandals.



Most of the windows on the vacant dormitory are missing and boarded up.



The lower level of the dormitory is littered with debris removed from the upper levels of the building.



Trash and debris scattered on the north side of the dormitory.



One of the sections of wall around the upper levels that has collapsed.

**ATTACHMENT D**

**PIN LIST, PROPERTY OWNERS & 2008 EAV**

**PIN LIST, PROPERTY OWNER & 2008 EAV**  
Moline Place II & III Redevelopment Project Area  
City of Moline, Illinois

---

<b>Parcel I. D. No.</b>	<b>Property Owner</b>	<b>2008 EAV</b>
08-31-424-001	Moline Place Development	\$ 161,453
08-32-341-008	Moline Place Development	\$ 1
	<b>Total</b>	\$ 161,454

# PGAV**URBAN**CONSULTING

---

200 North Broadway, Suite 1000 • Saint Louis, Missouri 63102  
1900 West 47th Place, Suite 100 • Westwood, Kansas 66205

[www.pgav.com](http://www.pgav.com)