



**Monday, February 10, 2020
5:30 PM
City Council Chamber**

SPECIAL MEETING CITY COUNCIL AGENDA

- I.** Call to Order
 - 1. Roll Call
 - 2. Pledge of Allegiance
- II.** Study Session: Study Sessions are less formal meetings of the City Council called to discuss broad policy themes and obtain input from the governing body about proposals and initiatives that are still being developed. No formal votes are taken at Study Sessions, and no informal directions expressed at Study Sessions bind the City Council, or its individual members, to vote in a certain manner at a future City Council meeting. Public comments are invited after council and staff discussions.
 - 1. Annexation Program
 - 2. Neighborhood Revitalization Update & Policy Initiatives
- III.** Citizen Participation-The Mayor will accept public comments on the agenda topics. Members of the public should limit their remarks to three (3) minutes, unless granted additional time by the council.
- IV.** Directions to Staff
- V.** Adjournment

ATTACHMENTS:

Description

City Manager Memo

Annexations

Annexations 2019

Type

Cover Memo

Cover Memo

Cover Memo

February 6, 2020

TO: Mayor Julie Moore Wolfe & the Decatur City Council

FROM: Scot Wrighton, City Manager



RE: February 10, 2020 Council Study Session

Annexation Program

Since April 2019, the City Council has pursued a vigorous annexation program to achieve three principal objectives: 1) add as many people as possible to the upcoming census count, 2) reduce inequities of service delivery and taxation that occur where properties in the city are adjacent to those out of the city, and 3) regularize and simplify erratic and saw-toothed boundaries that can create confusion and inconsistency in service delivery. In less than nine months, the city annexed about 330 parcels—most of them in close proximity to the 1/1/2019 city boundary existing at the commencement of the program. Included in this study session packet is a map showing new properties annexed (or where formal resolutions of intent to annex were approved; shown in purple) during 2019. Although I believe we should pursue annexations anywhere it makes sense for the city, the map also illustrates the locations where staff recommends that new annexation activity be concentrated in 2020 (peach colored)—assuming the City Council authorizes continuation of the annexation initiative.

The 'census imperative' for annexation is now past—as January 1st was the deadline for making changes to annexation maps that will be deployed by census workers. However, the other reasons for annexing property into the city remain. Furthermore, while significant progress has been made, the city still has a large backlog of pending annexations. It is recommended that annexations continue (albeit at a slightly slower pace) for at least another year, and that the City Council then re-examine the progress of this initiative, one year from now. It is also recommended that the City Council make a few revisions to its annexation policies to reflect what staff and elected officials have learned about administering new annexations during the last nine months. Proposed policy revisions are shown on the attached page.

Neighborhood Revitalization Update & Policy Initiatives

The city's approach to neighborhood revitalization is to spur redevelopment, incentivize more economic activity in key areas, encourage repurposing of tracts, and do other things that will positively impact the performance outcomes agreed to at the Council's June 2019 study session on neighborhood revitalization. The city's approach is NOT to articulate a ***Grand Plan*** by which the city controls each property in distressed areas. Rather, the city seeks to partner with existing neighborhood associations, potential developers, and other local stakeholders to provide resources that 'jump start' existing entities and organically stimulate local revitalization and redevelopment in ways that collectively result in the recovery of neighborhoods.

Since the June 2019 Neighborhood Revitalization Study Session, staff has taken the following actions based on directions and guidance given by the City Council:

1. Completed the transfer, closing and recording of 726 Macon County Trustee Lots
2. Met with the newly formed Central Illinois Land Bank, and tentatively agreed to develop an intergovernmental agreement bringing Decatur into the organization so that the Land Bank can be used as a mechanism for repurposing and redeveloping vacant and surplus lots owned by the city. Final council action is still pending.
3. Increased the rate of derelict housing demolitions.
4. Created a tentative agreement for creation of an urban garden project in the Torrance Park neighborhood, with the Community Environmental Council.
5. Met with potential contractors interested in redeveloping and upgrading the Greenwood Apartments on South Main Street.
6. Updated and finalized an agreement with developers of the Crossing Healthcare Campus for infrastructure improvements (all on city right-of-way) following completion of current building construction projects (King, Marietta & Orchard).
7. Made progress negotiating a new street scape project scope for improvement of U.S. 51 between Eldorado and Pershing, as it passes through key urban core areas.
8. Through the city's FY 2020 budget, added more infrastructure projects in the Target Area for street, water, sewer and sidewalk improvements. The multi-year plans already approved by the City Council as part of its budget include almost all infrastructure work categories, in the Target Area, except broadband expansion.
9. Selected the former nursing home near the Staley Museum as this year's major CDBG demolition project, with an alternative project in the 700 block of West Wood.
10. Council tentatively approved a vacant and foreclosed property registration program during budget deliberations (final adoption still pending at a future council meeting).
11. Updated the city website to include a section just for neighborhood revitalization.

Regarding other strategies approved by the governing body last year, city staff continues to: a) examine alternatives for a new small business incubator in the warehouse district immediately north of the central business district; b) evaluate best locations to assemble and clear a large-tract area somewhere in the Target Area for a land repurposing project; c) discuss ways to partner with DPS 61 and the Southside Neighborhood to make improvements around the planned Johns Hill School project area, now that DPS owns all the public space between Johns and Whitmer Streets; d) study ways to partner with Habitat for Humanity to enlarge and beautify their East Wood Street property by transferring surplus lots owned by the city; e) examine the best ways to improve access to employment for those in the urban core by adding selective point-to-point bus services in off-hours; f) develop a rental housing inspection and licensing program; g) look at incentive programs that will encourage more in-fill and redevelopment projects in the urban core; and h) work to develop a housing rehabilitation and renovation matching grant program that is not subject to HUD restrictions for some or all urban core neighborhoods. When these initiatives are more fully developed, they will be brought to the City Council in future study sessions and regular action meetings; but other neighborhood revitalization elements **are ready for council review now, and are the focus of this session.**

These include:

1. Approve a multi-year broadband extension plan that is compatible with new State of Illinois funding the city and DPS 61 have both received for broadband enlargement, and which directly serves the city's neighborhood revitalization objectives. The attached broadband map, if approved, would replace the city's former broadband planning map. Although long-term broadband goals for the entire city are included on the map, more attention has been focused on bringing these resources to the urban core, and in coordinating with DPS 61 plans. It is requested that the council make those changes they see fit, and give tentative approval to the plan.
2. Make changes in the city's demolition policies and processes to accelerating the rate of building demolitions. The attached flow-chart illustrates how derelict properties progress from initial identification to demolition. As Council has observed, the demolition process takes a long time. So, staff has evaluated ways to increase the rate of demolitions. The attached policy and ordinance descriptions lay out some steps the council and staff can take to shorten the demolition timeline. It is requested that the council give feedback to staff about these ideas.
3. Adopt policies for disposing of surplus properties (including the large inventory of lots the city acquired through the transfer of Macon County Trustee properties) so these tracts can be used more productively and returned to the tax rolls. It has taken staff several months to sort through its much-expanded property inventory. The surplus lots (including some unused right-of-ways) fall into one of four categories:
 - a. Small, stray single lots that are best suited for sale or other gift/transfer to adjoining property owners. To facilitate this, staff has developed a draft side-lot ordinance and policy (attached) for council review
 - b. Concentrated numbers of lots, all in close proximity, clustered in such a way that it may be possible for the city, with minimal additional land assembly, to put together a large contiguous tract that can be cleared and completely repurposed by a future developer
 - c. Locations where two, three or four lots owned by the city are adjacent and, taken together, form a developable parcel
 - d. Lots that include a structure that can be renovated or rehabilitated

It is recommended that lots in categories "c" and "d" above be first offered to local neighborhood entities that are legally enabled to engage in land transactions, before they are offered to the Central Illinois Land Bank (see attached draft policy). Feedback from the council on this proposed approach to reducing the city's surplus land inventory is requested, prior to formalization of the policy at a future City Council meeting.

