



CITY OF LEXINGTON, ILLINOIS

SECOND AMENDMENT

TO THE CITY OF LEXINGTON

TAX INCREMENT FINANCING DISTRICT I

REDEVELOPMENT PROJECT AREA,

PLAN & PROJECTS

Prepared for
CITY OF LEXINGTON
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Jacob & Klein, Ltd. and The Economic Development Group, Ltd., gratefully acknowledge assistance from McLean County and local government officials, business leaders and residents who contributed their time toward the creation of this Second Amendment to the Lexington TIF District Redevelopment Plan and Projects.

Additional information about Tax Increment Financing may be obtained by contacting Jacob & Klein, Ltd. and The Economic Development Group, Ltd., 1701 Clearwater Avenue, Bloomington, IL 61704. Specific inquiries about the Second Amendment to the Lexington TIF District should be directed to Mr. John Mohr, Mayor, City of Lexington, 329 W. Main Street, Lexington, IL 61753 (Ph: 309-365-3331).

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CITY OF LEXINGTON, ILLINOIS SECOND AMENDMENT TO THE CITY OF LEXINGTON TIF DISTRICT REDEVELOPMENT PROJECT AREA, PLAN & PROJECTS

Introduction

On November 11, 1996, the City of Lexington, McLean County, Illinois (the “City”) approved a Redevelopment Plan and Projects by Ordinance No. 1996-20; designated a Redevelopment Project Area (the “Area”) by Ordinance No. 1996-22; and adopted tax increment allocation financing (“TIF”) pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et. seq.*), as amended (the “Act”) by Ordinance No. 1996-21 for the Lexington Tax Increment Financing District (“Lexington TIF District”).

The Lexington TIF District was extended for an additional twelve (12) years beyond the original date of termination, until tax year 2031 payable 2032, by Senate Bill 417 (Public Act 93-0298) on May 3, 2003 and signed by the Governor of Illinois on May 31, 2003.

The City approved Ordinance No. 2005-7 (First Amendment) on September 12, 2005 to extend the term of the Plan and Project for an additional 12 years and to increase the total estimated public redevelopment project costs established in the Plan by 5% after adjusting for inflation from the date the Plan and Project was adopted in 1996.

This proposed “Second Amendment” to the Lexington TIF District supplements and amends the original Redevelopment Plan and Projects and any subsequent amendments thereof.

The adoption of tax increment allocation financing enables the City to apply TIF revenues for public infrastructure and other eligible improvements within the Lexington TIF District Redevelopment Project Area as amended. Since the adoption of the TIF Redevelopment Plan in 1996, the City has made significant commitments of time and money to address several of its goals and to encourage conservation and redevelopment of the Area. The proposed Second Amendment to the Lexington TIF District will provide for private project costs to be included in the Plan and enable the City to make additional public improvements to further enhance the redevelopment of the Area throughout the extended life of the TIF District.

Community Background

The City of Lexington is located in McLean County, Illinois, 20 miles northeast of Bloomington-Normal, Illinois and 120 miles southwest of Chicago. Lexington is located at the intersection of Old Route 66 and PJ Keller Highway and extends west to Interstate 55, which runs north/south from Bloomington-Normal to Chicago, Illinois and connects Interstates I-39, I-80 and I-74 (**Fig. 1**). The Lexington community has much potential for attracting additional population, commerce and employment to the Area through the use of tax



Figure 1. Location of Lexington, Illinois.

increment allocation financing.

Lexington was laid out in 1836 as part of a great real estate boom that swept across the nation. Within a few months, seven other new towns were laid out in McLean County. The City was named after Lexington, Kentucky, and designed around a central public square with streets running true north-south and east-west. The original town consisted of 36 blocks, each containing 6 lots. Between 1837 and 1854, the survival of Lexington was in doubt and the County began demanding taxes on the large number of unsold lots in the town. By the early 1850's, over 300 of Lexington's lots were offered for sale to satisfy unpaid taxes and the town square was used for grazing cattle.

In 1854, the Chicago and Alton railroad reached Lexington and a grain warehouse was moved and put to use as a railroad station. The town formed its own government and Lexington began to boom. Transportation has always been the key to success for Lexington. In 1915, a paved road called Route 4 reached Lexington, which later became U.S. Route 66. For the next fifty years, Lexington was a popular stopping pint on this famous American highway. Old Route 66 served the community until 1978 when Interstate 55 was constructed.

Over the past 15 years, the City of Lexington has utilized tax increment financing in order to encourage residential, commercial and light industrial development. The TIF District have been very successful and the funds generated have been used for various private developments and public infrastructure improvements – all of which benefit the entire community.

Purpose for Amendment

The overall purposes of the Second Amendment to the Lexington TIF District are to: (1) include additional tracts of land in the Redevelopment Project Area for anticipated future public and private projects and a new sewage treatment plant; (2) extend the terms of the Redevelopment Plan and estimated Redevelopment Project Costs and itemize the estimated Redevelopment Project Costs; (3) add public and private project costs to the original Redevelopment Plan and Projects which are anticipated to be incurred during the extended life of the TIF District; and (4) ratify, confirm and incorporate all private redevelopment agreements, pubic projects, intergovernmental agreements, administrative costs and other eligible redevelopment projects and costs into the TIF Plan and Projects.

The proposed Second Amendment to the Lexington TIF District does not substantially affect the general land uses proposed in the original Redevelopment Plan; substantially change the nature of the Redevelopment Projects; or result in the displacement of residents from ten or more inhabited residential units in the Area, as measured from the time the original Redevelopment Project Area was established.

Redevelopment Goals and Objectives

The Lexington TIF District Redevelopment Plan as amended is expected to include, but is not limited to, the following general long-term goals and objectives:

1. To extend and maintain public infrastructure and complete public improvements within the City, including extending and replacing storm and sanitary sewer lines, storm drains and public facilities and improve the City's ability to provide public services.

2. To expand the capacity of the existing sewage treatment plant.
3. To encourage new commercial/retail, residential and light industrial development within the Redevelopment Project Area as amended.
4. To further preserve the existing commercial/retail, residential and light industrial redevelopment occurring within the existing Lexington TIF District.
5. To diversify employment and further promote the stabilization and growth of the existing employment base by encouraging redevelopment projects within the Area.
6. To reimburse all TIF-related professional fees, City staff and other related public costs.
7. To provide community beautification enhancements throughout the Lexington TIF District Redevelopment Project Area and improve the quality of life for the community.

Planning Process and Calendar

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

The process to amend a TIF District is initiated by the municipality (see *Appendix B*). This process includes: setting a date and providing notice for an initial Public Meeting if the Amended Area includes more than 75 inhabited residential units; holding a Public Meeting; determining the qualifications of the amended redevelopment project area if the area is changed; drafting an Amendment to the Redevelopment Plan; establishing a date, place and time for a Public Hearing; sending notification of the Public Hearing to all taxing districts, registrants of the interested parties registry and the Illinois Department of Commerce and Economic Opportunity (DCEO) with an invitation to attend and provide comments; convening a Joint Review Board consisting of a representative selected by each community college district, local elementary school district, high school district or each local community unit school district, park district, library district, county, a representative of the municipality and a public member; publishing a notice twice before the Public Hearing in a newspaper of general circulation in the community; mailing of the notice of the Public Hearing to all taxpayers and residents in the amended Area; mailing of the notice of the Public Hearing to residential addresses within 750 feet of the amended TIF District; and adopting final ordinances: (1) Approving the Amendment; (2) Designating the Amended Redevelopment Project Area; and (3) Adopting Tax Increment Allocation Financing for the Amended Area.

The City of Lexington engaged Jacob & Klein, Ltd. and The Economic Development Group, Ltd. to assist the City in amending the Lexington TIF District. The City has reviewed the potential annexation of properties which are not within its corporate limits, but expected to be included in the Amended TIF District Redevelopment Project Area (see *Appendix C*).

Upon reviewing the Second Amendment to the Lexington TIF District Redevelopment Plan and Projects and accepting the findings herein, the Mayor and City Council may move forward with the process of amending the tax increment financing district. The timeline for certain activities relating to

the Second Amendment to the Lexington TIF District is as follows:

Public Meeting Mailing	June 30, 2011
Public Meeting	July 18, 2011
Submit Draft Amendment to Redevelopment Plan to City	July 29, 2011
Set date for Public Hearing by Ordinance	August 8, 2011
Certified Mailing to Taxing Districts	August 19, 2011
Taxpayer & Resident Mailing	August 25, 2011
750' Resident & Interested Parties Mailing	August 30, 2011
Joint Review Board Meeting	September 7, 2011
First Publication of Notice of Public Hearing	September 16, 2011
Second Publication of Notice of Public Hearing	September 23, 2011
Public Hearing	October 4, 2011
Approve Final Ordinances to Amend TIF District	October 24, 2011

Description of Amended Redevelopment Project Area

Pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), the Redevelopment Project Area (the “Area”) as amended includes only those contiguous parcels of real property and improvements thereon which would be substantially benefitted by a redevelopment project. The Area as amended remains larger in the aggregate than 1½ acres pursuant to the Act.

The Amended Redevelopment Project Area includes additional tracts of land for anticipated future private projects, public infrastructure extensions and improvements, and a new sewage treatment plant.

The Areas to be added by the Second Amendment to the Lexington TIF District Redevelopment Project Area are shown in **Exhibit 1** (Amended TIF Boundary Map) and the Redevelopment Project Area as amended is legally described in **Exhibit 2** (Amended Legal Description).

Qualifying Characteristics of Areas Added by Second Amendment

The tracts added by the proposed Second Amendment include characteristics which qualify the Area as a whole as a combination of “Blighted” and “Conservation” Areas as defined in the Tax Increment Allocation Redevelopment Act [TIF Act] (65 ILCS 5/11-74.4 *et. seq.*). **The terms “Blighted” and “Conservation” when applied to improved or vacant properties are statutory definitions, not common ideas of those terms.** The Statutory definitions which have been applied and used in this section are presented in *Appendix A*. A summary of the City’s findings is as follows:

Total Number of Parcels (improved and vacant)	36
Total Number of Qualifying Parcels (improved and vacant)	36
Total Percentage of Parcels (improved and vacant)	
which Qualify under the Act	100%

**QUALIFYING CHARACTERISTICS OF
IMPROVED PARCELS**

Total Number of Improved Parcels Added by Amendment	26
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Total Number of Improved Parcels which Qualify under the Act	26
Total Percentage of <u>Improved</u> Parcels which Qualify under the Act	100%

Of All Improved Parcels:

Total Number of Structures and Site Improvements	28
Number of Structures over 35 Years of Age	18
Total Percentage of Structures over 35 Years of Age	64.3%
Total Number Qualifying as a “Conservation Area”	26

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

Number showing signs of Dilapidation	0
Number showing signs of Obsolescence	0
Number showing signs of Deterioration	25
Number showing signs of Code Violations	0
Number showing signs of Illegal Uses	0
Number showing signs Excessive Vacancy	0
Number which Lack Sanitary Facilities	0
Number with Inadequate Utilities	26
Number subject to Overcrowding	0
Number used for Deleterious Uses	0
Number with EPA Issues	0
Number showing Lack of Planning	26
Number subject to Declining/Static EAV	26

The applicable characteristics of Blight and Conservation were found reasonably distributed throughout the twenty-six (26) improved parcels, 100% of which qualify as a “Conservation Area” within the Areas to be added to the Lexington TIF District Redevelopment Project Area.

**QUALIFYING CHARACTERISTICS OF
VACANT PARCELS**

Total Number of Vacant Parcels Added by Amendment	10
Total Number of Vacant Parcels which Qualify under the Act	10
Total Percentage of <u>Vacant</u> Parcels which Qualify under the Act	100%

Of All Vacant Parcels:

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

Number subject to Obsolete Platting	2
Number subject to Diversity of Ownership	0
Number subject to Tax Delinquencies	0
Number subject to Deterioration of Adjacent Properties	7

Number subject to EPA Issues	0
Number subject to Declining/Static EAV	10

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

Number containing an Unused Quarry, Mine or Strip Mine Pond	0
Number containing an Unused Railroad or Railroad Right-of-way	0
Number subject to Chronic/Contribute to Flooding within Watershed (Exhibit 3)	7
Number with Disposal Site	0
Number which were Blighted before becoming Vacant	0

Of the ten (10) vacant parcels surveyed within the proposed Areas to be added to the Lexington TIF District, 100% qualify as a “Blighted Area”. All of the vacant parcels will contribute to the effectiveness of the TIF District as a whole and are necessary either as potential development locations or to ensure contiguity within the TIF District.

**EQUALIZED ASSESSED VALUATION (EAV)
OF PROPOSED AMENDED REDEVELOPMENT PROJECT AREA**

The total equalized assessed valuation (before exemptions) of the City of Lexington in tax year 2010, payable in 2011, was \$37,963,935. The total equalized assessed valuation (before exemptions) of parcels being studied for addition to the Lexington TIF District in tax year 2010 was \$1,268,839. Therefore, the total EAV of the balance of the City (outside of the proposed Amended Area) was \$36,695,096.

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

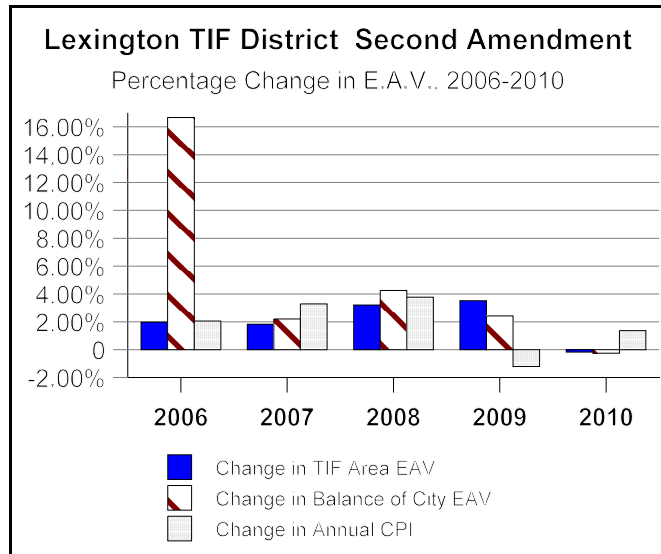


Figure 2. City of Lexington EAV, 2006-2010.

The lack of growth in equalized assessed valuation of the proposed Area satisfies (2) and (3) above since it increased at an annual rate which was less than the annual growth in the balance of the City’s EAV in three (3) of the last five (5) years and less than the annual growth in CPI in four (4) of the last five (5) years (**Fig. 2**).

