

City Council of The City of Carbondale, Illinois
Public Hearing on the Tax Increment Financing Redevelopment Plan
and Project for Redevelopment Project Area No. 1
February 3, 2004

The City Council of the City of Carbondale, Illinois, held a public hearing on Tuesday, February 3, 2004, in the Civic Center, 200 South Illinois Avenue, for the purpose of soliciting comments on the Tax Increment Financing Redevelopment Plan and Project for Redevelopment Project Area No. 1. Mayor Cole called the public hearing to order at 9:21 p.m. with the following-named members of the City Council present/absent:

Present: Councilwoman Corene McDaniel, Councilwoman Margaret Flanagan, Councilman Chris Wissmann, Councilman Steven Haynes, Councilman Lance Jack, Councilwoman Sheila Simon and Mayor Brad Cole

Absent: None

Also present were City Clerk Janet M. Vaught, City Manager Jeff Doherty and various members of the City's administrative staff.

City Manager Doherty noted that on July 8, 2003, the City Council approved a resolution providing for a feasibility study on the designation of a portion of the City of Carbondale as a redevelopment project area, to induce development interest within such area and to provide for a housing impact study. Further, the City Council approved a contract with PGAV Urban Consulting to prepare the Tax Increment Financing Plan and Project. The Tax Increment Financing Plan and Project for the Redevelopment Project Area No. 1 has been completed. State law requires the City to conduct a Public Hearing on the adoption of the redevelopment plan prior to adopting the plan. On December 16, 2003, the City Council adopted a resolution that established February 3, 2004, at 7:00 p.m. at the City Hall/Civic Center as the time and place for the public hearing.

Mr. Doherty noted that the Tax Increment Financing Plan and Project for the Redevelopment Project Area No. 1 was placed on public display with the City Clerk on December 3, 2003. The notice of the public hearing was sent to all affected taxing bodies, the Department of Commerce and Economic Opportunity, all parties on the Interested Parties Registry, all property owners in the proposed district, all residents in the proposed district and all residential addresses within 750 feet of the proposed district's boundaries in accordance with state law. The notice of the public hearing was published in the Southern Illinoisan newspaper on January 7, 2004 and January 21, 2004.

Mr. Doherty noted that in accordance with state law, the Joint Review Board met on January 6, 2004, and January 20, 2004. The Joint Review Board voted unanimously to recommend to the City Council the approval of the Redevelopment Plan and Project. On January 15, 2004, the Carbondale Community High School District No. 165 Board of Education passed a resolution supporting the approval and establishment of the Redevelopment Plan and Project for the Redevelopment District No. 1. On January 22, 2004, the Carbondale Elementary School District No. 95 Board of Education passed a resolution supporting the approval of the plan and project. Mr. Doherty noted that he was presenting to the Mayor for the purpose of the record of this Public Hearing copies of the Joint Review Board recommendation and the resolutions from the school district.

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City Manager Doherty introduced Mr. Michael Weber of PGAV Urban Consulting of St. Louis, Missouri, the City's consultant in the preparation of the Tax Increment Financing Redevelopment Plan and Project. Mr. Weber will make a presentation of the proposed plan and project during this public hearing. Mr. Doherty added that an Ordinance approving the Tax Increment Financing Redevelopment Plan and Project Area No. 1 will be presented for City Council consideration at its February 17, 2004, regular meeting.

Mayor Cole thanked Mr. Doherty and indicated that he was in receipt of what Mr. Doherty submitted, specifically, the recommendation of the Joint Review Board regarding the Redevelopment Plan and Project for Redevelopment Project Area No. 1, which is a unanimous recommendation in support of the Council's action, as well as a Resolution Supporting the Creation of a Tax Increment Redevelopment Plan and Redevelopment Project for the Redevelopment Project Area No. 1 submitted by Carbondale Elementary School District No. 95 as approved by their Board of Education and also a Resolution Supporting the Creation of a Tax Increment Redevelopment Plan as adopted by the Board of Education of Carbondale Community High School District No. 165. Mayor Cole noted that these documents are accepted into the public record. (Exhibits PH-A-2-3-04, PH-B-2-3-04 and PH-C-2-3-04 respectively). Mayor Cole then invited Mr. Michael Weber to make his presentation.

Mr. Michael Weber of PGAV Urban Consulting noted that there should be a couple of "housekeeping" items for the record. He pointed out that very early in the process of exploring the possibility of establishing a Tax Increment Financing (TIF) district for the areas that have been delineated on the map, which is basically from Illinois Avenue east to Logan Avenue between Walnut and Main Street and several properties south of Walnut, they held a public informational meeting on July 23, 2003. All property owners, residents and affected taxing districts were invited to attend this meeting to learn more about the City's proposal to establish a Tax Increment Financing Redevelopment Project Area, the short term for which is a "TIF District". Mr. Weber said that the Redevelopment Plan has been prepared and basically is a plan which outlines the comprehensive program of the City of Carbondale to deal with the conservation and selected redevelopment of a target area of the community. In general, TIF is a unique mechanism by which the taxes on the increase in property values generated by new investment by private enterprise within a TIF district are used to recoup certain redevelopment project costs. Several examples would be the costs of property assembly, building demolition, environment remediation of site conditions, etc.. It also authorizes the use of TIF funds for rehabilitation of existing buildings and other costs that are spelled out in the TIF act and outlined in the redevelopment plan. Mr. Weber noted that tax increment financing cannot be used to finance the construction of new privately-owned buildings, adding that sometimes there is a misconception that a developer is being compensated to build a new building. Also, TIF does not affect the way properties are assessed or taxed. It only affects how the incremental taxes are distributed, adding again that the taxes on the increase in property values are used to help pay for certain redevelopment project costs. The property taxes that are generated on the current assessed valuations in this area will continue to be distributed as they were before the establishment of a TIF district.