4. Revisit the city's tax increment financing (TIF) strategies and determine whether the creation of another TIF district in and adjacent to the Target Area would assist the city in realizing its revitalization goals. Information about the city's seven existing TIF districts is attached, along with a map of a proposed new TIF district. The proposed new TIF district would advance several revitalization and city objectives, including:
 - a. Make TIF inducements available to developers operating in the warehouse district immediately north of downtown
 - b. Make TIF inducements available to developers interested in investing in Fairview Plaza
 - c. Make it easier to redevelop and repurpose the Durfee School property at Oakland and Grand when this school closes later in 2020
 - d. Put the MEDA building and the Civic Center in the TIF district
 - e. Put the Old Kings Orchard neighborhood into the proposed TIF district so TIF proceeds can be used to augment a local rehab/renovation grant program
 - f. Without creating a separate TIF district downtown (in addition to the one proposed here, shown on the enclosed map), give the city the ability to carve out all or a section of the central business district and move it into a new TIF, since the Old Town Development TIF district expires in 2023

TIF is a powerful and effective economic development tool; but it has been perceived as less than effective in Decatur because the issuance of public improvement debt against TIF proceeds from the Old Town TIF has effectively put this TIF district financially "underwater." To prevent this from happening in the future, it is recommended that the future use of TIF, in the form of an additional district, be "pay-as-you-go." The creation of a new TIF district takes several months and thousands in consulting fees, so we need to know if the council is willing to move ahead with this redevelopment strategy.

5. Work with existing neighborhood entities to create multi-neighborhood community development corporations (CDCs) legally empowered to buy and sell land, employ staff, enter into contracts, etc.; and then designate one of these to act as a Community Development Housing Organization (CHDO) for the entire urban core area of Decatur—so that the city can take advantage of funding for CHDO's available through HUD which, in the past, we have not been able to use for revitalization.
6. Discuss bonding requirements connected to vacant and foreclosed property registrations, as preferred by the City Council last November (see attached).

If the City Council provides direction on the six areas listed above, and further described in the attached background documents, staff and its external partners and stakeholders can continue their work. Given the high priority assigned by the City Council to neighborhood revitalization, it is anticipated that it will be necessary to convene two or three study sessions each year that, like this one, focus on different topics, all connected to neighborhood revitalization.

1. Annexations*

All owners of property to be annexed as a surrounded area must be notified by mail of such impending City Council action.

When property which is the subject of a water service agreement or other type of ~~pre~~-annexation agreement becomes contiguous with the City's corporate boundary, an action by the City Council for annexation will be initiated no more than 6 months after contiguity is achieved in accordance with the provisions of 65 ILCS 5/11-15.1-1 et. seq.

From and after February 1, 2020, property owners located outside the city limits and requesting to receive water connection, or any other service, will be required to annex into the city as a condition of provision of service (unless specifically waived by the City Council). If the requesting land owner's property is not physically contiguous with the city corporate boundary, the requesting property owner will be required to meet with property owners who would create or permit a contiguous connection in order to become contiguous, and satisfy the city that all reasonable steps have been taken to try and achieve a contiguous connection. If the city agrees that it is not possible to obtain a contiguous connection, the city, at its sole discretion, may elect to decline extension of city service, or will require the execution of an annexation agreement, in accordance with state statutes, or water service agreement, requiring annexation of the subject parcel when it becomes contiguous with the City's corporate boundary. All future annexation agreements and water service agreements will be filed with the Macon County Recorder of Deeds Office.

The Department of Community Development shall be responsible for the notification of surrounding tracts. The Public Works Department shall be responsible for initiating annexation actions for properties covered by ~~pre~~-annexation and water service agreements.

The city may elect to pursue group, or neighborhood-wide, annexations via majority petition procedures provided in state statute. To facilitate such petitions, all future annexation agreements and water service agreements shall include provisions stipulating that the property owner agrees, in addition to annexation whenever physical contiguity is achieved, to also execute any lawful group petition for annexation submitted to them by the city.