Pursuant to the Act, the equalized assessed valuation of the parcels to be added to the Lexington TIF District Redevelopment Project Area assist in qualifying the Amended Area as a combination of “Blighted” and “Conservation” Areas.

Amended Public Redevelopment Projects

The Redevelopment Project Area as amended will require improvements throughout the extended life of the Lexington TIF District. The City expects that the implementation of the public projects provided herein will help address current needs and attract new private investment within the Amended TIF District Redevelopment Project Area. The proposed public project costs as amended, including obligated public projects, are presented in **Exhibit 4** (*Estimated TIF Eligible Project Costs as Amended*).

The Designated & Anticipated Public Project Costs to be added to the Lexington TIF District Redevelopment Plan & Projects by this Second Amendment are as follows:

- 1. Construction/Repairs to Streets, Alleys, Sidewalks \$600,000
- 2. Sanitary Sewer Lines, Lift Stations and Treatment Facilities \$900,000
- 3. Water Mains and Lines, Storage and Treatment Facilities \$800,000
- 4. Storm Sewer Drainage Infrastructure, including ponds and detention basins .. \$400,000
- 5. Repairs and Maintenance of Public Facilities \$600,000
- 6. Legal Fees/Other Professional Services \$450,000
- 7. TIF Amendment & Administration \$500,000
- 8. Downtown Rehabilitation & Revitalization Program \$750,000
- 9. Capital Costs of Other Taxing Districts \$7,000,000

TOTAL DESIGNATED & ANTICIPATED PUBLIC PROJECT COSTS ADDED BY SECOND AMENDMENT \$12,000,000

Amended Private Redevelopment Projects

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

The Designated and Anticipated Private Redevelopment Projects to be added to the Lexington TIF District Redevelopment Plan & Projects by this Second Amendment are as follows:

- 1. **Commercial Project I:** This project consists of a new commercial/retail building within the amended Area for use as a retail merchandise facility requiring a total investment of \$750,000, including \$250,000 of TIF eligible project costs.

2. **Commercial Project II:** This project consists of a second new building within the amended TIF District for use as a commercial facility requiring a total investment of \$750,000, including \$250,000 of TIF eligible project costs.
3. **Commercial Project III:** This project consists of the expansion of an existing commercial/retail facility requiring a total investment of \$500,000, including \$150,000 of TIF eligible project costs.
4. **Commercial Retail Strip Project:** This project consists of a small retail strip of general merchandise retail stores requiring a total investment of \$1.5 million, including \$500,000 of TIF eligible project costs.
5. **Motel/Hotel Project:** This project consists of a 100+ room hotel including small meeting facilities. The hotel is estimated to employ approximately 34 persons and will require a total investment of approximately \$2.5 million, including \$750,000 of TIF eligible project costs.
6. **Storage Facility:** This project consists of a storage facility requiring a total investment of \$750,000, including \$200,000 of TIF eligible project costs.
7. **Restaurant:** A restaurant is projected to be constructed (or renovated within an existing building) within the amended Lexington TIF District. The restaurant is expected to employ approximately two supervisory employees and 30-40 food service workers. The project is expected to require an investment of \$500,000, including \$150,000 of TIF eligible project costs.
8. **Grocery Store:** This projects is expected to include a small grocery/convenience store. The project is estimated to require a total investment of approximately \$800,000, including \$200,000 of TIF eligible project costs.
9. **Diesel/Truck Repair Shop:** This facility is expected to include a diesel gas station/truck stop and a truck repair shop. The project is estimated to require a total investment of approximately \$800,000, including \$200,000 of eligible project costs.
10. **Commercial Rehabilitation/Renovation Projects:** The equivalent of four (4) projects involving facade renovations, demolition, structural rehabilitation and other repairs to existing buildings within the proposed redevelopment area – each valued at approximately \$250,000 and projected to be completed between 2012 and 2015. The cumulative result of these projects will increase total equalized assessed valuation within the Lexington TIF District by more than \$333,000 when completed.
11. **Light Industrial/Commercial Project I:** The equivalent of two 250,000 square foot manufacturing or warehouse distribution facilities, each requiring a total private investment of more than \$10,000,000, including \$3 million of TIF eligible project costs.
12. **Light Industrial/Commercial Project II:** A 30,000 square foot light assembly or manufacturing facility requiring a total private investment of \$2,000,000, including \$500,000

of TIF eligible project costs.

13. **Light Industrial/Commercial Project III:** A light assembly and freight transfer facility requiring a total private investment of \$1,500,000, including \$500,000 of TIF eligible project costs.
14. **Townhouse Complex Project:** This project consists of a 30-unit townhouse facility with average fair market values of \$150,000 to be constructed over a three-year period. Total investment is projected at \$4.5 million, including \$1,500,000 of TIF eligible project costs.
15. **Residential Rehabilitation/Renovation Projects:** The equivalent of twenty (20) projects involving exterior siding, roof or other structural repairs to existing residential buildings within the proposed redevelopment area – each valued at approximately \$75,000 and projected to be completed between 2013 and 2022. Total investment is projected at \$1.5 million, including \$750,000 of TIF eligible project costs. The cumulative result of these projects will increase total equalized assessed valuation within the Lexington TIF District by \$500,000 when completed.
16. **New Residential Development Project I:** This project consists of forty (40) single family homes located within the amended Lexington TIF District. Phased in over a period of eight (8) years, the development is projected to offer homes with average market values of \$200,000. Total investment is projected to exceed \$8 million, including approximately \$2 million of TIF eligible project costs.
17. **New Residential Development Project II:** This project consists ten (10) single family homes located within the amended Lexington TIF District. Phased in over a period of two (2) years, the development is projected to offer homes with average market values of \$275,000. Total investment is projected to be \$2.75 million, including approximately \$750,000 of TIF eligible project costs.

TOTAL DESIGNATED & ANTICIPATED PRIVATE PROJECT COSTS ADDED BY SECOND AMENDMENT \$15,650,000

Sources of Funds to Pay TIF Eligible Project Costs

The City may enter into Redevelopment Agreements with Developers through which the City can utilize a portion of the Real Estate Tax Increments generated from these projects to reimburse Developers for a portion or all of their eligible project costs as provided in the Act [65 ILCS 5/11-74.4-3 (q)]. Pursuant to Section 74.4-4 (j) of the Act, the City may incur project redevelopment costs and reimburse Developers who incur redevelopment costs authorized by municipal ordinance or resolution that are subsequently included in the Redevelopment Plan for the Area. The City may use a portion of any Real Estate Tax Increment generated for TIF eligible public project costs as well. The City may also use Municipal Sales Taxes or any other sources of funds it may lawfully pledge.

Project Description	Years Completed	Total Projected Investment	Projected Cumulative Real Estate Tax Increment	Anticipated TIF Eligible Project Costs
Commercial Project I	2012	\$750,000	\$563,101	\$250,000
Commercial Project II	2013	\$750,000	\$524,933	\$250,000
Commercial Project III	2017	\$500,000	\$255,375	\$150,000
Commercial Retail Strip Project	2016	\$1,500,000	\$833,946	\$500,000
Motel/Hotel Project	2013	\$2,500,000	\$1,749,778	\$750,000
Storage Facility	2012	\$750,000	\$563,101	\$200,000
Restaurant	2015	\$500,000	\$301,268	\$150,000
Grocery Store	2014	\$800,000	\$520,403	\$200,000
Diesel Truck Repair Shop	2015	\$800,000	\$482,028	\$200,000
Commercial Rehab/Renovation Projects	2012-2015	\$1,000,000	\$675,938	\$1,000,000
Light Industrial/Commercial Project I	2018	\$20,000,000	\$9,337,034	\$6,000,000
Light Industrial/Commercial Project II	2020	\$2,000,000	\$765,709	\$500,000
Light Industrial/Commercial Project III	2010	\$1,500,000	\$574,282	\$500,000
Townhouse Complex Project	2013-2015	\$4,500,000	\$2,577,895	\$1,500,000
Residential Rehab/Renovation Projects	2013-2022	\$1,500,000	\$739,628	\$750,000
New Residential Development Project I	2014-2021	\$8,000,000	\$3,582,100	\$2,000,000
New Residential Development Project II	2014-2015	\$2,750,000	\$1,698,225	\$750,000
TOTALS:		\$50,100,000	\$25,744,744	\$15,650,000
NOTE: See Exhibit 5 for Examples of TIF District Projections relating to these projects.				

TIF Financing Summary (see Exhibit 4)

1. Total Designated & Anticipated Public Project Costs in Original Redevelopment Plan as Adjusted for CPI + 5% \$13,725,314
2. Total Designated & Anticipated Public Project Costs Added by Second Amendment \$12,000,000
3. Total Designated & Anticipated Private Project Costs Added by Second Amendment \$15,650,000

TOTAL DESIGNATED & ANTICIPATED PUBLIC & PRIVATE REDEVELOPMENT PROJECT COSTS AS AMENDED \$41,375,314

All project cost estimates for (2) and (3) above are in year 2011 dollars. In addition to the public and private project costs listed herein, any bonds issued to finance a phase of the Project may include an amount sufficient to pay reasonable charges associated with the issuance of such obligations as well as to provide for capitalized interest and reserves as may be reasonably required.

Adjustments to the estimated line item costs provided in this Second Amendment to the Redevelopment Plan as well as provided in the original Plan are expected. Each individual project cost and the resulting tax revenues will be re-evaluated as each project is considered for public financing under provisions of the Act.

The totals of line items set forth in this Second Amendment are not intended to place a total limit on the described expenditures or intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the Area, provided the total amount of payment for all eligible redevelopment project costs, public and private, shall not exceed the amount set forth herein or as adjusted. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

By adoption of this Second Amendment to the Redevelopment Plan, the City may without further formal statutory approval increase the total limit or any line item by the increase in Consumer Price Index (currently All Urban Consumers, Chicago-Gary-Kenosha) plus 5%.

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

Present and Projected Tax Increment (see Exhibit 5)

The real estate tax increment projected to be generated by new and existing projects in the amended Lexington TIF District Redevelopment Project Area is as follows:

1.	Total Projected Private Investment	\$50,100,000
2.	Projected Cumulative Real Estate Tax Increment Generated over the Extended Life of the Lexington TIF District:	
	Existing Projects	\$10,568,170
	New Projects	<u>\$25,744,744</u>
	All Projects	\$36,312,913
3.	Base Year (2010) EAV of Amended Redevelopment Area (before exemptions) .	\$1,538,075
4.	Estimated Potential Increase in EAV (<i>New Projects</i>)	\$16,220,000
5.	Total Estimated EAV of Amended Redevelopment Project Area after New Redevelopment Projects are Completed (<i>line 3 plus 4</i>)	\$17,758,075

Assessment of Financial Impact

New economic development is not expected to occur within the Amended Redevelopment Project Area without amending the TIF District to include these areas. Without tax increment financing, the overlapping taxing districts are not expected to experience any significant increase in real estate tax revenue from the proposed redevelopment area.

Using real estate tax rates from tax year 2010 payable 2011 and assuming an increase in real estate development of \$300,000 or a \$100,000 increase in equalized assessed valuation, the projected annual financial impact on each of the taxing bodies which levy taxes in the Lexington TIF District are projected as follows:

Taxing Districts Listed on Tax Bill	2010 Payable 2011 Real Estate Tax Rate	Perceived Annual Impact (Dollars) for each \$100,000 Increase in EAV
McLean County	0.91673	\$916.73
Lexington Township	0.22736	\$227.36
Lexington Twp Road	0.25000	\$250.00
CUSD 7 Lexington	5.68589	\$5,685.89
Lexington Public Library	0.22590	\$225.90
Lexington Park District	0.19032	\$190.32
Lexington Comm Fire	0.44834	\$448.34
Heartland Comm College	0.47361	\$473.61
Lexington City	0.54954	\$549.54
Money Creek Township	0.10764	\$107.64
Money Creek Twp Road	0.25207	\$252.07

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

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

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

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

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

In addition, the City may enter into Intergovernmental Agreements with other taxing districts if there is any additional impact resulting from development within the Redevelopment Project Area. If some portion of TIF funds are used to pay for additional capital costs the taxing districts incur because of the Lexington TIF District, the taxing districts will be required to provide verification of such capital costs as part of an ongoing impact analysis.

The City will notify all of the overlapping taxing districts of any proposed enlargement or amendments of the Lexington TIF District Redevelopment Project Area, Plan and Projects as required by the Act. If extra costs impact the overlapping taxing districts due to the creation or extension of the TIF District, the City will review those costs and concerns.

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

Other Statutory Requirements

General Land Uses

The general uses of the land within the TIF District conform to the existing and proposed land uses provided for in current zoning and subdivision codes.

Certification of No Displacement of Residential Units

The City of Lexington hereby certifies that the proposed amended Redevelopment Plan and Projects will not result in the displacement of residents from ten or more inhabited units. However, the Area does contain more than 75 inhabited residential units.

Commitment to Fair Employment

The City of Lexington will comply with fair employment practices and an Affirmative Action Plan in the implementation of this Redevelopment Plan and Projects.

Provisions for Amending the Lexington TIF District Redevelopment Plan & Projects

The amended Redevelopment Plan and Projects may be further amended in accordance with the Tax Increment Allocation Redevelopment Act and other applicable City Ordinances.

Term of the Lexington TIF District Redevelopment Plan & Projects

The Lexington TIF District Redevelopment Plan and District was originally established for twenty-three

(23) years following the date of the adoption of the original Redevelopment Plan and Projects by the City Council. In 2003, the Lexington TIF District was extended for an additional twelve (12) years by Act of the Illinois General Assembly, until tax year 2031 payable 2032, thereby extending the life of Lexington TIF I to a total of thirty-five (35) years. The Redevelopment Plan and District shall be completed no later than December 31 of the year in which payment to the County Treasurer is to be made with respect to ad valorem taxes levied in the 35th calendar year after the year in which the Ordinance approving the Redevelopment Plan is adopted. The City intends to utilize the incremental revenues generated in the 35th year of the TIF District and received by the City the following year.

Nature and Term of Obligations

Bonds may be issued that are secured by all or in part by Pledged TIF Revenues and issued for a term not to exceed 20 years or the term of the District including any extension thereof, whichever is less. The Bonds may be issued as TIF Revenue Bonds, Alternate Revenue Bonds or General Obligation Bonds. The City may also issue revenue bonds, notes or other obligations to fund private eligible project costs. The repayment of debt service of these obligations would also be limited to the increments generated as permitted by the Act or other pledged funds authorized by the City for 20 years or the term of the District including any extension thereof, whichever is less.