Mr. Weber said the proposed TIF program activities include both private and public projects. In general, the proposed private activities include the redevelopment projects involving new construction which may include assemblage of various parcels within this area. It also provides for the rehabilitation of existing buildings within the area. The proposed public investment activities to induce private development within this area will include assistance with site assembly and site preparation, public

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infrastructure improvements, promotional and financial assistance programs that are permitted by the Act and other redevelopment project costs that are outlined in the plan. Mr. Weber said that the proposed TIF plan provides a key tool to induce private investment in the targeted area and will result in the removal of blighting conditions and provide for incentives to rehabilitate and conserve existing buildings where feasible.

Mr. Weber noted that City Manager Doherty had mentioned that the City Council will consider ordinances to approve the redevelopment plan document itself, to establish the TIF district itself, and a third ordinance which would adopt tax increment financing. The ordinances will then be forwarded to the county and the county would then certify the current equalized assessed valuation. The TIF program is then set up and in place as a tool by which the City can work with property owners and developers for the redevelopment and improvement of the area. He noted that the Council cannot take action on these ordinances any sooner than fourteen (14) days from the close of this public hearing but must take action at least within ninety (90) days of the close of this public hearing.

Mayor Cole thanked Mr. Weber for his comments. The Mayor again noted that this public hearing is on the Tax Increment Financing Redevelopment Plan and Project for Redevelopment Project Area No. 1 as has been outlined. This public hearing has been brought forward by action of the City Council on July 8, 2003 and again on December 3, 2003, as well as two meetings of the Joint Review Board held on January 6 and January 21, 2004. Mayor Cole asked if there was anyone who wished to speak on this matter.

Mr. Greg Shubertowski, Box 903, Carbondale, noted that he owns a couple of pieces of property in the area and his major concern is whether he will be able to continue his business of rental property as it is or whether the City will pass some sort of ordinance which would prohibit him from continuing his business. City Manager Doherty said there would be no ordinance which would prevent Mr. Shubertowski from conducting his business as he is doing now. He added that the TIF is an instrument for redevelopment. Mr. Shubertowski said he understands that but part of the problem in that area is the "blighted" condition, adding that the City's idea of blight and his idea of blight are two different things. He asked if someone wanted to purchase his property or somebody else's property and build an apartment building, would they be allowed to do that or is that not in the zoning. Mr. Doherty responded that it would have to be done in accordance with the proper zoning but if it's zoned that way now, it could be done. A person may also always seek rezoning through the City Council, depending on what the business is and the zoning that is there. Mr. Shubertowski asked if he will be penalized for owning rental property in a "business" zone. He added that it's fine if somebody wants to buy property and construct whatever they want and it will be to his advantage to have the TIF district because someone might give him more money than the place is actually worth, but he does not want to feel like he is being pushed to sell his property. He asked again if he will be able to continue rental property in this zone as long as he has already owned it. Mr. Doherty said yes, adding that the TIF plan itself is not a rezoning action and will not rezone Mr. Shubertowski's land. Any rezoning would be a separate process that the Council would have to take. Mr. Shubertowski said that it seems that the City is looking for something else for this area than what he has. He said that's fine if he can make a profit off of it because the City wants his property. Then he can sell it and will not stand in the City's way, but he does not want to feel like someone is holding a gun to his head telling him that he must sell it or they will do something to him.

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Mr. Elbert Simon, Trustee of Rock Hill Missionary Baptist Church which sits within the TIF area, said that although the church does not derive any tax dollars for the Council, he wondered if there are any advantages or disadvantages that they are faced with as a church body in the TIF district. Also, relative to the question the previous speaker asked, Mr. Simon asked on behalf of private property owners who may be members of their congregation, are they under any obligation as a private homeowner to do anything if they just want to continue to live in the district. Mayor Cole said there is no preclusion of any activity that is currently existing. The Mayor added that this is basically a plan which provides an incentive for redevelopment or development. The church, based on the property taxes that are paid, since it is not paying any property taxes as a religious organization, would not be affected in any way. Mayor Cole added that this would certainly not alter the opportunity for the church to be there and function and, as the last speaker asked, there is nothing that would change what is allowed there unless there was a rezoning. He noted that this is not what the Council is talking about tonight, however. Mr. Simon asked if the church would decide to add on or build, would there be advantages within the TIF district that the church would benefit from. Mayor Cole responded no, adding that the benefits are derived from the increase, the increment, in the property taxes that are generated. Since the church is not paying any property tax there wouldn't be an increase. There would be nothing that would be generated by the redevelopment. Mr. Simon said then only taxing bodies or bodies that generate taxes would partake of the benefits in the district. Mayor Cole said that is correct. Mr. Simon asked if this would also apply to private homes in the district as well. Mayor Cole said private property owners pay property taxes. Mr. Simon asked if they could improve their homes and take advantage of the benefits of the TIF district; Mayor Cole said yes, as long as it was approved as part of the redevelopment plan. Mr. Simon asked if it didn't fit into the scheme of whatever business would be developed there, it wouldn't be beneficial for them to just improve their own property. Mayor Cole said that was basically correct. City Manager Doherty asked Mr. Weber to explain about home ownership.