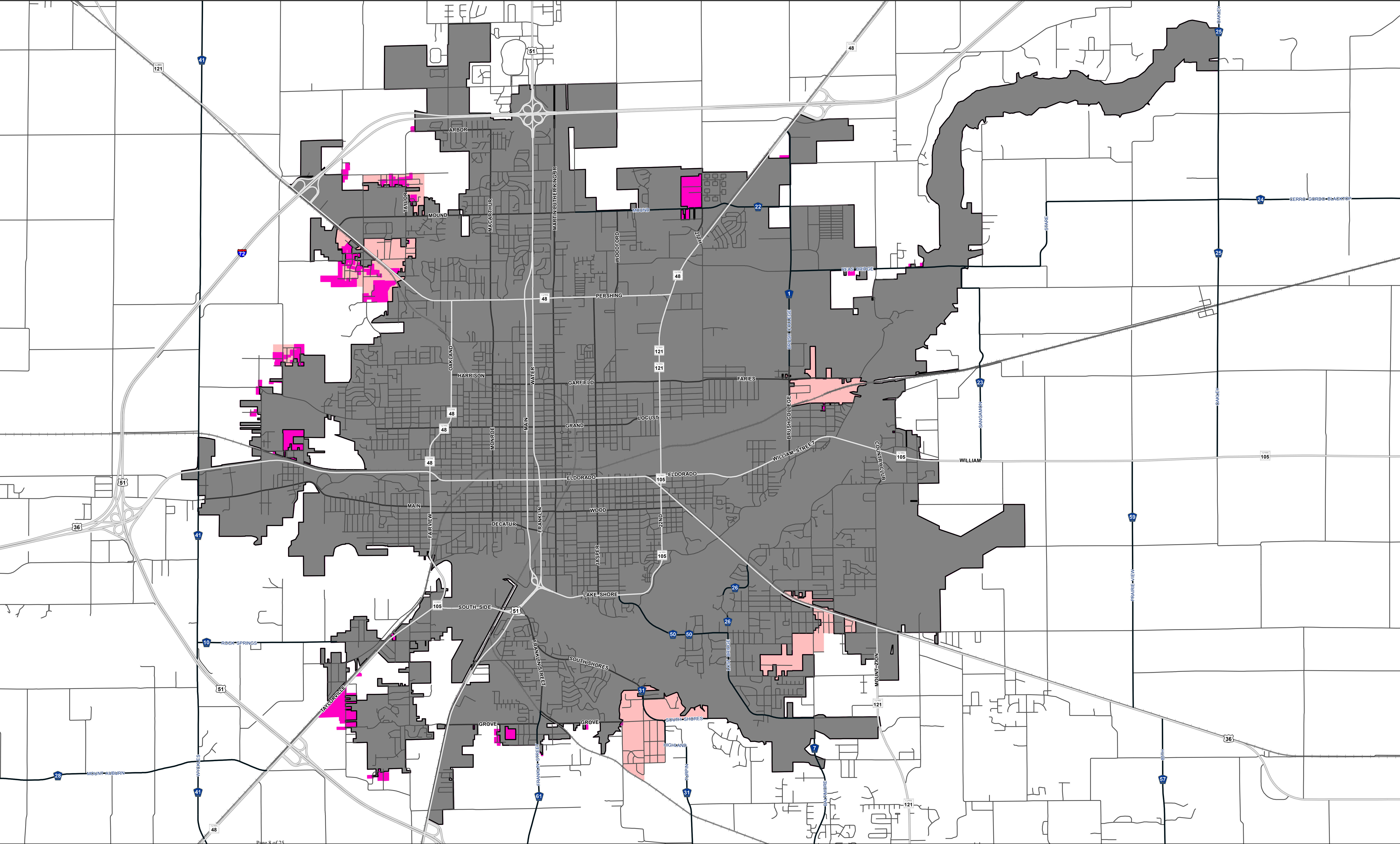
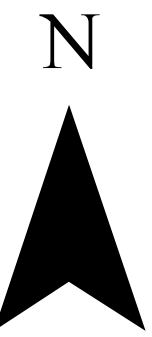
*Only underlined language is new

Legend

- City Limits (March 2019 - 30,379 ac)
- City Limits (Dec 31, 2020 - 30,741 ac)
- Future Annexation Focus Areas

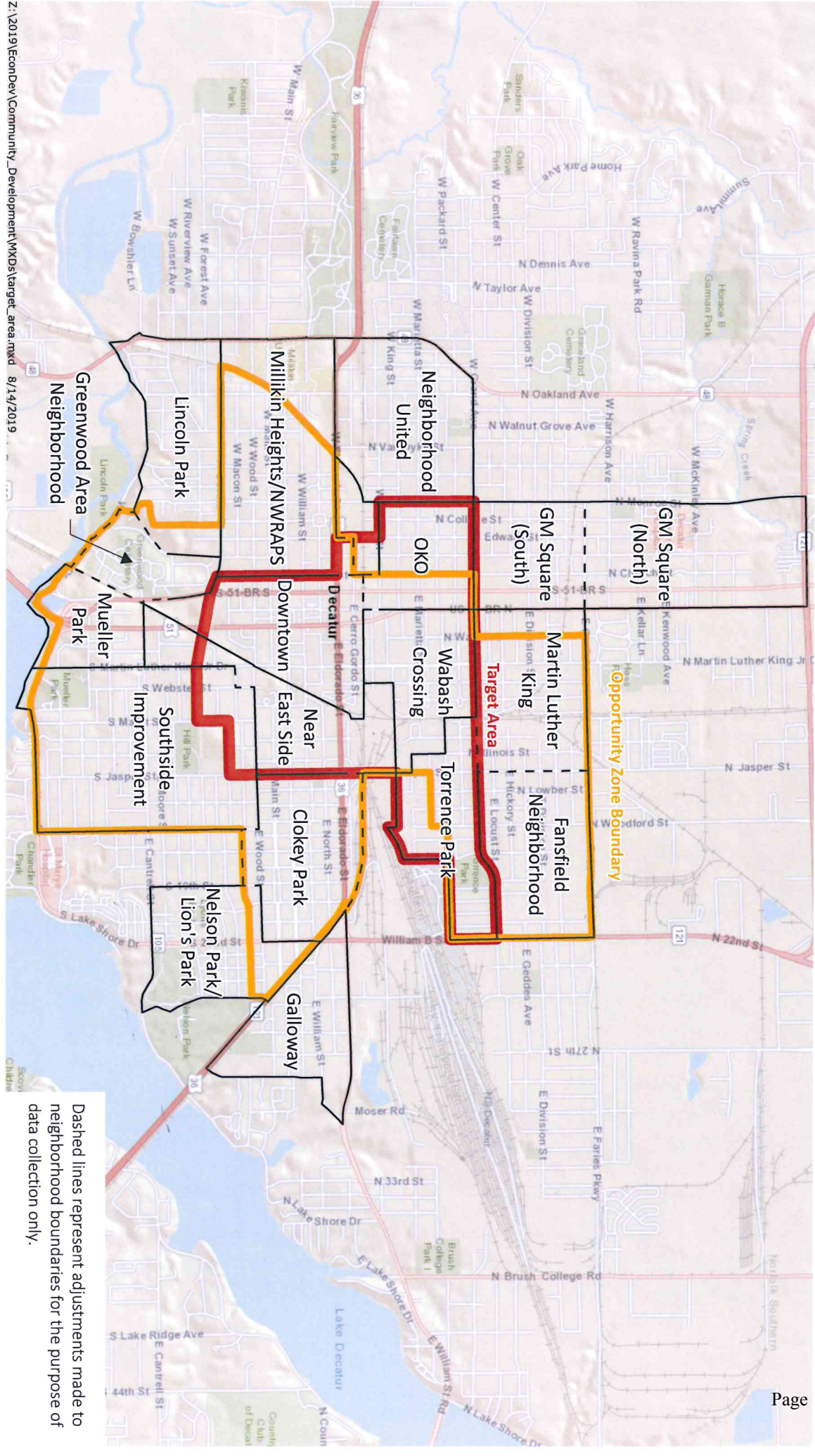
DECATUR CITY LIMITS
MARCH 2019 TO DECEMBER 2019