Contiguous Redevelopment Project Areas

Subsequent to this Second Amendment, the City may create other TIF Districts which are contiguous to the original TIF District. It is hereby contemplated that eligible public or private redevelopment project costs in any such contiguous TIF Districts may be paid or reimbursed from increment generated within the original TIF District and that increment generated within such contiguous TIF Districts may be used to pay or reimburse public or private eligible project costs within the original TIF District as herein amended.

Conclusion

The City of Lexington has determined that in order to promote the health, safety, morals, and welfare of the public, blighted conditions need to be eradicated, conservation measures instituted, and that redevelopment within the Lexington TIF District Redevelopment Project Area as amended should be undertaken. In order to remove and alleviate adverse conditions, it is necessary to further encourage private investment and restore and enhance the tax base of the taxing districts by the development or redevelopment of the Amended Redevelopment Project Area.

The Lexington City Council hereby concludes that it is in the best interest of the City and that the citizens of Lexington will benefit by the adoption of this Second Amendment to the Tax Increment Financing Redevelopment Plan and Projects for the Lexington TIF District.

CITY OF LEXINGTON, ILLINOIS

By: _____ Date ____ / ____ / 2011
Mayor

Attest: _____ Date ____ / ____ / 2011
City Clerk

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EXHIBIT 1.

**LEXINGTON TIF DISTRICT
AMENDED BOUNDARY MAP**

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Areas to Be Amended Into Lexington TIF District

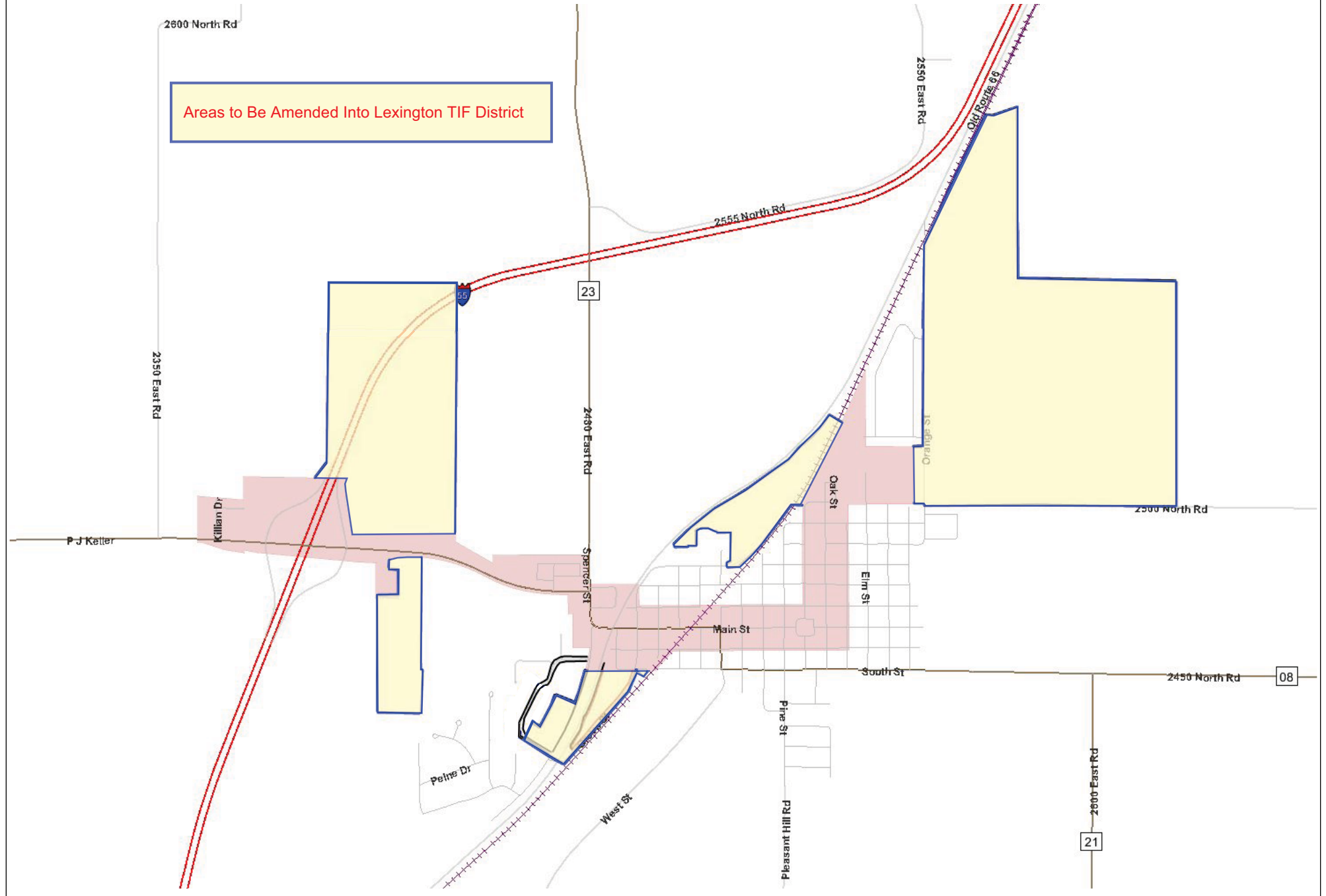


EXHIBIT 2.

LEXINGTON TIF DISTRICT AMENDED LEGAL DESCRIPTION

Parts of Sections 1 and 12 in Township 25 North, Range 3 East of the Third Principal Meridian, McLean County, Illinois and parts of Sections 5, 6, 7 and 8 in Township 25 North, Range 4 East of the Third Principal Meridian, McLean County, Illinois described as follows: Beginning at the center of said Section 7 being the intersection of the West Line of Spencer Street with the South Line of South Street in Fell's Second Addition to Lexington, Illinois. From said Point of Beginning, thence Southwest along the West Line of Spencer Street to the Northeast Corner of a tract described as the South 65 feet of Lot 3 and Lot 4 in Claudon's 1st Addition to the City of Lexington; thence northwest along said tract to the Northwest Corner of said tract; thence Southwest along the West Line of said tract to the Southwest Corner of said Lot 4; thence West along the North Line of Lot 37 in Meadow Ridge Subdivision 2nd Addition in the City of Lexington; thence Southwest to the South Right-of-Way of Anvil Drive; thence Southeast along said South Right-of-Way to the Northeast Corner of Lot 1 of Claudon's Resubdivision of Part of Claudon's 6th Addition to the City of Lexington; thence Northeast to the West Right-of-Way Line of Spencer Street; thence Southeast to the East Right-of-Way Line of Grove Street; thence Northeast along said East Right-of-Way to the South Right-of-Way Line of South Street; thence Southeast 128.34 feet; thence Northeast 123.31 feet to the South Right-of-Way Line of South Street; thence East along said South Right-of-Way to the Southeast Right-of-Way Line of the C. M. & W. Railroad; thence Northeast along said Southeast Right-of-Way to the South Right-of-Way Line of Chestnut Street in Fell's Addition to Lexington, Illinois; thence East along said South Right-of-Way to the East Right-of-Way Line of Oak Street in the Original Town of Lexington; thence North along said East Right-of-Way to the South Right-of-Way Line of Bowery Street in the Northern Addition to Lexington; thence East along said South Right-of-Way to the Southeast Corner of Lots 8 & 9 of John J Kemp Estates Subdivision in Lexington; thence North along the East Line of said Lots 8 & 9 to the Northeast Corner of said Lots 8 & 9; thence West to the West Line of Lots 4 & 5 Kemp Estates Subdivision in the City of Lexington; thence North 2,737.63 feet, more or less; thence Southwest 525.06 feet, more or less to the East Line of the C. M. & W. Railroad; thence Southwest along said East Line to the West Right-of-Way Line of Orange Street; thence South along said West Right-of-Way to the Northeast Corner of Lot 10 in Northpark Subdivision in the City of Lexington; thence West along the North Line of said Lot 10 and the South Lines Lots 12 through 20 in Northpark Subdivision, inclusive, to the Southwest Corner of said Lot 20; thence North along the West Line of said Lot 20, the West Line of Kenneth Drive in said Northpark Subdivision and the West Lines of Lots 57 through 67, inclusive, in the First Addition to Northpark Subdivision in the City of Lexington, to the Northwest Corner of said Lot 67 being a point on the Southeast Right-of-Way Line of said C. M. & W. Railroad; thence Southwesterly along the Southeast Right-of-Way Line of said C. M. & W. Railroad to a point being 1,753.4 feet southeast of the Northwest Corner of the Southwest Quarter of Section 5; thence Northwest to the East Line of U.S. Route 66; thence Southwest along the East Line of U.S. Route 66 to a point lying 65 feet, more or less, North of the Northwest Corner of Lot 1 of Section 7; thence South 65 feet, more or less, to the Northwest Corner of said Lot 1; thence East to the Northeast Corner of said Lot 1; thence North, East, North, Northeast, Southeast, South, East and South along the South Line of Lot 3 of Scrogin Estates Subdivision to the South Right-of-Way Line of Parade Road; thence Northeast along said South Right-of-Way to the South Right-of-Way Line of Bowery Street; thence East to the West Right-of-Way Line of Center Street; thence South along said West Right-of-Way to the North Right-of-Way Line of Walnut Street; thence West along said North Right-of-Way to the East

Right-of-Way Line of Grove Street; thence North along said East Right-of-Way to the South Right-of-Way of U.S. Route 66; thence West to the North Right-of-Way Line of North Street; thence West along said North Right-of-Way to the East Right-of-Way Line of Spencer Street; thence North along said East Right-of-Way to the Easterly Extension of the North Line of Lot 4 in the Subdivision of Lot 1 in the Northwest Quarter of said Section 7; thence West along said Easterly Extension and the North Line of said Lot 4 and the Westerly Extension of the North Line of said Lot 4 to the West Line of Lot 3 in Wick's Subdivision of part of said Sections 6 and 7, said West Line also being the East Line of Lot 2 in the Subdivision of Lot 9 in the Subdivision of the Northwest Quarter of said Section 7; thence South along the East Line of said Lot 2 to a point lying 600 feet south of the Northeast Corner thereof; thence Northwest to a point on the West Line of the East 2.10 acres off Lot 1 in Van Dolah's Subdivision of part of said Section 7 lying 630 feet South of the North Line of Lot 1 in said Van Dolah's Subdivision; thence North along the West Line of said East 2.10 acres to a point lying 500 feet normally distant South of the North Line of Lot 1 in said Van Dolah's Subdivision; thence North to the Northeast Corner of a tract described as 33 1/3 acres of the entire West side of Lot 2 in the Southwest Quarter of Section 6 and 62 hundredths of an acre off the entire West side of the East Half of the West 66 1/2 acres of Lot 2 in the Southwest Quarter of Section 6; thence West 2,031.58 feet, more or less, to the Northwest Corner of said tract; thence South to the North Right-of-Way Line of F.A.I. Route 55; thence South along said North Right-of-Way to the Easterly Extension of a Line parallel to the North Line of Lot 1 in Van Dolah's Subdivision; thence West along said Easterly Extension to the West Line of Lot 1 in the Subdivision of Sections 1 and 12; thence South along said West Line of Lot 1 and the West Line of Lot 2 in said Subdivision of Sections 1 and 12 to the North Line of Highpoint Hill Subdivision in the Northeast Quarter of said Section 12; thence West along the North Line of said Highpoint Hill Subdivision to the West Line of said Highpoint Hill Subdivision; thence South along the West Line of said Highpoint Hill Subdivision and the Southerly Extension thereof to the South Right-of-Way Line of F.A.S. Route 473, Section 1G (known as McLean County Highway 8); thence Southeasterly, North and Southwesterly along said South Right-of-Way Line of County Highway 8, as shown on the Right-of-Way Plat for said F.A.I. Route 55, Section 57-2, to a point lying 150 feet right of Station 42+35 on the Survey Centerline for said County Highway 8; thence Southeasterly to a point lying 160 feet right of Station 58+00 on said Centerline; thence Southeasterly along the South Right-of-Way Line of said County Highway 8 as shown on said F.A.I. Route 55 Right-of-Way Plat to the West Line of Lot 1 in Claudon's Fourth Addition in the Northwest Quarter of said Section 7; thence South along the West Line of Lot 1 in said Claudon's Fourth Addition and the West Line of Lot 2 in Van Dolah Heir's Subdivision to the South Line of said Lot 2; thence East along the South Line of said Lot 2; thence North, East and North along the East Line of said Lot 2 in Van Dolah Heir's Subdivision and the East Line of Lot 3 in Claudon's Fourth Addition to the South Right-of-Way Line of County Highway 8; thence Southeast along said South Right-of-Way to the West Line of a parcel of land conveyed by Document No. 85-16589; thence South, East and South along the West Lines of parcels of land conveyed by said Document No. 85-16589 and Document No. 93-30829 to the South Line of said parcel conveyed by Document No. 93-30829; thence east along the South Line of said parcel conveyed by Document No. 93-30829 to the East Line of the Northwest Quarter of said Section 7; thence South along the East Line of the Northwest Quarter of Section 7 to the Point of Beginning.

EXHIBIT 3.

**ENGINEER'S REPORT OF FLOODING ON VACANT TRACTS
WITHIN THE AMENDED REDEVELOPMENT PROJECT AREA**

AND

LEXINGTON FEMA FLOOD ZONE MAP

(McLean County GIS Department)

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2709 McGraw Drive
Bloomington, Illinois 61704
p 309.663.8435 f 309.663.1571

www.f-w.com | www.greennavigation.com

August 18, 2011

Honorable John Mohr
Mayor
City of Lexington
329 W. Main Street
Lexington, Illinois 61753

Subject: Drainage Management Areas
TIF Improvements Impacts

Dear Mayor Mohr:

Upon evaluation of the proposed 2011 TIF Area Amendments we have the following analysis of watershed and drainage impacts from the eventual development of the proposed areas. The City has a long history of localized drainage and flooding conditions. Ultimately, all the surface water drainage from the City, discharges into the Mackinaw River. The River is located about 0.85 miles south of the City from the southeast corner of the City and is adjacent to the south side of the Timber Ridge subdivision. Generally, to reach the Mackinaw River, water first travels through three tributaries to reach the River.

One tributary travels south from the Melissa Drive through a 36-inch diameter tile system. This tile system eventually discharges to farm drainage ditches that discharge to the Mackinaw River. This discharge point handles about 15% of the City drainage starting on the south side of the City square.

A second discharge point, that drains about 25% of the City drainage, handles the west portion of the City beginning at the City Square. The collection system reveals to a point at the intersection of Wall Street and Route 66 this travels to a point both by tile and overland during rain events. This flow then travels west to reach a Turkey Creek tributary which then discharges to the Mackinaw River.

