



Legislation Details (With Text)

File #:	16-238	Version:	1	Name:	Remove 237 NE Monroe from HIZ TIF
Type:	Ordinance	Status:		Status:	Adopted
File created:	6/15/2016	In control:		In control:	City Council
On agenda:	6/28/2016	Final action:		Final action:	6/28/2016

Title: Communication from the City Manager with a Request to Adopt an ORDINANCE Removing 237 NE MONROE (Parcel 18-04-459-014) from the HOSPITALITY IMPROVEMENT ZONE Redevelopment Project Area and Plan. (Council District 1)

Sponsors:

Indexes: Goal 4 - Grow Peoria, Reinvest in neighborhoods

Code sections:

Attachments: 1. ORD NO 17,387 (Item No. 16-238), 2. Ordinance Removing Parcels from HIZ TIF, 3. Location Map

Date	Ver.	Action By	Action	Result
6/28/2016	1	City Council	adopted	Pass

ACTION REQUESTED:

Communication from the City Manager with a Request to Adopt an ORDINANCE Removing 237 NE MONROE (Parcel 18-04-459-014) from the HOSPITALITY IMPROVEMENT ZONE Redevelopment Project Area and Plan. (Council District 1)

BACKGROUND: The property at 237 NE Monroe is a three-story building and adjoining parking lot that is for sale. The current owner is Amvets Post 64. Councilman Sid Ruckriegel has expressed interest in purchasing the property with the plans to redevelop it into a mixed use residential building. However, the property is located within the City's Hospitality Improvement Zone Tax Increment Financing (TIF) District (see attached map). State statute [65 ILCS 5/11-74.4-4(n)] prevents members of a City Council from owning or having a financial interest in property within a TIF District. Removing the property from the TIF will allow Councilman Ruckriegel to acquire and develop the building.

Section 11-74.4-5(c) of the TIF Act outlines that the boundaries of a TIF may be amended by simple adoption of an ordinance so long as none of the following criteria are met:

1. add additional parcels of property to the proposed redevelopment project area;
2. substantially affect the general land uses proposed in the redevelopment plan;
3. substantially change the nature of the redevelopment project;
4. increase the total estimated redevelopment project cost set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted;
5. add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan; or
6. increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10.

None of these criteria are met. In addition to the adoption of this ordinance, the City must notify each of the taxing districts in writing and publish a legal notice in the Journal Star.

FINANCIAL IMPACT: The property currently pays very little property tax since AmVets Post 64 qualifies for a veterans and fraternal order exemption. Due to a \$73,480 exemption, in 2015 (payable 2016) the property only generated \$1,187 in property taxes on a taxable value of \$85,900. The purchase of the building will clear the exemption. Without the

exemption, in 2015 the property taxes would have been about \$8,200. Since the property will no longer be in a TIF District, these tax dollars will be apportioned to the various taxing authorities. If the building is renovated and value increases, those increased taxes will also be shared proportionally by the taxing authorities.

NEIGHBORHOOD CONCERNS: Development of more downtown housing and the preservation of historic structures is a widely held community goal.

IMPACT IF APPROVED: The property will be removed from the Hospitality Improvement Zone TIF and is eligible for purchase by Councilman Ruckriegel.

IMPACT IF DENIED: The property will remain in the TIF and cannot be acquired by Councilman Ruckriegel.

ALTERNATIVES: None.

EEO CERTIFICATION NUMBER: Not applicable.

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2014 - 2029 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Vibrant Downtown: Riverfront/ Central Business District/ Warehouse District

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Reinvest in neighborhoods.

DEPARTMENT: City Manager's Office