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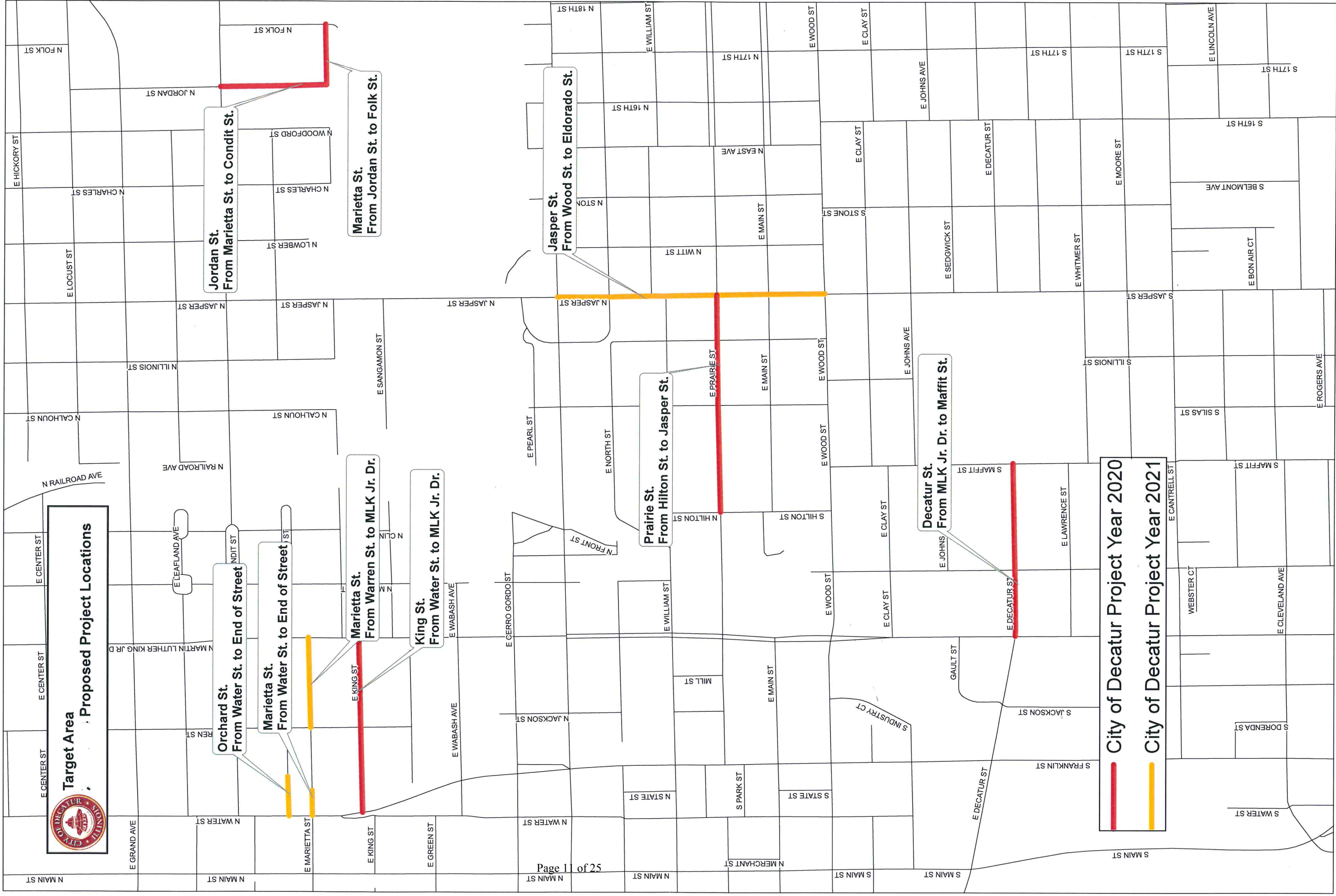


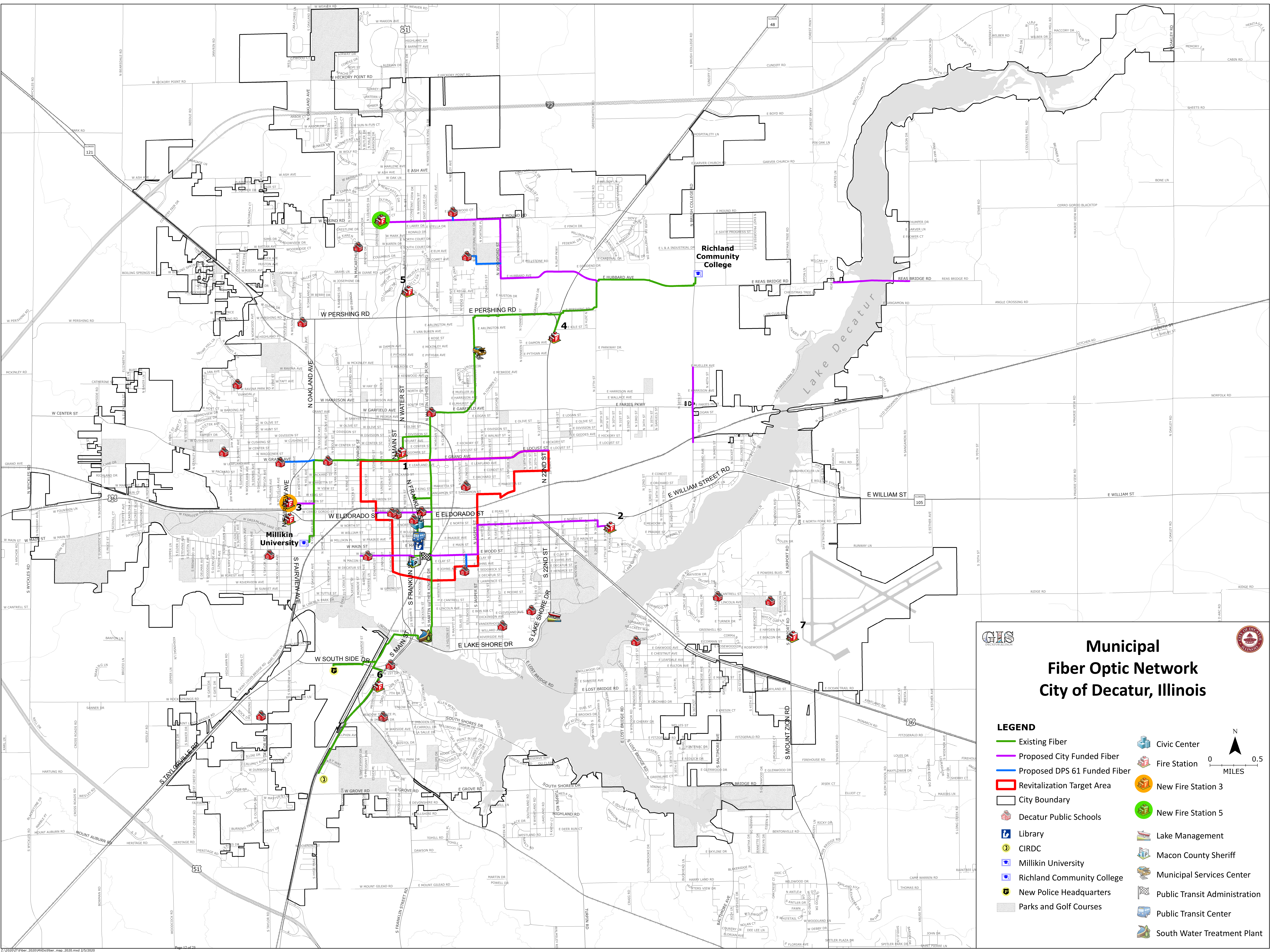
ATTACHMENTS:

Description	Type
Target Area Map	Cover Memo
Infrastructure Projects	Cover Memo
Fiber Map	Cover Memo
Demolition Process	Cover Memo
New Demolition Policies	Cover Memo
Property Disposition Policy	Cover Memo
Side Lot Program Rules	Cover Memo
Proposed TIF	Cover Memo
TIF Analysis	Cover Memo
Vacant Property Bonding	Cover Memo
TIF Districts	Cover Memo



Dashed lines represent adjustments made to neighborhood boundaries for the purpose of data collection only.