The last discharge point for City drainage is the North end of the City where Orange St. intersects Route 66. This discharge point handles about 60% of the drainage area for the City. At Bowery St., Wall St and Main St. water travels east through tiles until they intersect a drainage way that then travels north to Route 66. From the North Park Subdivision water travels north to reach the Route 66 discharge point. All of this water first passes under the railroad, then under Route 66, then Interstate-55 eventually reaching the Turkey Creek tributary. Turkey Creek then flows west, then south to reach the Mackinaw River.

Past Studies

In our files, we have references to drainage investigations starting in 1928 with proposed maps of storm and sanitary sewers. In 1984, Farnsworth Group conducted a comprehensive review of the City drainage creating the report "Storm Drainage Report for the City of Lexington, Illinois". In this study, a

Letter for TIF Ammendments and Drainage

Mr. John Mohr
August 19, 2011
Page 2

plan to help relieve existing problems was outlined. Because of the expense of storm water projects, a staged approach was proposed. The study identified 8 storm sewer outlets that could be constructed used to help drain areas of the City.

Impact of Development

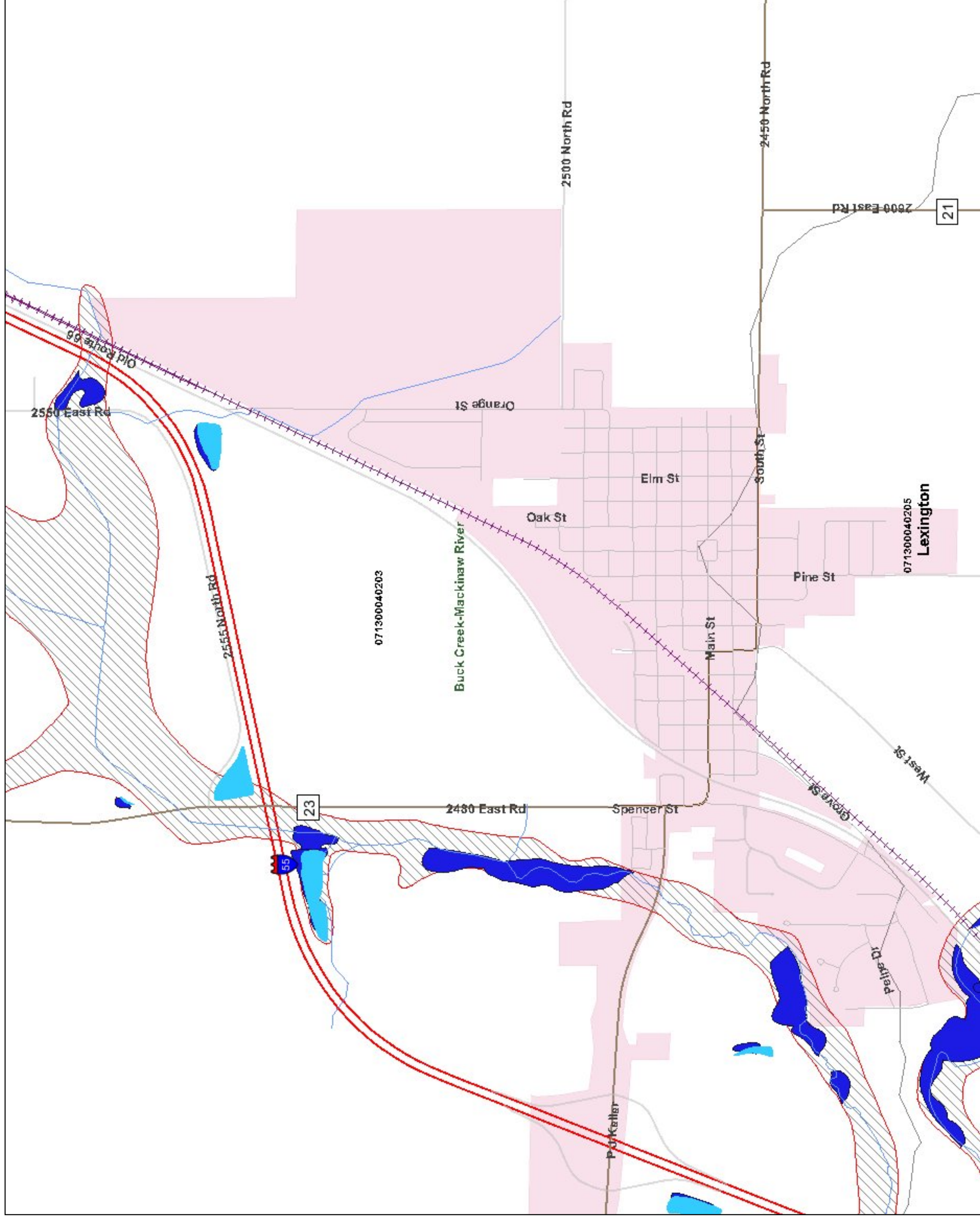
In all the proposed TIF amendment areas the drainage from that ground that contributes surface water flow that passes through areas that are noted to have flood or water management areas. For all development that occurs in the proposed TIF areas, storm water management must be followed in accordance with the City subdivision code to provide detention and proper storm piping. This requirement will mitigate increased flow and flood intensity for the benefit of downstream owners. Implementation of recommended storm water management improvements in the impacted areas also needs to be conducted in conjunction with TIF development.

Sincerely,
FARNSWORTH GROUP, INC.

A handwritten signature in black ink, appearing to read "Robert C. Kohlhase", written in a cursive style.

Robert C. Kohlhase
Engineering Manager

Lexington FEMA Flood Zone



Legend

- Streams
- Railroad
- City_Streets
- CITY_COLLECTOR
- CITY_ARTERIAL
- CITY_STREET
- PRIVATE_STREET
- ALLEY
- County_Rd
- County_Highways
- State_Highways
- US_Highways
- Interstates
- Lakes
- NWI
- Airport
- Flood_Zones
- 0.2 PCT ANNUAL CHANCE FLOOD HAZARD
- A
- AE
- X
- Subwatershed
- Watershed
- Corp_Limits
- Anchor
- Arrowsmith
- Bellflower
- Bloomington
- Carlock
- Chenoa
- Collax
- Cooksville
- Danvers
- Downs
- Ellsworth
- El Paso
- Gridley
- Heyworth
- Hudson
- LeRoy
- Lexington
- McLean
- Normal
- Saybrook
- Stanford
- Towanda
- County

Scale: 1:12,000

EXHIBIT 4.

**LEXINGTON TIF DISTRICT
AMENDMENT TO EXHIBIT C OF
ORIGINAL REDEVELOPMENT PLAN & PROJECTS**

PUBLIC AND PRIVATE REDEVELOPMENT PROJECT COSTS AS AMENDED

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EXHIBIT 4

LEXINGTON TIF DISTRICT SECOND AMENDMENT AMENDMENT TO EXHIBIT C OF ORIGINAL REDEVELOPMENT PLAN & PROJECTS

PUBLIC AND PRIVATE REDEVELOPMENT PROJECT COSTS AS AMENDED

	Original Amount in TIF Plan	After Adjustments for Annual CPI plus 5%
ORIGINAL PUBLIC PROJECTS:		
Public Facilities and Improvements (Roads, Sewers, Water Lines, Utilities, School Improvements)	\$7,300,000	\$10,366,255
Property Assembly (Land Acquisition, Environmental Mitigation, Site Preparation)	\$200,000	\$284,007
Rehabilitation/Repair to Existing Buildings & Fixtures	\$300,000	\$426,010
Administration (Reporting requirements, Plan, Staffing)	\$500,000	\$710,017
Professional Services (Architecture/Engineering/Legal)	\$700,000	\$994,024
Contingency (10%)	\$900,000	\$945,000
TOTAL:	\$9,900,000	\$13,725,314

	Public Project Costs Amended to Original TIF Plan
AMENDED ADDITIONAL PUBLIC PROJECTS:	
Construction/Repairs to Streets, Alleys, Sidewalks	\$600,000
Sanitary Sewer Lines, Lift Stations & Treatment Facilities	\$900,000
Water Mains and Lines, Storage & Treatment Facilities	\$800,000
Storm Sewer Drainage Infrastructure, ponds & detention basins	\$400,000
Repairs and Maintenance of Public Facilities	\$600,000
Legal Fees/Other Professional Services	\$450,000
TIF Amendment & Administration	\$500,000
Downtown Rehabilitation and Revitalization Program	\$750,000
Capital Costs of Other Taxing Districts	\$7,000,000
TOTAL:	\$12,000,000

	Private Project Costs Amended to Original TIF Plan
AMENDED ADDITIONAL PRIVATE PROJECTS:	
Commercial Projects I-IV	\$1,150,000
Motel/Hotel Project	\$750,000
Storage Facility	\$200,000
Restaurant	\$150,000
Grocery Store	\$200,000
Gas Station/Convenience Store	\$200,000
Commercial Rehabilitation Projects	\$1,000,000
Light Industrial/Commercial Projects I-II	\$7,000,000
Townhouse Complex Project	\$1,500,000
Residential Rehabilitation Projects	\$750,000
New Residential Projects I-II	\$2,750,000
TOTAL:	\$15,650,000

TOTAL PUBLIC AND PRIVATE PROJECT COSTS AS AMENDED: \$41,375,314

EXHIBIT 5.

**LEXINGTON TIF DISTRICT SECOND AMENDMENT
ESTIMATED TIF DISTRICT PROJECTIONS**

NOTE: The following TIF Projection is an estimate and does not represent an offer or acceptance of any terms relating to proposed redevelopment projects or agreements.

The information and assumptions contained in this material are based upon information, material and assumptions provided to Jacob & Klein, Ltd. (J&K) and the Economic Development Group, Ltd. (EDG) by outside persons including public officials. J&K and EDG have not undertaken independent investigation to verify any of the information or material contained herein. No warranty, express or implied, as to the accuracy of the materials and information or the results projected in the foregoing presentation is made by J&K or EDG, its officers or employees. J&K and EDG specifically disclaim the accuracy of the formulas and calculations and has no obligation to investigate or update, recalculate or revise the calculations. The material presented herein is subject to risks, trends and uncertainties that could cause actual events to differ materially from those presented. Those providing information contained in this presentation have represented to J&K and EDG that, as of the date it was provided, the information was accurate to the best of their knowledge. Any person viewing, reviewing or utilizing this presentation should do so subject to all of the foregoing limitations and shall conduct independent investigation to verify the assumptions and calculations contained herein. By acceptance and use of this presentation, the user accepts all of the foregoing limitations and releases J&K and EDG from any liability in connection therewith.

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EXHIBIT 5(A)

CITY OF LEXINGTON TIF DISTRICT SECOND AMENDMENT

Existing Projects

7/25/2011

TIF FORMED: 1996

Calendar Year of Receipts	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Real Estate Tax Increment	\$346,080	\$356,462	\$367,156	\$378,171	\$389,516	\$401,202	\$413,238	\$425,635	\$438,404	\$451,556	\$465,103	\$479,056
Cumulative R. E. Tax Increment	\$346,080	\$702,542	\$1,069,699	\$1,447,870	\$1,837,386	\$2,238,587	\$2,651,825	\$3,077,460	\$3,515,864	\$3,967,420	\$4,432,522	\$4,911,578

Calendar Year of Receipts	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTAL
Total Real Estate Tax Increment	\$493,427	\$508,230	\$523,477	\$539,181	\$555,357	\$572,018	\$589,178	\$606,853	\$625,059	\$643,811	\$10,568,170
Cumulative R. E. Tax Increment	\$5,405,005	\$5,913,235	\$6,436,712	\$6,975,894	\$7,531,251	\$8,103,268	\$8,692,446	\$9,299,300	\$9,924,359	\$10,568,170	

Variables	
Inflation Rate	3.0%
Total Tax Rate (2010)	8.96769%

The information and assumptions contained in the foregoing material are based upon information, material and assumptions provided to Jacob & Klein, Ltd. (J&K) and the Economic Development Group, Ltd. (EDG) by outside persons including public officials. J&K and EDG have not undertaken independent investigation to verify any of the information or material contained herein. No warranty, express or implied, as to the accuracy of the materials and information or the results projected in the foregoing presentation is made by J&K or EDG, its officers or employees. J&K and EDG specifically disclaim the accuracy of the formulas and calculations and has no obligation to investigate or update, recalculate or revise the calculations. The material presented herein is subject to risks, trends and uncertainties that could cause actual events to differ materially from those presented. Those providing information contained in this presentation have represented to J&K and EDG that, as of the date it was provided, the information was accurate to the best of their knowledge. Any person viewing, reviewing or utilizing this presentation should do so subject to all of the foregoing limitations and shall conduct independent investigation to verify the assumptions and calculations contained herein. By acceptance and use of this presentation, the user accepts all of the foregoing limitations and releases J&K and EDG from any liability in connection therewith.