Mr. Weber of PGAV explained that the future land use plan is consistent with the current zoning in the area. Most of the area between Main and Walnut is commercial so the plan is going to encourage the redevelopment to commercial uses. Any future redevelopment in that area is going to be predicated on a specific redevelopment agreement between the City and the developer or the property owner. Mr. Weber said that for the existing residences that are scattered throughout the district now, he does not believe it would be in the City's best interest to encourage long-term continuation of that. However, the plan does provide for the cost of property acquisition so if a residential property owner was approached by a developer that wants to do a project in the area, they are more apt to receive a fair and valuable price for their property under this program because this program can help finance the cost. Mr. Weber said that he thinks there is a small area of the district that is zoning multi-family, so the City could consider a redevelopment project or an improvement project that could be residential in nature in that small area. But, he said, the area as a whole, long-term, in the comprehensive plan for the community which this plan is consistent with, and the zoning, is principally commercial in that area.

Mayor Cole asked if this answered Mr. Simon's question. Mr. Simon said it did. Mr. Weber added that for the church itself, the benefit would be indirect in that the area would hopefully be improving in its condition. Mr. Simon said that on behalf of the private citizens that are living in the area, he would ask that this information be conveyed to them so they have a full understanding of what they may be faced with in case they want to make their future plans on staying or not staying. Mayor Cole noted that notification has been made to all the property owners in the area and added that there was a resident of the district on the Joint Review Board.

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Mr. Jim Myers identified himself as a business owner, property owner and benefactor of a land trust which owns property in the district. Mr. Myers said that he apparently did not receive everything that he should have gotten, adding that what he gets comes through Old National Bank and sometimes gets to him after the meetings. He asked that he get a copy of the July 23, 2003, presentations that were held so that he will be better appraised of what will occur at the February 17th meeting. Noting that he understands that this is primarily for new construction, he asked if repairs and rehabilitation will be mandated. The Mayor responded no, adding that the program is for repairs, rehabilitation and new construction. Mr. Myers asked if the tax base will be affected initially, i.e. the Main Street tax, and whether there will be a tax increase upon this TIF district being formed. Mayor Cole said that if the district is formed, there is no increase in the taxes based on that action. The increase in taxes would be based on any improvements or new construction that would take place. Mr. Myers clarified that the new improvements would cause the base to go up; Mayor Cole agreed. Mr. Myers asked about the duration of time for the TIF. Mayor Cole responded that the life of the TIF can last no longer than 23 years by state law. Mr. Myers said all his questions have been answered and he would just like to get a copy of the information from the one public hearing because he did not receive anything from the bank or he was out of the country.

Dr. M Stalls asked regarding the commercial developments or private development or whatever projects that may come about if there would be some sensitivity to improving the ethnic diversity of the area and Carbondale in general. She also noted that there are a large number of children that live in public housing not too far away from that area and, noting that this question may not be able to be answered tonight, she said that working with the private commercial interests that may come about that the Council be mindful of the fact that there are children not so far away and also improving ethnic diversity and general environment in terms of human relations in Carbondale.

Ms. Genevieve Houghton said there have been TIF Districts in the area, adding that she believes the Illinois Centre was in a TIF district. She said to her mind, it isn't really advantageous to the citizens of Carbondale if the City brings in firms, commercial development, where the money goes back to somebody outside Carbondale. She said maybe she's hoping for too much but it seems like if local people are the ones that are involved in the redevelopment plan the money would stay here and we would all be better off. She said what happens when these companies come in, the little people get bankrupted and leave. She said she hopes that this TIF district won't be used that way. She noted that we need more small local businesses, or even medium or large, but local and locally-owned. She said we don't need to put out of business people who are doing all right and could be doing better. She added that she hoped the Council would keep that in consideration as plans are developed. She asked if the plan would have to be approved by the City; Mayor Cole said it would. Ms. Houghton said this presents a wonderful opportunity.

Mayor Cole invited additional comments or questions from the public. There were none. Mayor Cole twice repeated his invitation for comments or questions; again, there was no one who indicated a desire to speak. There being no one else who wished to speak during this public hearing, the Mayor declared the hearing closed at 9:50 p.m..

Approved by the City Council on:

Janet M. Vaught, City Clerk