Municipal Fiber Optic Network City of Decatur, Illinois

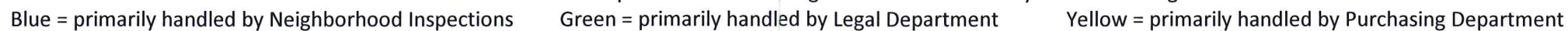
LEGEND

- Existing Fiber
- Proposed City Funded Fiber
- Proposed DPS 61 Funded Fiber
- Revitalization Target Area
- City Boundary
- Decatur Public Schools
- Library
- CIRDC
- Millikin University
- Richland Community College
- New Police Headquarters
- Parks and Golf Courses

- Civic Center
- Fire Station
- New Fire Station 3
- New Fire Station 5
- Lake Management
- Macon County Sheriff
- Municipal Services Center
- Public Transit Administration
- Public Transit Center
- South Water Treatment Plant

0 0.5
MILES

N

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Jasanyo, Neighborhood Inspections Administrator

NEW DEMOLITION POLICIES/ORDINANCES (PROPOSED)

#1 (City Council Policy)

As the availability of funds permit, the city could accept applications for voluntary demolition and removal of derelict and unsafe residential structures in the city of Decatur. If an application is approved, the city would arrange for the removal and clearing of a residential building in accordance with the same standards for demolition and site clearing that are used for condemned and involuntarily demolished residential structures. Applications would be made on forms provided by the city, and must include the following:

1. The legal description of the property
2. Proof of ownership (copy of deed)
3. Signed waiver of liability by the owner, releasing the city from any claims arising from a demolition and specifically granting the right to the city to demolish
4. Relocation plan to be completed by the owner in advance of any demolition (if there are residents in the house)

In determining whether to approve an application, the city's evaluation will include, but not be limited to, the following criteria:

1. Availability of funds
2. Whether the proposed demolition advances the objectives of the city's neighborhood revitalization goals, and is located in a distressed neighborhood
3. Whether the city wants to protect a right to acquire the property through foreclosure or purchase of delinquent taxes at a later time
4. Whether the residential structure warrants demolition in the first place
5. Whether or not the city should demolish the structure without the ability to recover costs

The city will consider accepting donations of property, with or without improvements, so long as the lots, tracts and properties are free of liens and other title encumbrances. Property donations will be accepted completely at the city's discretion, and nothing in this policy shall obligate the city to accept transfer/ownership of any property.

#2 (Ordinance)

Amend the City Code to give the local government more authority to recover insurance proceeds to defray the costs of abating and removing burned out buildings.

The Illinois Insurance Code requires that, as a condition of paying a fire casualty loss, insurers obtain a certificate from the City stating its cost of demolition if required to demolish. This

provision applies only to claims for loss by fire or explosion, and only to claims where the amount recoverable for loss to the structure exceeds \$25,000. There are instances, however, where houses have sustained substantial damage other than by fire or explosion, and instances where the amount recoverable for loss to the structure does not exceed \$25,000. In these instances, citing the Illinois Insurance Code, insurers have, at times, denied the City's claims for reimbursement for demolition expenses.

An amendment to the City Code requiring insurers to obtain a certificate from the City, estimating demolition costs without regard to the type of casualty loss, and without regard to the amount recoverable to the structure, would prevent insurers from satisfying casualty loss claims without satisfying the City's claims for reimbursement of its costs of demolition.

Administrative Steps Staff plans on taking to accelerate demolitions, but not requiring City Council Action:

Where a derelict residential building constitutes an imminent/immediate and continuing hazard to human health and safety, the city can use "fast track" authority [65 ILCS 5/11-31-1(e)]. This process has been used in the past; it requires that the property be posted for a prescribed period of time, and that all parties with an interest in the property be notified; but it does allow some demolitions to proceed more quickly. Once an order of demolition and nuisance abatement is obtained, the staff will move the property to the asbestos and environmental review stage of its demolition process.

Most involuntary demolitions require that the city perform a quantified and measured assessment that the house is "beyond reasonable repair." To expedite these assessments, the city could outsource the completion of the evaluations.

On several occasions, time-to-demolition has been negatively impacted by the time required by Ameren to disconnect and remove power services. Staff will address this with our partners at Ameren.

POLICIES GOVERNING DISPOSITION OF SURPLUS LOTS

The City Council relies on city management and staff to make prudent and discretionary decisions in carrying out policies governing the sale, trade, or donation of property to which the City has title. This policy serves to provide parameters for disposition of certain properties. The City will work with local organizations and community members to proactively transfer these properties to private, or public, organizations or residents, to be put back into highest and best use, recognizing risks of competing interests that this policy strives to anticipate. The purpose of this policy is to provide predictability, uniformity and transparency over the disposition of City property.

The City actively manages surplus property throughout the city. These properties, which are primarily residential, but some have or could have commercial uses, are best classified into four categories. The four categories of property which the City will proactively seek to dispose of are as follows: 1.) Side-lots, or adjacent properties; 2.) Critical Mass, or Assemblage Opportunities; 3.) In-fill lots; 4.) Rehab structures or parking.

Side lot properties are best understood as properties which have productive use to adjoining property owners that have an interest in acquiring the lot. This is typically going to be a residential homeowner which acquires the lot or lots to expand their side yard. The second category are those areas of the City where there is critical mass of properties already owned by the City which the City could assemble large numbers of adjoining properties. These properties are likely to be full blocks in the urban core available for the right redevelopment project for the specific neighborhood, but could be held longer term. The third category, in-fill lots, is likely to be similar to side-lot properties but not sold to adjoining property owners but sold as compatible redevelopment opportunities, likely primarily residential. The last category are rehab properties which have an existing use or structure on the property worth preserving or investing in. This category is primarily rehab houses but potentially could include parking lots or even commercial buildings. With these four categories, one can better understand the best potential for each individual property as the City considers disposition of the property. Properties may move between different categories with property transfers, changing economic terms and the City's cost of ownership. One important additional statement is that with these properties as with any other property in the City, the City always retains zoning and land use control.

It is the policy of the City of Decatur to dispose of surplus property in a manner that protects the integrity of adjoining land uses balanced with the goals and objectives of the City's zoning and master planning documents, while affording property owners the ability and prerogative to enlarge their land holdings through acquisition of adjacent lots, or to permit the repurposing and/or reuse of property previously used for another purpose or as public right-of-way, including by persons and firms that do not own adjoining tracts.