EXHIBIT 5(B)

CITY OF LEXINGTON TIF DISTRICT SECOND AMENDMENT

Proposed New Commercial Projects

Variables: Inflation Rate 3.0%

7/25/2011

TIF FORMED: 1996

Tax Rate 8.96769%

Calendar Year of Receipts	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Commercial Project I		Built	Assessed	\$22,419	\$23,092	\$23,785	\$24,498	\$25,233	\$25,990	\$26,770	\$27,573	\$28,400
Commercial Project II			Built	Assessed	\$22,419	\$23,092	\$23,785	\$24,498	\$25,233	\$25,990	\$26,770	\$27,573
Commercial Project III							Built	Assessed	\$14,946	\$15,395	\$15,856	\$16,332
Commercial Retail Strip Project						Built	Assessed	\$44,838	\$46,184	\$47,569	\$48,996	\$50,466
Motel/Hotel Project			Built	Assessed	\$74,731	\$76,973	\$79,282	\$81,660	\$84,110	\$86,633	\$89,232	\$91,909
Storage Facility		Built	Assessed	\$22,419	\$23,092	\$23,785	\$24,498	\$25,233	\$25,990	\$26,770	\$27,573	\$28,400
Restaurant					Built	Assessed	\$14,946	\$15,395	\$15,856	\$16,332	\$16,822	\$17,327
Grocery Store				Built	Assessed	\$23,914	\$24,631	\$25,370	\$26,131	\$26,915	\$27,723	\$28,554
Diesel/Truck Repair Shop					Built	Assessed	\$23,914	\$24,631	\$25,370	\$26,131	\$26,915	\$27,723
Commercial Rehab/Renovations		1/4 Built	1/4 Assessed	\$7,473	\$15,170	\$23,099	\$31,265	\$32,202	\$33,169	\$34,164	\$35,189	\$36,244
Total Real Estate Tax Increment				\$52,312	\$158,504	\$194,646	\$246,818	\$299,061	\$322,979	\$332,669	\$342,649	\$352,928
Cumulative R. E. Tax Increment				\$52,312	\$210,815	\$405,461	\$652,280	\$951,341	\$1,274,321	\$1,606,989	\$1,949,638	\$2,302,566

Calendar Year of Receipts	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTALS
Commercial Project I	\$29,252	\$30,130	\$31,033	\$31,964	\$32,923	\$33,911	\$34,928	\$35,976	\$37,056	\$38,167	\$563,101
Commercial Project II	\$28,400	\$29,252	\$30,130	\$31,033	\$31,964	\$32,923	\$33,911	\$34,928	\$35,976	\$37,056	\$524,933
Commercial Project III	\$16,822	\$17,327	\$17,846	\$18,382	\$18,933	\$19,501	\$20,086	\$20,689	\$21,310	\$21,949	\$255,375
Commercial Retail Strip Project	\$51,980	\$53,539	\$55,146	\$56,800	\$58,504	\$60,259	\$62,067	\$63,929	\$65,847	\$67,822	\$833,946
Motel/Hotel Project	\$94,667	\$97,507	\$100,432	\$103,445	\$106,548	\$109,745	\$113,037	\$116,428	\$119,921	\$123,519	\$1,749,778
Storage Facility	\$29,252	\$30,130	\$31,033	\$31,964	\$32,923	\$33,911	\$34,928	\$35,976	\$37,056	\$38,167	\$563,101
Restaurant	\$17,846	\$18,382	\$18,933	\$19,501	\$20,086	\$20,689	\$21,310	\$21,949	\$22,607	\$23,286	\$301,268
Grocery Store	\$29,411	\$30,293	\$31,202	\$32,138	\$33,102	\$34,095	\$35,118	\$36,172	\$37,257	\$38,375	\$520,403
Diesel/Truck Repair Shop	\$28,554	\$29,411	\$30,293	\$31,202	\$32,138	\$33,102	\$34,095	\$35,118	\$36,172	\$37,257	\$482,028
Commercial Rehab/Renovations	\$37,332	\$38,451	\$39,605	\$40,793	\$42,017	\$43,277	\$44,576	\$45,913	\$47,290	\$48,709	\$675,938
Total Real Estate Tax Increment	\$363,516	\$374,422	\$385,654	\$397,224	\$409,141	\$421,415	\$434,057	\$447,079	\$460,491	\$474,306	\$6,469,872
Cumulative R. E. Tax Increment	\$2,666,083	\$3,040,504	\$3,426,159	\$3,823,382	\$4,232,523	\$4,653,938	\$5,087,995	\$5,535,074	\$5,995,566	\$6,469,872	

Real Estate - New Commercial Projects											
	Commercial Project I	Commercial Project II	Commercial Project III	Comm/ Retail Strip	Motel/Hotel Project	Storage Facility	Restaurant	Grocery Store	Diesel/Truck Repair	Commercial Rehab	TOTALS
Total Projected Market Value	\$750,000	\$750,000	\$500,000	\$1,500,000	\$2,500,000	\$750,000	\$500,000	\$800,000	\$800,000	\$1,000,000	\$9,850,000
Increase in EAV	\$250,000	\$250,000	\$166,667	\$500,000	\$833,333	\$250,000	\$166,667	\$266,667	\$266,667	\$333,333	\$3,283,333
Real Estate Tax Increment	\$22,419	\$22,419	\$14,946	\$44,838	\$74,731	\$22,419	\$14,946	\$23,914	\$23,914	\$29,892	\$294,439
Estimated Eligible Project Costs	\$250,000	\$250,000	\$150,000	\$500,000	\$750,000	\$200,000	\$150,000	\$200,000	\$200,000	\$1,000,000	\$3,650,000

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EXHIBIT 5(C)

CITY OF LEXINGTON TIF DISTRICT SECOND AMENDMENT

Proposed New Industrial Projects

7/25/2011

TIF FORMED: 1996

Calendar Year of Receipts	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Light Industrial/Comm Project I								Built	Assessed	\$597,846	\$615,781	\$634,255
Light Industrial/Comm Project II										Built	Assessed	\$59,785
Light Industrial/Comm Project III										Built	Assessed	\$44,838
Total Real Estate Tax Increment										\$597,846	\$615,781	\$738,878
Cumulative R. E. Tax Increment										\$597,846	\$1,213,627	\$1,952,505

Calendar Year of Receipts	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTALS
Light Industrial/Comm Project I	\$653,282	\$672,881	\$693,067	\$713,859	\$735,275	\$757,333	\$780,053	\$803,455	\$827,559	\$852,385	\$9,337,034
Light Industrial/Comm Project II	\$61,578	\$63,425	\$65,328	\$67,288	\$69,307	\$71,386	\$73,528	\$75,733	\$78,005	\$80,346	\$765,709
Light Industrial/Comm Project III	\$46,184	\$47,569	\$48,996	\$50,466	\$51,980	\$53,539	\$55,146	\$56,800	\$58,504	\$60,259	\$574,282
Total Real Estate Tax Increment	\$761,044	\$783,876	\$807,392	\$831,614	\$856,562	\$882,259	\$908,727	\$935,988	\$964,068	\$992,990	\$10,677,024
Cumulative R. E. Tax Increment	\$2,713,549	\$3,497,425	\$4,304,817	\$5,136,430	\$5,992,992	\$6,875,251	\$7,783,978	\$8,719,966	\$9,684,034	\$10,677,024	

Real Estate - New Light Industrial Projects				
	Light Ind/ Comm I	Light Ind/ Comm II	Light Ind/ Comm III	TOTALS
Total Projected Market Value	\$20,000,000	\$2,000,000	\$1,500,000	\$23,500,000
Increase in EAV	\$6,666,667	\$666,667	\$500,000	\$7,833,333
Real Estate Tax Increment	\$597,846	\$59,785	\$44,838	\$702,469
Estimated Eligible Project Costs	\$6,000,000	\$500,000	\$500,000	\$7,000,000

Variables	
Inflation Rate	3.0%
Total Tax Rate	8.96769%

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EXHIBIT 5(C)

EXHIBIT 5(D)

CITY OF LEXINGTON TIF DISTRICT SECOND AMENDMENT

New Townhouse Complex Project

7/25/2011

TIF FORMED: 1996

Calendar Year of Receipts	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Built in 2013			Built	Assessed	\$39,458	\$40,642	\$41,861	\$43,117	\$44,410	\$45,742	\$47,115	\$48,528
Built in 2014				Built	Assessed	\$39,458	\$40,642	\$41,861	\$43,117	\$44,410	\$45,742	\$47,115
Built in 2015					Built	Assessed	\$39,458	\$40,642	\$41,861	\$43,117	\$44,410	\$45,742
Total Real Estate Tax Increment					\$39,458	\$80,099	\$121,960	\$125,619	\$129,388	\$133,269	\$137,267	\$141,385
Cumulative R.E. Tax Increment					\$39,458	\$119,557	\$241,517	\$367,137	\$496,524	\$629,793	\$767,061	\$908,446

Calendar Year of Receipts	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTALS
Built in 2013	\$49,984	\$51,484	\$53,028	\$54,619	\$56,257	\$57,945	\$59,684	\$61,474	\$63,318	\$65,218	\$923,883
Built in 2014	\$48,528	\$49,984	\$51,484	\$53,028	\$54,619	\$56,257	\$57,945	\$59,684	\$61,474	\$63,318	\$858,665
Built in 2015	\$47,115	\$48,528	\$49,984	\$51,484	\$53,028	\$54,619	\$56,257	\$57,945	\$59,684	\$61,474	\$795,347
Total Real Estate Tax Increment	\$145,627	\$149,996	\$154,496	\$159,130	\$163,904	\$168,821	\$173,886	\$179,103	\$184,476	\$190,010	\$2,577,895
Cumulative R.E. Tax Increment	\$1,054,073	\$1,204,069	\$1,358,564	\$1,517,695	\$1,681,599	\$1,850,420	\$2,024,306	\$2,203,409	\$2,387,885	\$2,577,895	

Real Estate - New Townhomes		TOTALS
Market Value per Home	\$150,000	\$4,500,000
Increase in EAV	\$50,000	\$1,500,000
Homestead Exemption	\$6,000	\$180,000
Real Estate Tax (Per Home)	\$3,946	\$118,374
Built in 2013	10	
Built in 2014	10	
Built in 2015	10	
Total Homes Built	30	

Variables	
Inflation Rate	3.0%
Total Tax Rate	8.96769%

Estimated Eligible Project Costs: \$1,500,000

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EXHIBIT 5(E)

CITY OF LEXINGTON TIF DISTRICT SECOND AMENDMENT

Residential Rehabilitation/Renovation Projects

7/25/2011		TIF FORMED: 1996										
Calendar Year of Receipts	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Built in 2013			Built	Assessed	\$4,484	\$4,618	\$4,757	\$4,900	\$5,047	\$5,198	\$5,354	\$5,515
Built in 2014				Built	Assessed	\$4,484	\$4,618	\$4,757	\$4,900	\$5,047	\$5,198	\$5,354
Built in 2015					Built	Assessed	\$4,484	\$4,618	\$4,757	\$4,900	\$5,047	\$5,198
Built in 2016						Built	Assessed	\$4,484	\$4,618	\$4,757	\$4,900	\$5,047
Built in 2017							Built	Assessed	\$4,484	\$4,618	\$4,757	\$4,900
Built in 2018								Built	Assessed	\$4,484	\$4,618	\$4,757
Built in 2019									Built	Assessed	\$4,484	\$4,618
Built in 2020										Built	Assessed	\$4,484
Total Real Estate Tax Increment					\$4,484	\$9,102	\$13,859	\$18,759	\$23,805	\$29,003	\$34,357	\$39,872
Cumulative R.E. Tax Increment					\$4,484	\$13,586	\$27,445	\$46,204	\$70,009	\$99,013	\$133,370	\$173,242

Calendar Year of Receipts	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTALS
Built in 2013-2020	\$41,068	\$42,300	\$43,569	\$44,876	\$46,222	\$47,609	\$49,037	\$50,508	\$52,024	\$53,584	\$644,040
Built in 2021	\$4,484	\$4,484	\$4,618	\$4,757	\$4,900	\$5,047	\$5,198	\$5,354	\$5,515	\$5,680	\$50,036
Built in 2022	Assessed	\$4,484	\$4,618	\$4,757	\$4,900	\$5,047	\$5,198	\$5,354	\$5,515	\$5,680	\$45,552
Total Real Estate Tax Increment	\$45,552	\$51,268	\$52,806	\$54,390	\$56,022	\$57,702	\$59,433	\$61,216	\$63,053	\$64,944	\$739,628
Cumulative R.E. Tax Increment	\$218,794	\$270,061	\$322,867	\$377,257	\$433,279	\$490,981	\$550,414	\$611,631	\$674,684	\$739,628	

Real Estate - Residential Rehab Projects		
		TOTALS
Total Projected Investment	\$75,000	\$1,500,000
Increase in EAV	\$25,000	\$500,000
Real Estate Tax (Per Home)	\$2,242	\$44,838

Variables	
Inflation Rate	3.0%
Total Tax Rate	8.96769%

Estimated Eligible Project Costs: \$750,000

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EXHIBIT 5(F)

CITY OF LEXINGTON TIF DISTRICT SECOND AMENDMENT

New Residential Project I

7/25/2011

TIF FORMED: 1996

Calendar Year of Receipts	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Built in 2014				Built	Assessed	\$27,202	\$28,018	\$28,859	\$29,724	\$30,616	\$31,535	\$32,481
Built in 2015					Built	Assessed	\$27,202	\$28,018	\$28,859	\$29,724	\$30,616	\$31,535
Built in 2016						Built	Assessed	\$27,202	\$28,018	\$28,859	\$29,724	\$30,616
Built in 2017							Built	Assessed	\$27,202	\$28,018	\$28,859	\$29,724
Built in 2018								Built	Assessed	\$27,202	\$28,018	\$28,859
Built in 2019									Built	Assessed	\$27,202	\$28,018
Built in 2020										Built	Assessed	\$27,202
Built in 2021											Built	Assessed
Total Real Estate Tax Increment						\$27,202	\$55,220	\$84,079	\$113,803	\$144,419	\$175,954	\$208,434
Cumulative R.E. Tax Increment						\$27,202	\$82,422	\$166,501	\$280,304	\$424,723	\$600,676	\$809,111

Calendar Year of Receipts	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTALS
Total Real Estate Tax Increment	\$241,889	\$249,146	\$256,620	\$264,319	\$272,248	\$280,416	\$288,828	\$297,493	\$306,418	\$315,611	\$3,582,100
Cumulative R.E. Tax Increment	\$1,051,000	\$1,300,146	\$1,556,766	\$1,821,085	\$2,093,334	\$2,373,750	\$2,662,578	\$2,960,071	\$3,266,489	\$3,582,100	

Real Estate - New Residential Project I	TOTALS		
Market Value per Home	\$200,000	\$8,000,000	
Increase in EAV	\$66,667	\$2,666,667	
Homestead Exemption	\$6,000	\$240,000	
Real Estate Tax (Per Home)	\$5,440	\$217,616	
Built in 2014	5	Built in 2018	5
Built in 2015	5	Built in 2019	5
Built in 2016	5	Built in 2020	5
Built in 2017	5	Built in 2021	5
Total Homes Built	40		

Variables	
Inflation Rate	3.0%
Total Tax Rate	8.96769%

Estimated Eligible Project Costs: \$2,000,000

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EXHIBIT 5(G)

CITY OF LEXINGTON TIF DISTRICT SECOND AMENDMENT

New Residential Project II

7/25/2011

TIF FORMED: 1996

Calendar Year of Receipts	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Built in 2014				Built	Assessed	\$38,412	\$39,564	\$40,751	\$41,973	\$43,233	\$44,530	\$45,865
Built in 2015					Built	Assessed	\$38,412	\$39,564	\$40,751	\$41,973	\$43,233	\$44,530
Total Real Estate Tax Increment						\$38,412	\$77,976	\$80,315	\$82,724	\$85,206	\$87,762	\$90,395
Cumulative R.E. Tax Increment						\$38,412	\$116,387	\$196,702	\$279,426	\$364,632	\$452,394	\$542,789

Calendar Year of Receipts	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTALS
Total Real Estate Tax Increment	\$100,789	\$103,813	\$106,927	\$110,135	\$113,439	\$116,842	\$120,348	\$123,958	\$127,677	\$131,507	\$1,698,225
Cumulative R.E. Tax Increment	\$643,579	\$747,392	\$854,319	\$964,454	\$1,077,893	\$1,194,735	\$1,315,083	\$1,439,041	\$1,566,718	\$1,698,225	

Real Estate - New Residential Project II		TOTALS
Market Value per Home	\$275,000	\$2,750,000
Increase in EAV	\$91,667	\$916,667
Homestead Exemption	\$6,000	\$60,000
Real Estate Tax (Per Home)	\$7,682	\$76,823
Built in 2014	5	
Built in 2015	5	
Total Homes Built	10	

Variables	
Inflation Rate	3.0%
Total Tax Rate	8.96769%

Estimated Eligible Project Costs: \$750,000

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APPENDIX A. TAX INCREMENT FINANCING TERMS AND DEFINITIONS

The City of Lexington is amending TIF District utilizing the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4 *et. seq.*]. Certain terms are used in this Redevelopment Plan which are defined in the Tax Increment Allocation Redevelopment Act. The following terms shall mean:

Municipality: An incorporated City, Village or Town in the State of Illinois.

Redevelopment Project Area: An area designated by the municipality, which is not less in the aggregate than 1½ 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 or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.

Redevelopment Plan: 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.

Redevelopment Project: Any public and private development project in furtherance of the objectives of a redevelopment plan.

Redevelopment Project Costs: Redevelopment Project Costs include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:

- A. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after the effective date of this amendatory Act of the 91st General Assembly, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;
- B. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;

- C. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- D. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- E. Costs of the construction of public works or improvements;
- F. Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- G. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
- H. 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/project.
- I. 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 subparagraph (7) of subsection (n);
- J. Payment in lieu of taxes are those estimated tax revenues from real property in a redevelopment project area derived from real property that has been acquired by a municipality which according to the redevelopment project or plan is to be used for a private use which taxing districts would have received had a municipality not acquired the real property and adopted tax increment allocation financing and which would result from levies made after the time of the adoption of the tax increment allocation financing to the time the current equalized value of real property in the redevelopment project area exceeds the total initial equalized value of real property in said area;
- K. 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 (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act

and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

- L. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that: 1) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act; 2) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; 3) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; 4) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.

Taxing Districts: Counties, townships, cities and incorporated towns and villages, school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservancy, tuberculosis sanitarium and any other municipal corporations or districts with the power to levy taxes.

Taxing Districts' Capital Costs: Those costs of taxing districts for capital improvements that are found by the municipal corporate authorities to be necessary and directly result from the redevelopment project.

Obligations: Redevelopment Agreements, Bonds, loans, debentures, notes, special certificates or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations.

Labor Surplus Municipality: A municipality in which, at any time during the 6 months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. If unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate in the principal County in which the municipality is located.

Industrial Park Conservation Area: An area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 ½ miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

Vacant Land: 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; provided that if the parcel was part of a larger tract that has been divided into 3 or more smaller tracts that were accepted for recording during the

period from 1950 to 1990, then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designated redevelopment project area or amended redevelopment project area are hereby validated and hereby declared to be legally sufficient for all purposes of this Act.

For purposes of this Section and only for land subject to the subdivision requirements of the Plat Act, land is subdivided when the original plat of the Redevelopment Project Area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Plat Act and a preliminary plat, if any, for any subsequent phases of the Redevelopment Project Area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality.

Blighted Area: Any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where: If **improved**, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 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 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 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 of the redevelopment project area has declined for 3 of the last 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 3 of the last 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 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

If **vacant**, the sound growth of the redevelopment project area is impaired by a combination of **two 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 right-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 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 of the redevelopment project area has declined for 3 of the last 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 3 of the last 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 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

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 railyards, rail tracks, or railroad rights-of-way.
- C. The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only

if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

- 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 91st 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 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) 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.

Conservation Area: Any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the factors listed above for “Blighted Improved Areas” is detrimental to the public safety, health, morals or welfare and such an area may become a Blighted Area.

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APPENDIX B. INTRODUCTION TO TAX INCREMENT FINANCING

The search for innovative local financing for economic development is a constant challenge for most Cities, Towns, and Villages throughout the country. For many communities, particularly those in rural areas, Tax Increment Financing (TIF) is often the only locally controlled mechanism available for stimulating new investment, economic growth, and a better quality of life.

TIF in Illinois establishes a geographic boundary (i.e., a district or redevelopment project area) for which new private investment is encouraged. To facilitate new investment, a Village, town or Village may issue debt instruments to finance specific public sector improvements that will enable the redevelopment of deteriorated, blighted, or other conservation areas within its corporate limits. By making public improvements, the municipality may invite new private investment so that the expected increase in property tax revenues (i.e., the increment) can be captured to amortize the public facility debt. Sometimes a municipality chooses to use TIF on a *pay-as-you-go* basis whereby revenue is spent as it is collected. In either case, it is expected that new investment in a designated redevelopment area will stimulate a resurgence of population, employment, and assessed valuation throughout the entire community.

It should be noted that TIF does not raise property taxes and it does not create a new tax or a new taxing district. Only an increased assessment or an overall increase in tax rates can raise taxes. TIF is merely used to reallocate increased property tax revenues created by increased assessed valuation that is realized after a TIF District is established. A TIF District may last for up to 23 years unless the municipality chooses a shorter period. The advantage of TIF for the municipality is that it is able to preserve a property tax base during the life of the TIF District that will pay for the basic public services the TIF redevelopment area already receives. New incremental property tax revenue helps pay for the infrastructure necessary for stimulating additional private-sector investment.

In 1977, the Illinois Legislature passed the "Tax Increment Allocation Redevelopment Act," now recorded as 65 ILCS 5/11-74.4 *et seq.* The TIF Act recognizes that in many municipalities of the State blighted and conservation areas exist which need to be developed or redeveloped to eliminate those conditions or prevent them from occurring. The Act further declares that prevention or eradication of these conditions by private and public redevelopment projects is essential to the public interest.

In Village of Canton v. Crouch, 79 Ill. 2d 356 (1980) the Illinois Supreme Court, approving the use of TIF, stated:

"Stimulation of economic growth and removal of economic stagnation are also objectives which enhance the public [good]."

How Does TIF Work?

Tax Increment Financing is a powerful tool that enables municipalities to self-finance its redevelopment programs. TIF funds can pay for public improvements and other economic development incentives using the increased property tax revenue the improvements help generate. Everyone pays their taxes within a TIF District. However, a TIF District does not generate tax revenues by increasing tax rates. Rather, TIF generates revenues by allowing the municipality to capture, temporarily, the new tax

revenues generated by the enhanced valuation of properties resulting from the various redevelopment projects. The overall process for creating a TIF District includes:

- 1) The Village identifies an economically stagnant or physically declining area and determines that private investment in the area is not likely to occur at a reasonable rate if no public investment is forthcoming.
- 2) Having completed studies and plans and conducted public hearings as called for by state law, the Village creates a new TIF District.
- 3) The County Clerk certifies the total equalized assessed valuation of property in the redevelopment project area as of the date the TIF District is created. All property taxes arising from this certified initial valuation, or "base value," continue to be paid to existing taxing bodies within the TIF District. Any incremental taxes arising from increases in property values after this point are re-allocated and set aside for "public and private redevelopment project costs" within the designated redevelopment project area.

Within a TIF District, all overlapping taxing districts continue to receive property taxes levied on the base equalized assessed valuation (EAV) of properties within the project area. The Village also has the authority to enter into Intergovernmental Agreements to address any additional financial impact the TIF District may pose.

- 4) The Village makes public improvements and provides other assistance intended to spur private development within the TIF District. To defray the cost, the Village can sell bonds secured by the incremental taxes the improvements will generate or reimburse certain public and private development costs using a *pay-as-you-go* approach.
- 5) After 23 years, all obligations must be paid off and the TIF District is dissolved. All taxes then generated on the new assessed valuation are distributed to the taxing bodies. The TIF District may be ended earlier than 23 years if there are no remaining obligations for which real estate tax increment has been previously committed. The TIF District may be extended for an additional 12 years, for a total of 35 years, by Act of the Illinois Legislature.

A TIF District's revenues ("tax increment") come from the increased assessed value of property and improvements within the District. Once a TIF District is established, the "base" assessed value is determined. As vacant land and dilapidated properties develop with TIF assistance, the equalized assessed valuation (EAV) of those properties increases. New property taxes resulting from the increased assessed valuation above the base value create an incremental increase in tax revenues generated within the TIF District.

The "tax increment" created between the "baseline" and the new EAV is captured, deposited into a special Village TIF account and used solely for economic development. The real estate tax increment can be used as a source of revenue to reimburse certain costs for public and private projects either by issuing TIF bonds or by reimbursing developers on a "pay-as-you-go" basis. All of the other taxing bodies continue to receive real estate tax revenue from the base assessed valuation, so there is no loss of revenue to those local taxing bodies. For additional information, visit www.tifillinois.com.

The maximum life of a TIF District is 23 years. When the TIF expires and the town's investments in both public and private redevelopment projects within the TIF redevelopment area are fully repaid, property tax revenues are again shared by all the taxing bodies. All taxing bodies then share the expanded tax base – the growth which would not have been possible without the utilization of Tax Increment Financing.

How Long Does it Take to Create a TIF District?

Typically the process for establishing a TIF District requires 6-8 months to complete. The length of time required to create a TIF District depends on several factors such as the municipality's ability to complete necessary annexations and the availability of local property tax data, historical records, maps, and other planning documents. Once the calendar is set for the Public Hearing, statutory guidelines determine the earliest date when the TIF District may be created.

There are many opportunities for public participation during the process of creating and operating a TIF District. A written Redevelopment Plan must be available for public review at least 45 days prior to a Public Hearing. The Public Hearing offers the community a chance to raise questions, voice concerns, and learn about the goals and objectives driving the redevelopment effort before the District is created.

What Conditions Qualify an Area to be Designated as a TIF District?

In addition to being located within the municipal boundaries or annexed to the municipality, the TIF Act includes three sets of conditions for qualifying an area as a TIF District:

- Blighted Conditions – examples include dilapidation, obsolescence, deterioration, inadequate utilities, declining assessed valuations.
- Conservation Conditions – at least 50% of the structures in the proposed redevelopment area are 35 years of age or older.
- Industrial Park Conservation Conditions – based largely on a relatively high unemployment rate.

How Can TIF District Funds Be Used?

When the Illinois General Assembly adopted the Illinois Tax Increment Allocation Redevelopment Act (ILCS 65 5/11-74.4 *et. seq.*) in 1977, it granted municipalities the power and authority to address the adverse conditions of blighted and conservation areas within their jurisdictions by undertaking redevelopment projects that were essential to the public interest. TIF can be used to fund a variety of public improvements and other investments that are indeed essential to a successful redevelopment program, including:

- Area-wide public infrastructure improvements such as road and sidewalk repairs, utility upgrades, water and sewer projects.
- Acquisition, clearance and other land assembly and site preparation activities.

- Rehabilitation of older, deteriorating or obsolescent buildings.
- Correction or mitigation of environmental problems and concerns.
- Job training, workforce readiness and other related educational programs.
- Incentives to retain or attract private development.

For more information about Tax Increment Financing, please contact:

Jacob & Klein, Ltd. and
The Economic Development Group, Ltd.
1701 Clearwater Avenue, Bloomington, IL 61704
Ph: (309) 664-7777 Fax: (309) 664-7878
Website: www.tifillinois.com

APPENDIX C.
ANNEXATIONS

ORDINANCE NO. 2011-9

**CITY OF LEXINGTON,
COUNTY OF McLEAN,
STATE OF ILLINOIS**

**AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON,
McLEAN COUNTY, ILLINOIS
(HANSEN FAMILY LAND TRUST, TRUSTEES
MARK HANSEN AND KIM HANSEN)**

Date Passed: October 24, 2011

Date Posted: October 24, 2011

**DO NOT REMOVE FOR 10 DAYS
FROM DATE OF POSTING**

ORDINANCE NO. 2011-9
CITY OF LEXINGTON
McLEAN COUNTY, ILLINOIS

**AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON,
McLEAN COUNTY, ILLINOIS
(HANSEN FAMILY LAND TRUST, TRUSTEES
MARK HANSEN AND KIM HANSEN)**

Adopted by Mayor and City Council of the City of Lexington, this 24th day of October, 2011.

Published in pamphlet form by authority of the Mayor and City Council of the City of Lexington, McLean County, Illinois this 24th day of October, 2011.

WHEREAS, a written petition, signed by the legal owner of records of all land within the territory hereinafter described, has been filed with the City Clerk of the City of Lexington, McLean County, Illinois, requesting that said territory be annexed to the City of Lexington; and

WHEREAS, there are zero (-0-) electors residing within the said territory; and

WHEREAS, legal notices regarding the intention of the City to annex said territory have been sent to all public bodies required to received such notice by state statute; and

WHEREAS, all petitions, documents and other necessary legal requirements are in full compliance with the agreed terms and with the statutes of the State of Illinois, specifically Section 7-1-8 of the Municipal Code, 65 ILCS 5/7-1-8; and

WHEREAS, it is in the best interests of the City of Lexington that the territory be annexed thereto.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LEXINGTON, McLEAN COUNTY, ILLINOIS, AS FOLLOWS:

Section 1: That the following described territory:

See Attached Legal Description as Exhibit "A" and
Annexation Plat Attached as Exhibit "B"

being indicated on an accurate map of the annexed territory (which is appended to and made a part of this Ordinance), is hereby annexed to the City of Lexington, McLean County, Illinois.

Section 2: That the City Clerk is hereby directed to record with the Recorder and to file with the County Clerk a certified copy of this Ordinance, together with the accurate map of the territory annexed appended to the Ordinance.

Section 3: That this Ordinance is adopted pursuant to the statutory authority of the City.

Section 4: That this Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

UPON MOTION by Alderman Brill, seconded by Alderman Miller, adopted at a Meeting of the City Council of the City of Lexington, Illinois on the 24th day of October, 2011, by roll call vote as follows:

ROLL CALL VOTE:

MAYOR AND COUNCIL:	AYE	NAY	ABSENT	ABSTAIN
Hank Brill	✓			
Charles Cole	✓			
Paul Miller	✓			
Don Revelle	✓			
Anne W. Fiero	✓			
Garry Winterland	✓			
John Mohr, Mayor	✓			

PASSED, APPROVED AND ADOPTED this 24th day of October, 2011.

John Mohr
John Mohr, Mayor

ATTEST:

Melanie Kunkel
Melanie Kunkel, City Clerk

STATE OF ILLINOIS)
)
COUNTY OF McLEAN) SS

I, Melanie Kunkel, do hereby certify that I am the duly elected, qualified and acting Clerk of the City of Lexington, the County and State aforesaid, and, as such Clerk, I am the keeper of the records and files of the Mayor and City Council of the City.