Vacant and/or unimproved rights-of-way that connect two active rights-of-way corridors must consider long term plans of the City for future utilities or roadways, pedestrian facilities or any other reasonably contemplated plan of the City and shall have the review of the authorization of the City Planning, City Engineering and City Manager's offices of the City. The City may vacate these but likely will retain full

or partial easement rights for the property. The remaining vacant and unimproved ROWs that have no short-term or long-term benefit of the City may be disposed of as a side-lot property. The transfer of this property will likely require a survey, and said cost shall be borne by the city or seller(s) as may be negotiated. The City shall retain rights on how such ROWs are subdivided to multiple property owners, if it elects to do so.

The City reserves the right to sell vacant lots to adjoining owners, or place vacant lots in reserve for future use by the city or the assemblage of potential future development sites, or to add them permanently to the city's land inventory. The existence of a vacant and unused lot owned by the City does not and will not obligate the city of Decatur to sell or transfer said lot to an adjoining owner.

The City will strive to sell all properties for fair market value when possible, but recognizes that the City may also sell property for a \$10 nominal fee, as negotiated and determined to be in the best interests of the City. Fair market value will be determined by the assessed valuation from tax bills, or the City may elect to appraise a lot, or use any other reasonable method of determining value. The City may, in its discretion, transfer property to strategic community partners (like the Central Illinois Landbank, local community development corporations or Habitat for Humanity), as determined to be in the best interests of the City. The City initially is anticipating transferring some properties from the rehab and infill lot categories from above to the landbank and local entities after determining if there is interest in these entities taking ownership.

When a vacant parcel owned by the city is offered or proposed for sale, the City will strive to notify adjoining land owners by letter from the city, or through a contact made by a proposed buyer—in which instance the proposed buyer will seek signatures from adjoining owners that they have been made aware of plans to transfer ownership of the subject tract. The City may elect to sell a piece of property to any owner it deems to have the capability to put the property to its highest and best use and is not obligated to subdivide a parcel. Preference may be given to the smallest adjoining property owner to create a larger property more in conformance with minimum zoning requirements. The City will also prefer commercial use when it makes sense and where it may benefit the adjacent neighborhood. No property owner shall have a vested right in being provided the opportunity to acquire adjoining City owned rights-of-way.

In all cases, the buyer of lots covered by this policy shall be responsible for expenses of recording and filing plats and purchase contracts with the Macon County Recorder. The city may charge a reasonable fee for preparation, printing of plat documents, and recordation fees or the buyer may contract for their own preparations of the required documents. All land sales with an appraised value of \$20,000 or more will be approved by simple majority vote of the City Council except as otherwise required by State Law. Sales or transactions of properties covered by this Surplus Property Disposition Policy valued less than \$20,000 will be within the authority granted to the City Manager.

Decatur Side-lot Program Requirements and Rights

The City of Decatur desires to encourage a robust side-lot program which would allow for City owned lots to be sold to adjacent property owners that would enhance the lives of our residents and businesses. The purchase of a vacant side-lot enables homeowners to expand their yard, increasing the overall value of their property and giving them space for additional improvements. It is also an efficient way to promote neighborhood stabilization and return these properties to the tax roll to benefit the entire community. This policy documents outlines the requirements of the applicant for a side-lot property as well as rights that the City will through its codes will grant to the recipient of this side-lot. Although this program documents strives to address all scenarios, it is likely that unique or unanticipated requests will occur which will require the City to revisit the requirements or rights provided under this program.

Requirements:

The City will have certain requirements necessary to be met to ensure that the side-lot property transfer does not become a detriment to the neighborhood. The requirements are as follows:

- The applicant should preferably live in, or minimally own a property adjoining to a side-lot parcel, not separated by other properties or right-of-way.
- The applicant must not have outstanding code violations or have received any violations in the previous year from the City for their primary residence and other properties owned in the City.
- The applicant must be current on all real estate taxes and assessments for their primary residence, and must be current on real estate taxes and assessments for other properties he or she owned within the City.
- The applicant must not have any outstanding debts owed to the City, not on an agreed upon payment plan.
- The applicant must be able to maintain the lot in accordance with all local building, property maintenance and zoning codes.

The City will provide an application for a person interested in a potential side-lot with the statements from above that they would be required to sign. Staff would then verify the information provided in the application and proceed accordingly. The City will sell the properties through quit claim deed and will not provide any warranty to title of these properties. The applicant will pay for all costs associated with the property transfer and recordation in addition to the agreed upon property sale price.

Rights:

In the past, City policies have prevented property owners from actively or even passively using these acquired side-lots, thus making the program unappealing to most. In order to ensure that there is interest in these side-lots, staff has recommended the following changes to policy and/or codes to allow a person to passively use a side-lot as they do their own yard, without having to consolidate the parcel(s) with their principle use property. This change would allow for them to fence in, place play equipment or a garden

shed on the side-lot. It will not allow for permanent structures such as home additions, garages, or inground pools without first consolidating the side-lot with the principal use property. The easiest way to distinguish between what requires a consolidation versus what would be permitted on a separate side-lot parcel is the expected life span of the activity or structure placed on the property. Temporary activities or things placed on a side-lot would be permitted based on ease of restoring the property back to a vacant parcel.

The changes below will require text amendment to the zoning code and would not only apply to side-lot properties moving forward, but would also address existing side-lots people may have already purchased in Decatur.

Proposed Code Changes:

Exempt accessory structures. The following structures are exempt from the accessory structure front, rear and/or side yard setback requirements in all residential districts, as noted below. These accessory structures in residential districts may also be located on an adjacent lot that is under the same ownership and contiguous with the lot containing the residence, unless noted below otherwise:

1. Planters. Planter boxes and masonry planters with a maximum height of 36 inches are allowed within all required setbacks including front, rear and side yards.
2. Play equipment, pet shelters. Children's play equipment, movable dog houses, open pergolas, and similar structures may be placed within a required rear and side yard setback but not within a required front yard setback.
3. Fences. Fences may be located within all required setbacks in accordance with the requirements of Section XXXIV Fences.
4. Small Utility and Garden Sheds: Sheds, no greater than 100 square feet, not greater than 9 feet in height may be placed within a required rear and side yard setback but not within a required front yard setback.
5. Book Exchange Box. A book exchange box where books and recorded performing arts and media are kept for public and/or exchanges with no fees or sales and are publicly accessible are allowed within the front or side yard setback.
6. Similar exempt accessory uses. Those uses that are determined by the Zoning Administrator to be similar to the uses enumerated herein and are consistent with the purpose and intent of this section.