I do further certify that the attached and foregoing is a true and current copy of:

AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON, McLEAN COUNTY, ILLINOIS
(HANSEN FAMILY LAND TRUST, TRUSTEES
MARK HANSEN AND KIM HANSEN)

as passed by the City Council of the said City of Lexington, Illinois, at its meeting held on October 24, 2011, and as approved by the Mayor of said City on October 24, 2011.

IN WITNESS WHEREOF, I have hereto affixed my official signature and the corporate seal of said City of Lexington, Illinois.

(SEAL)



City Clerk


STATE OF ILLINOIS)
)
COUNTY OF McLEAN) SS **Certificate of Pamphlet Publication**

I, Melanie Kunkel, certify that I am the duly elected and acting municipal clerk of the City of Lexington, McLean County, Illinois. I further certify that on October 24, 2011, the Corporate Authorities of the above municipality passed and approved Ordinance No. 2011-9 entitled:

AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON, McLEAN COUNTY, ILLINOIS
(HANSEN FAMILY LAND TRUST, TRUSTEES
MARK HANSEN AND KIM HANSEN)

which provided by its terms that it should be published as required by law. The Pamphlet Form of Ordinance No. 2011-9 and a cover sheet thereof was prepared, and a copy of the Ordinance was posted in the City Hall, commencing on October 24, 2011 and continuing for at least ten days thereafter. Copies of the Ordinance were also available for public inspection upon request in the office of the municipal clerk.

Dated this 24th day of October, 2011.



City Clerk

EXHIBIT A

HANSEN FAMILY LAND TRUST, TRUSTEES MARK HANSEN AND KIM HANSEN

LEGAL DESCRIPTION:

Tract I:

Lot 1 of Van Dolah's Subdivision of part of Section 7, Township 25 North, Range 4 East of the Third Principal Meridian, excepting 2.10 acres conveyed to Lexington Cemetery Association, an excepting from said tracts that a portion thereof taken for highway purposes, situated in the County of McLean, in the State of Illinois, also excepting therefrom any portion of said Lot 1 previously annexed to the City of Lexington.

Tract II:

The West Half of the Original Lot 1 of the Northwest Quarter of Section 6, Township 25 North, Range 4 East of the Third Principal Meridian. Lot 3 of the Southwest Quarter of Section 6, Township 25 North, Range 4 East of the Third Principal Meridian.

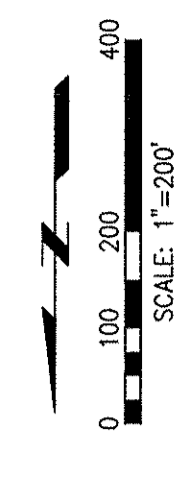
Tract III:

33 1/3 Acres of the entire West side of Lot 2 in the Southwest Quarter of Section 6; Township 25 North, Range 4 East of the Third Principal Meridian, also 62 hundredths of an acre off the entire West side of the East Half of the West 66 1/2 acres of Lot 2 in the Southwest Quarter of Section 6, Township 25 North, Range 4 East of the Third Principal Meridian, and excepting from said tracts that portion therefrom taken for highway purposes entitled The Department of Transportation of the State of Illinois for and in behalf of the People of the State of Illinois, Petitioner vs. G. Hyle Stitcher, Defendant Cause No. 72 ED 264, in the Circuit Court of the Eleventh Judicial Court, McLean County, Illinois situated in McLean County of the State of Illinois. Excepting therefrom and portion thereof previously annexed to the City of Lexington.

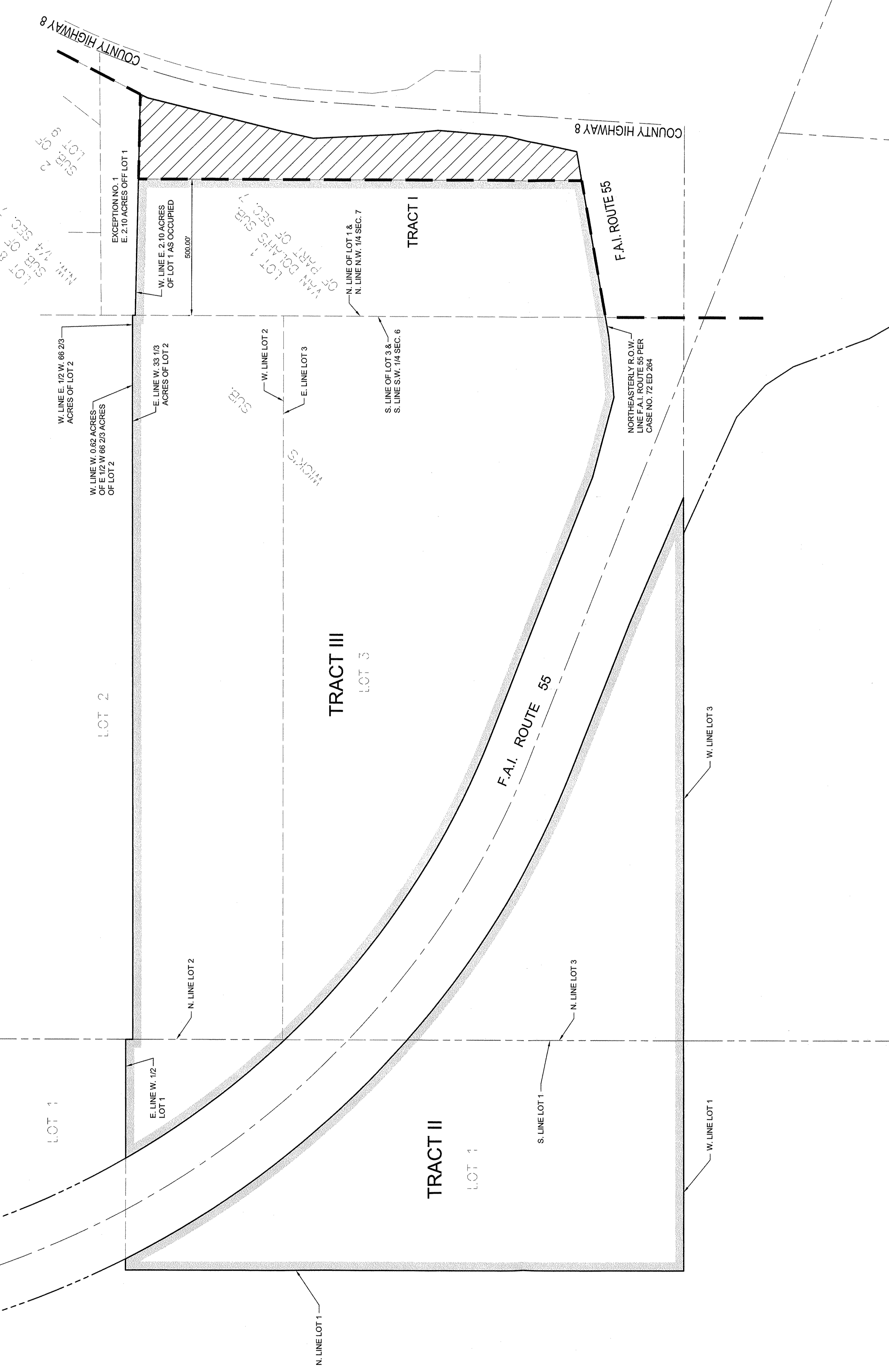
Parcel Identification Numbers: 09-07-100-026; 09-06-300-001; 09-06-100-005

EXHIBIT B

**HANSEN FAMILY LAND TRUST, TRUSTEES
MARK HANSEN AND KIM HANSEN
ANNEXATION PLAT**

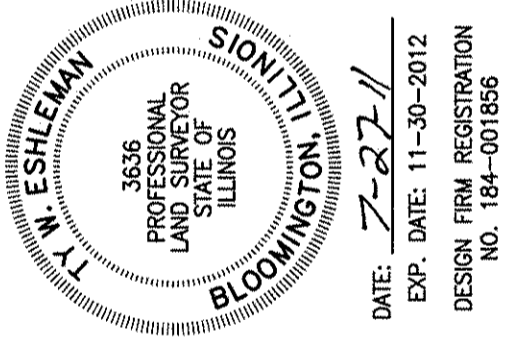


LEGEND
 --- EXISTING CORPORATE LIMITS LINE
 --- AREA TO BE ANNEXED
 ▨ PREVIOUSLY ANNEXED PROPERTY



SURVEYOR CERTIFICATION
 This is a plat of tracts of land to be annexed to the City of Lexington, McLean County, Illinois. Said tracts are described as follows:

- Tract I**
 Lot 1 of Van Dole's Subdivision of part of Section 7, Township 25 North, Range 4 East of the Third Principal Meridian, excepting 2.10 acres conveyed to Lexington Cemetery Association, and excepting from said tracts that portion thereof taken for highway purposes, situated in the County of McLean, in the State of Illinois, also excepting therefrom any portion of said Lot 1 previously annexed to the City of Lexington.
- Tract II**
 The West Half of the Original Lot 1 of the Northwest Quarter of Section 6, Township 25 North, Range 4 East of the Third Principal Meridian. Lot 3 of the Southwest Quarter of Section 6, Township 25 North, Range 4 East of the Third Principal Meridian.
- Tract III**
 33 1/3 Acres of the entire West side of Lot 2 in the Southwest Quarter of Section 6, Township 25 North, Range 4 East of the Third Principal Meridian, also 62 hundredths of an acre of the entire West side of the East side of Lot 2 in the Southwest Quarter of Section 6, Township 25 North, Range 4 East of the Third Principal Meridian, and excepting from said tracts that portion thereof taken for highway purposes in cause entitled The Department of Transportation of the State of Illinois for and in behalf of the People of the State of Illinois, Petitioner, vs. G. Hyle Sticher, Defendant, Cause No. 72 ED 264, in the Circuit Court of the Eleventh Judicial Circuit, McLean County, Illinois, situated in the County of McLean in the State of Illinois. Excepting therefrom any portion thereof previously annexed to the City of Lexington.



FARNSWORTH GROUP, INC.
 2709 MCGRAW DRIVE
 BLOOMINGTON, IL 61704

By: *W. Eshleman*
 W. Eshleman
 Professional Land Surveyor No. 3636

Revisions #	Date	Description
1	7/27/11	AK

Farnsworth GROUP
 2709 MCGRAW DRIVE
 BLOOMINGTON, ILLINOIS 61704
 (309) 663-8435 / (309) 663-1571 Fax
 www.fw.com

Drawn: DJM Date: 07-11-11
 Field: [Signature] Checked: [Signature]

Book No: 305520 Sheet No: 1 OF 1
 Project No: **** File No.: 24-8629

ANNEXATION PLAT
 HANSEN PROPERTY
 LEXINGTON, ILLINOIS

(BACK OF PAMPHLET)

ORDINANCE NO. 2011-10

**CITY OF LEXINGTON,
COUNTY OF McLEAN,
STATE OF ILLINOIS**

**AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON,
McLEAN COUNTY, ILLINOIS
(CHARLES A. WRIGHT)**

Date Passed: October 24, 2011

Date Posted: October 24, 2011

**DO NOT REMOVE FOR 10 DAYS
FROM DATE OF POSTING**

ORDINANCE NO. 2011-10
CITY OF LEXINGTON
McLEAN COUNTY, ILLINOIS

**AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON,
McLEAN COUNTY, ILLINOIS
(CHARLES A. WRIGHT)**

Adopted by Mayor and City Council of the City of Lexington, this 24th day of October, 2011.

Published in pamphlet form by authority of the Mayor and City Council of the City of Lexington, McLean County, Illinois this 24th day of October, 2011.

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WHEREAS, legal notices regarding the intention of the City to annex said territory have been sent to all public bodies required to received such notice by state statute; and

WHEREAS, all petitions, documents and other necessary legal requirements are in full compliance with the agreed terms and with the statutes of the State of Illinois, specifically Section 7-1-8 of the Municipal Code, 65 ILCS 5/7-1-8; and

WHEREAS, it is in the best interests of the City of Lexington that the territory be annexed thereto.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LEXINGTON, McLEAN COUNTY, ILLINOIS, AS FOLLOWS:

Section 1: That the following described territory:

See Attached Legal Description as Exhibit "A" and
Annexation Plat Attached as Exhibit "B"

being indicated on an accurate map of the annexed territory (which is appended to and made a part of this Ordinance), is hereby annexed to the City of Lexington, McLean County, Illinois.

Section 2: That the City Clerk is hereby directed to record with the Recorder and to file with the County Clerk a certified copy of this Ordinance, together with the accurate map of the territory annexed appended to the Ordinance.

Section 3: That this Ordinance is adopted pursuant to the statutory authority of the City.

Section 4: That this Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

UPON MOTION by Alderman Winterland, seconded by Alderman Cole, adopted at a Meeting of the City Council of the City of Lexington, Illinois on the 24th day of October, 2011, by roll call vote as follows:

ROLL CALL VOTE:

MAYOR AND COUNCIL:	AYE	NAY	ABSENT	ABSTAIN
Hank Brill	✓			
Charles Cole	✓			
Paul Miller	✓			
Don Revelle	✓			
Anne W. Fiero				✓
Garry Winterland	✓			
John Mohr, Mayor	✓			

PASSED, APPROVED AND ADOPTED this 24th day of October, 2011.

John Mohr
John Mohr, Mayor

ATTEST:

Melanie Kunkel
Melanie Kunkel, City Clerk

STATE OF ILLINOIS)
)
COUNTY OF McLEAN) SS

I, Melanie Kunkel, do hereby certify that I am the duly elected, qualified and acting Clerk of the City of Lexington, the County and State aforesaid, and, as such Clerk, I am the keeper of the records and files of the Mayor and City Council of the City.

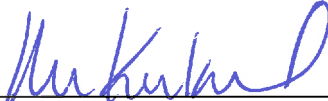
I do further certify that the attached and foregoing is a true and current copy of:

AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON, McLEAN COUNTY, ILLINOIS
(CHARLES A. WRIGHT)

as passed by the City Council of the said City of Lexington, Illinois, at its meeting held on October 24, 2011, and as approved by the Mayor of said City on October 24, 2011.

IN WITNESS WHEREOF, I have hereto affixed my official signature and the corporate seal of said City of Lexington, Illinois.

(SEAL)



City Clerk

STATE OF ILLINOIS)
)
COUNTY OF McLEAN) SS **Certificate of Pamphlet Publication**

I, Melanie Kunkel, certify that I am the duly elected and acting municipal clerk of the City of Lexington, McLean County, Illinois. I further certify that on October 24, 2011, the Corporate Authorities of the above municipality passed and approved Ordinance No. 2011-10 entitled:

AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON, McLEAN COUNTY, ILLINOIS
(CHARLES A. WRIGHT)

which provided by its terms that it should be published as required by law. The Pamphlet Form of Ordinance No. 2011-10 and a cover sheet thereof was prepared, and a copy of the Ordinance was posted in the City Hall, commencing on October 24, 2011 and continuing for at least ten days thereafter. Copies of the Ordinance were also available for public inspection upon request in the office of the municipal clerk.

Dated this 24th day of October, 2011.



City Clerk

EXHIBIT A

CHARLES A. WRIGHT

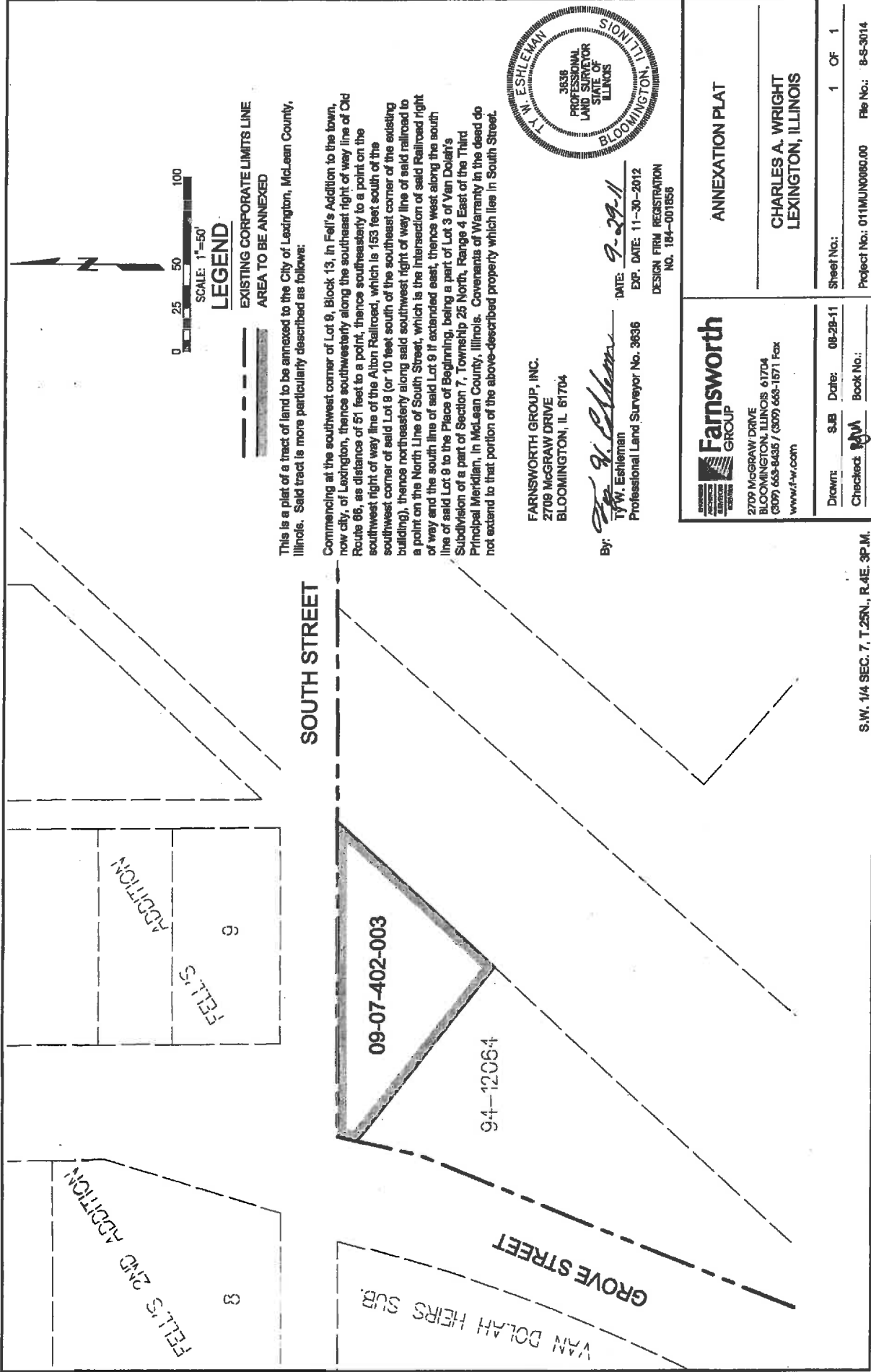
LEGAL DESCRIPTION:

Tract:

Commencing at the southwest corner of Lot 9, Block 13, in Fell's Addition to the town, now City, of Lexington, thence southwesterly along the southeast right of way line of Old Route 66, as distance of 51 feet to a point, thence southeasterly to a point on the southwest right of way line of the Alton Railroad, which is 153 feet south of the southwest corner of said Lot 9 (or 10 feet south of the southeast corner of the existing building), thence northeasterly along said southwest right of way line of said railroad to a point on the North Line of South Street, which is the Intersection of said Railroad right of way and the south line of said lot 9 if extended east, thence west along the south line of said Lot 9 to the Place of Beginning, being a part of Lot 3 of Van Dolah's Subdivision of a part of Section 7, Township 25 North, Range 4 East of the Third Principal Meridian, in McLean County, Illinois. Covenants of Warranty in the deed do not extend to that portion of the above-described property which lies in South Street.

EXHIBIT B

**CHARLES A. WRIGHT
ANNEXATION PLAT**



This is a plat of a tract of land to be annexed to the City of Lexington, McLean County, Illinois. Said tract is more particularly described as follows:

Commencing at the southwest corner of Lot 9, Block 13, in Fell's Addition to the town, now city, of Lexington, thence southeasterly along the southeast right of way line of Old Route 86, as distance of 51 feet to a point, thence southeasterly to a point on the southwest right of way line of the Alton Railroad, which is 153 feet south of the southwest corner of said Lot 8 (or 10 feet south of the southeast corner of the existing building), thence northeasterly along said southwest right of way line of said railroad to a point on the North Line of South Street, which is the intersection of said Railroad right of way and the south line of said Lot 9 if extended east, thence west along the south line of said Lot 9 to the Piece of Beginning, being a part of Lot 3 of Van Dolah's Subdivision of a part of Section 7, Township 25 North, Range 4 East of the Third Principal Meridian, in McLean County, Illinois. Covenants of Warranty in the deed do not extend to that portion of the above-described property which lies in South Street.



FARNSWORTH GROUP, INC.
2709 MCGRAW DRIVE
BLOOMINGTON, IL 61704

By: *T.W. Eshleman*
T.W. Eshleman
Professional Land Surveyor No. 3836

DATE: 9-29-11
EXP. DATE: 11-30-2012
DESIGN FIRM REGISTRATION NO. 184-001853

Farnsworth GROUP
2709 MCGRAW DRIVE
BLOOMINGTON, ILLINOIS 61704
(809) 653-6435 / (809) 653-1571 Fax
www.f-w.com

Drawn:	SJB	Date:	08-25-11
Checked:	<i>T.W.</i>	Book No.:	

ANNEXATION PLAT	
CHARLES A. WRIGHT LEXINGTON, ILLINOIS	
Sheet No.:	1 OF 1
Project No.:	011MJUN080.00
File No.:	8-S-3014

S.W. 1/4 SEC. 7, T.25N., R.4E., 3P.M.

(BACK OF PAMPHLET)

ORDINANCE NO. 2011-11

**CITY OF LEXINGTON,
COUNTY OF McLEAN,
STATE OF ILLINOIS**

**AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON,
McLEAN COUNTY, ILLINOIS
(B.C. INVESTMENTS, L.L.C.)**

Date Passed: October 24, 2011

Date Posted: October 24, 2011

**DO NOT REMOVE FOR 10 DAYS
FROM DATE OF POSTING**

ORDINANCE NO. 2011-1
CITY OF LEXINGTON
McLEAN COUNTY, ILLINOIS

**AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON,
McLEAN COUNTY, ILLINOIS
(B.C. INVESTMENTS, L.L.C.)**

Adopted by Mayor and City Council of the City of Lexington, this 24th day of October, 2011.

Published in pamphlet form by authority of the Mayor and City Council of the City of Lexington, McLean County, Illinois this 24th day of October, 2011.

WHEREAS, a written petition, signed by the legal owner of records of all land within the territory hereinafter described, has been filed with the City Clerk of the City of Lexington, McLean County, Illinois, requesting that said territory be annexed to the City of Lexington; and

WHEREAS, there are zero (-0-) electors residing within the said territory; and

WHEREAS, legal notices regarding the intention of the City to annex said territory have been sent to all public bodies required to received such notice by state statute; and

WHEREAS, all petitions, documents and other necessary legal requirements are in full compliance with the agreed terms and with the statutes of the State of Illinois, specifically Section 7-1-8 of the Municipal Code, 65 ILCS 5/7-1-8; and

WHEREAS, it is in the best interests of the City of Lexington that the territory be annexed thereto.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LEXINGTON, McLEAN COUNTY, ILLINOIS, AS FOLLOWS:

Section 1: That the following described territory:

See Attached Legal Description as Exhibit "A" and
Annexation Plat Attached as Exhibit "B"

being indicated on an accurate map of the annexed territory (which is appended to and made a part of this Ordinance), is hereby annexed to the City of Lexington, McLean County, Illinois.

Section 2: That the City Clerk is hereby directed to record with the Recorder and to file with the County Clerk a certified copy of this Ordinance, together with the accurate map of the territory annexed appended to the Ordinance.

Section 3: That this Ordinance is adopted pursuant to the statutory authority of the City.


Section 4: That this Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

UPON MOTION by Alderman Brill, seconded by Alderman Miller, adopted at a Meeting of the City Council of the City of Lexington, Illinois on the 24th day of October, 2011, by roll call vote as follows:

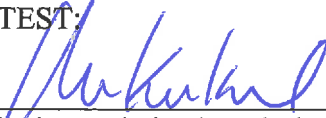
ROLL CALL VOTE:

MAYOR AND COUNCIL:	AYE	NAY	ABSENT	ABSTAIN
Hank Brill	✓			
Charles Cole	✓			
Paul Miller	✓			
Don Revelle	✓			
Anne W. Fiero	✓			
Garry Winterland	✓			
John Mohr, Mayor	✓			

PASSED, APPROVED AND ADOPTED this 24th day of October, 2011.



John Mohr, Mayor

ATTEST:


Melanie Kunkel, City Clerk

STATE OF ILLINOIS)
)
COUNTY OF McLEAN)

SS

I, Melanie Kunkel, do hereby certify that I am the duly elected, qualified and acting Clerk of the City of Lexington, the County and State aforesaid, and, as such Clerk, I am the keeper of the records and files of the Mayor and City Council of the City.

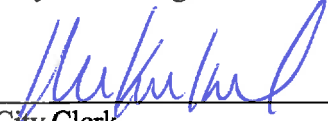
I do further certify that the attached and foregoing is a true and current copy of:

AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON, McLEAN COUNTY, ILLINOIS
(B.C. INVESTMENTS, L.L.C.)

as passed by the City Council of the said City of Lexington, Illinois, at its meeting held on October 24, 2011, and as approved by the Mayor of said City on October 24, 2011.

IN WITNESS WHEREOF, I have hereto affixed my official signature and the corporate seal of said City of Lexington, Illinois.

(SEAL)



City Clerk

STATE OF ILLINOIS)
)
COUNTY OF McLEAN)

SS

Certificate of Pamphlet Publication

I, Melanie Kunkel, certify that I am the duly elected and acting municipal clerk of the City of Lexington, McLean County, Illinois. I further certify that on October 24, 2011, the Corporate Authorities of the above municipality passed and approved Ordinance No. 2011-11 entitled:

AN ORDINANCE ANNEXING CERTAIN TERRITORY
TO THE CITY OF LEXINGTON, McLEAN COUNTY, ILLINOIS
(B.C. INVESTMENTS, L.L.C.)

which provided by its terms that it should be published as required by law. The Pamphlet Form of Ordinance No. 2011-11 and a cover sheet thereof was prepared, and a copy of the Ordinance was posted in the City Hall, commencing on October 24, 2011 and continuing for at least ten days thereafter. Copies of the Ordinance were also available for public inspection upon request in the office of the municipal clerk.

Dated this 24th day of October, 2011.



City Clerk

EXHIBIT A
B.C. INVESTMENTS, L.L.C.

LEGAL DESCRIPTION:

Tract #1

Lot 2 in James Van Dolah Heirs survey and Subdivision of Lots 2 and 3 of Van Dolah Subdivision of part of Section 7, Township 25 North, Range 4 East of the Third Principal Meridian, except therefrom the following: A part of Lot 2 of James W. Van Dolah's Heirs' Survey and Subdivision of Lots 2 and 3 of a part of Van Dolah's Subdivision of a part of Section 7, Township 25 North, Range 4 East of the Third Principal Meridian, described as a strip of ground lying between the true west line of said Lot 2 and the West occupation fence of said Lot 2 (said fence lying East of the said true line) bounded on the North by the South right of way line of FAI Route 55, Section 57-2 and County Highway #08 and bounded on the South by the South line of said Lot2, siad strip being 65.96 feet wide at the North end and 66.66 feet wide at the South end, in MCLEAN COUNTY, ILLINOIS.

Tract #2

A part of Lot 1 of James W. Van Dolah's Heirs' Survey and Subdivision of Lots 2 and 3 of a part of Van Dolah's Subdivision of a part of Section 7, Township 25 North, Range 4 East of the Third Principal Meridian, described as a strip of ground lying between the true West line of said Lot 1 and the West occupation fence line of said Lot 1 (said fence lying East of the true line), being bounded on the south by the south line of said Lot 1 and being bounded on the North by the south right-of-way line of County Highway #8, said strip bing 93.2 feet wide at the North end and 84.6 feet wide at the South end, in MCLEAN COUNTY, ILLINOIS.

Except from Tracts 1 and 2 in Claudon's Fourth Addition, of the Northwest 1/4 of Section 7, Township 25 North, Range 4 East of the Third Principal Meridian, as shown by Survey and Plat thereof recorded July 9, 1976 as Document No. 76-8395, in MCLEAN COUNTY, ILLINOIS.

Tract #3

Lots 2 and 3 in Claudon's Fourth Addition in the Northwest 1/4 of Section 7, Township 25 North, Range 4 East of the Third Principal Meridian, according to the Plat thereof recorded July 9, 1976 as Document No. 76-11217, in MCLEAN COUNTY, ILLINOIS.

EXHIBIT B

**B.C. INVESTMENTS, L.L.C.
ANNEXATION PLAT**

(BACK OF PAMPHLET)