0 300 Feet

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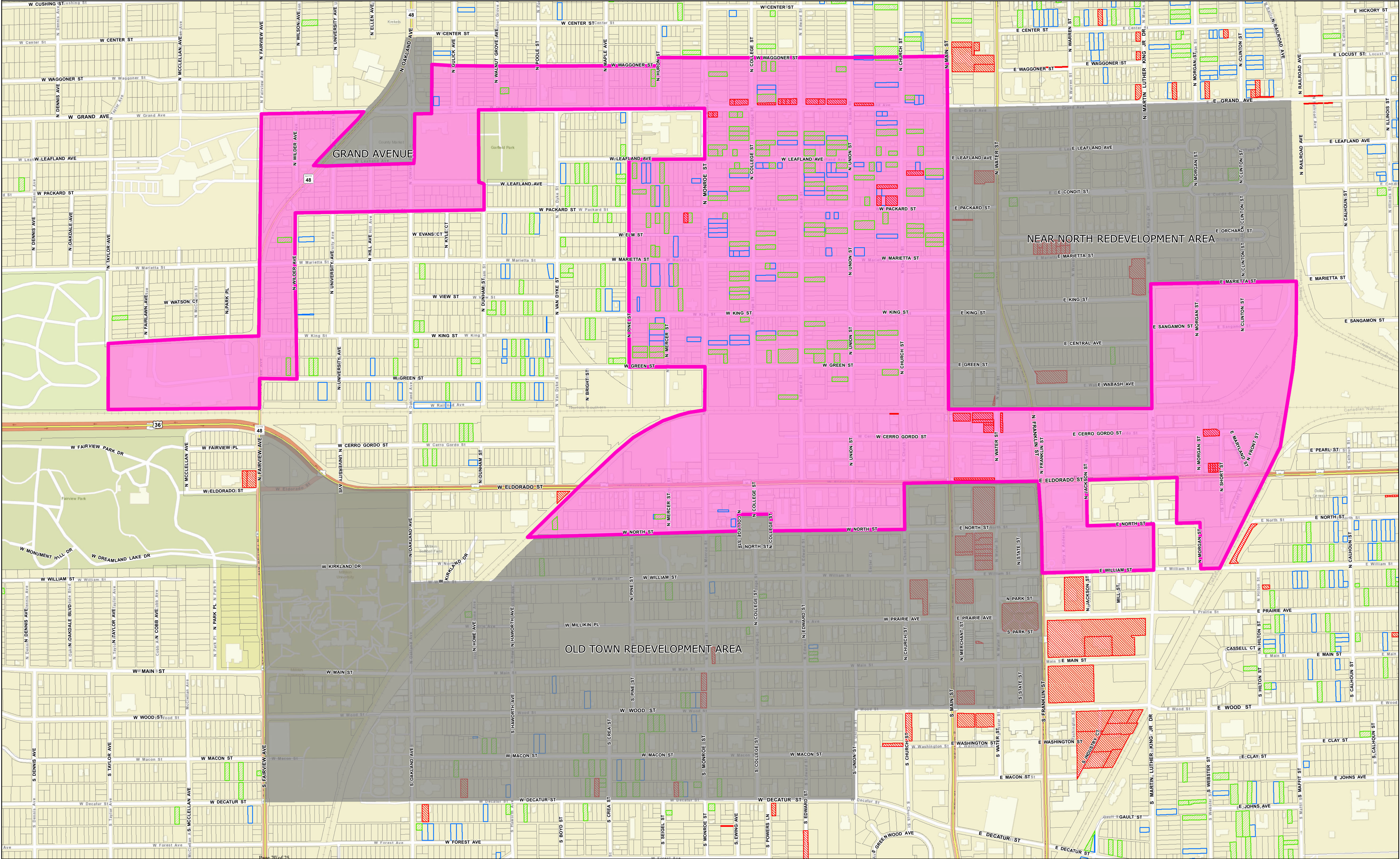
Legend

- Proposed TIF District
- Existing TIF Districts
- City Limits
- City-Owned Land
- Demo Lien Parcels
- MCT Lots

DRAFT

PROPOSED TIF DISTRICT

CITY OF DECATUR, IL



Decatur TIF Districts

The City of Decatur has seven TIF districts, with the first being created in 1997 and the last one created in 2013. TIFs have a statutory lifespan of 23 years unless extended by the State Legislature. Attached is a timeline of all TIFs, with the first TIF (Southeast Plaza) expiring in a few months. The City's multiple TIFs are of two types: broad area TIFs, and development site TIFs. The City has two broad area TIFs and 5 development site TIFs.

The Old Towne TIF is a broad area TIF district with many single projects within it. This is the downtown TIF which extends west through the Millikin University campus. This TIF also has had 5 separate development incentive agreements over its life span, some still active and some already closed. This TIF has bonds issued for the improvements made within the TIF and has been largely successful in creating a desirable downtown. This TIF has generated millions of dollars to pay for the streetscaping and parking garage improvements, but it also has a TIF bond issuance which outlives the life of the TIF. The City's leadership at the time of this bond issuance proactively addressed this issue at the time of issuance. The bond payment from the Target site expires on the same timeframe and could be repurposed to make the ongoing Old Towne TIF payments with relatively minimal impact to the annual operating budget.

Near North or "Wabash Crossing" TIF is also a broad area TIF, though it has its own unique creation agreement where the City shares the increment generated within the TIF with the other taxing bodies. This TIF includes the Crossing Health Care Campus, and Wabash Crossing Housing. This TIF increased the amount of tax sharing with the other tax districts over time. The City is currently sharing 80% of all increment which will continue to increase by 5% each year until it reaches 100%. Despite the declining increment that this TIF will retain for the remaining years, this TIF has performed well and generated approximately \$1.4M in increment for the District thus far with another \$100K projected through 2025. There has been no developer's incentive agreement awarded within this TIF beyond the tax sharing described above.

The remaining five development TIFs are simpler to visualize as they are geographically small and have specific development anchor, though they may have been phased developments, not all owned by the same entity. The oldest TIF is the Southeast Plaza TIF which expires in May. This TIF includes commercial development on the south end of Decatur along Mt. Zion Road including the movie theater, Hawthorne Suites, and a new residential subdivision behind the theater. This TIF development agreement is complex and been amended five times and reimbursed the developer approximately \$8M. The City will realize an additional \$120-150K annually after this agreement is closed out next year.

Eastgate TIF is the area north of the Southeast TIF, including the Rural King and RP Lumber. This TIF has one developer's agreement which shares 50% of sales taxes and 100% increment to

a capped amount. The developer has not yet submitted for it, but staff anticipates an additional \$1M in developer reimbursable expenses. So far, the City has provided \$2.7M for the improvements at this development. The Southside TIF has one developer's agreement with the same developer and includes the City Police Department facility.

The Pines and Grand TIFs are both single development TIFs and have a corresponding incentive agreement with the same developer to build essentially two Save-A-Lot grocery stores. The one at Grand and highway 48 includes a gas station as well, while the Pines TIF includes a Pizza Hut and additional retail space. These two incentive agreements will take approximately 15 years to fully reimburse the developer before the City or the district reap the full benefits of these developments.

The Decatur TIFs have not been overly productive in new revenue generation for the City or their respective districts. The downturn in the economy in 2008 was nearly unprecedented and impacted local TIF performance. Few people anticipated the largescale property devaluations nationwide or locally. TIFs are best utilized when there are organic property value increases across the board even without new investments. The last decade has seen property values fall and then slowly rebound to base EAV levels, thus not generating the organic 2% inflation that had always been expected from real estate holdings.

The City has taken "a pay as you go" philosophy in most TIF incentive agreements with developers in the past and it is recommended that this continue. This approach limits the City's liability to only what is generated within each TIF. Although the City may not have generated as much sales tax or property tax as was desired with these agreements, every one of the TIFs districts does have positive new economic development, and each one has created jobs and convenience beyond just the revenue discussed in this analysis. TIF can be a motivation for some projects in selecting development site over another but is not meant to be the primary motivation. TIF districts are one more incentive which can be provided to a potential development, as are Enterprise Zone and Opportunity Zone designations.

DECATUR TIF DISTRICTS TIMELINES

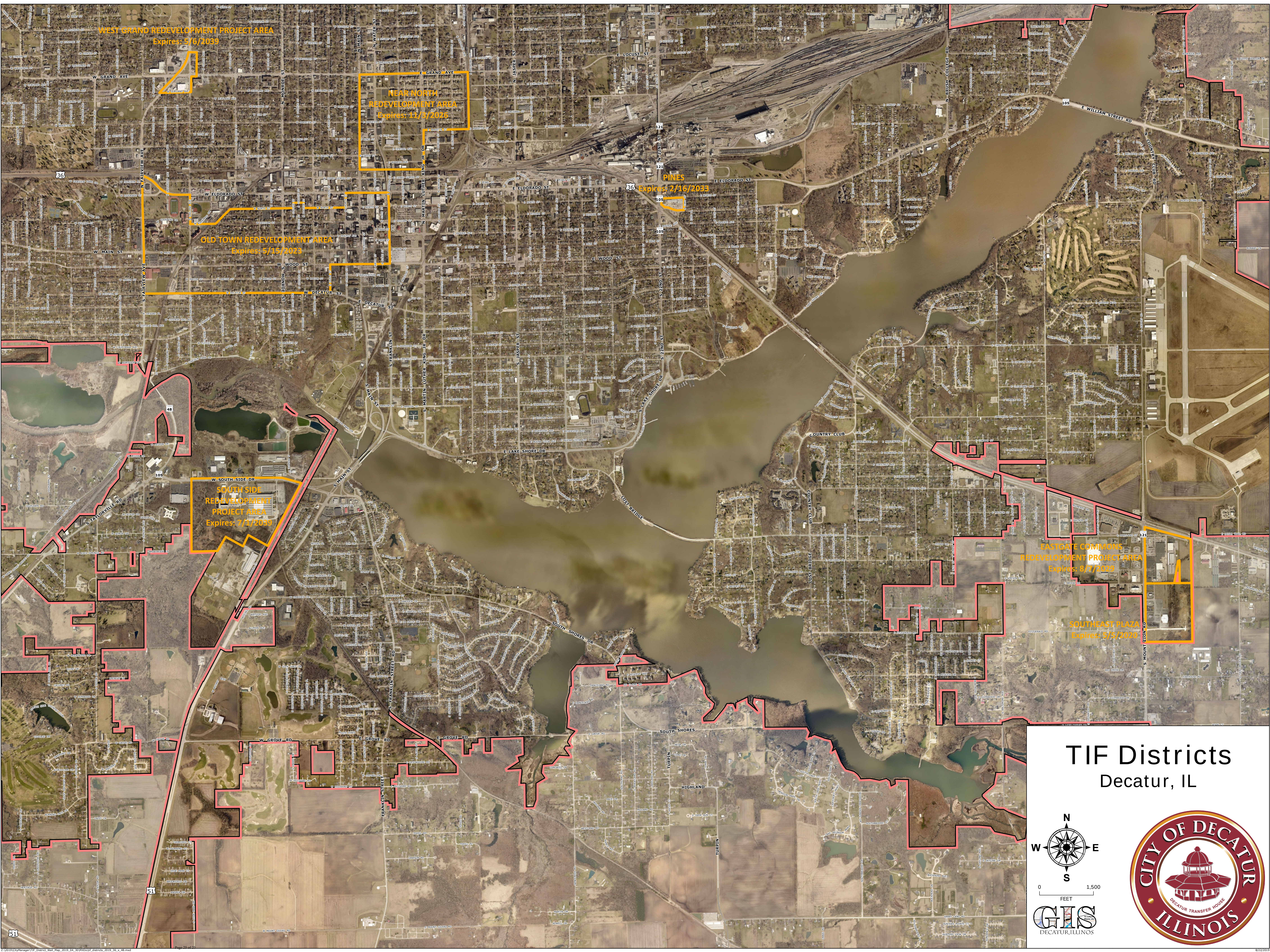
	Beginning Date	Ending Date
1. Southeast Plaza-	May 5, 1997	May 5, 2020
2. Olde Towne-	May 15, 2000	May 15, 2023
3. Near North-	November 3, 2003	November 3, 2026
4. Eastgate Commons-	August 7, 2006	August 7, 2029
5. The Pines-	February 16, 2010	February 16, 2033
6. Grand Avenue-	May 6, 2013	May 6, 2036
7. Southside-	July 1, 2013	July 1, 2036

Vacant & Foreclosed Property Registration Program re Bonding

In December during the budget meetings, the City Council supported staff in an initiative to register vacant and foreclosure properties within the City of Decatur. This program will significantly ease the staff time required to keep these properties catalogued and reduce barriers to notification of the responsible parties for these properties. The purpose of this program to streamline and automate registration of these properties to provide administrative ease to both City staff and property owners. The program being proposed is a nationwide program which banks and property management companies across the country are familiar with. Although this program alone will not drive neighborhood revitalization, it is believed that this will be a key tool to encourage vacant property turnover and reinvestment.

During the budget discussion, a couple of City Councilmembers indicated that they would like to see this program include a bonding requirement for registerable properties. Staff has been working to explore what that would look like and the ability to administer this requirement. What we have since learned is that, only a handful of communities nationwide have the bond requirement, with none being in Illinois. More than 50 Illinois communities have a similar registration program, but none of them that we have found have the bond requirement. Staff respectfully requests that we discuss this issue further before consideration of this program comes before the Council.

The primary concern against requiring a bond with this registration program, is the barrier that it will create for a person to register the property. A \$10,000 bond amount as is required by the two NY communities, will certainly discourage many from registering their property. Additionally this bond amount is often times more than the registerable vacant properties are worth here in Decatur, yet it is not enough to pay for the demolition of that same structure should the City want to pull the bond for that reason. Many of our properties are going to be owned or managed by the same party, which means their bonding requirement will be compounded. Feedback that we have heard from the communities that do require the bond describe it as a headache and administrative nightmare to track. Our goal is to simply have a conversation about the goals of the bond and see if it can be accomplished through some other mechanism. If the Council would like to have a bond requirement it can be done. S



TIF Districts

Decatur, IL

