

**DIAMOND I-55 CORRIDOR TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROGRAM**



VILLAGE OF
Diamond

**Approved on July 24, 2012
By Ordinance # 2012-29, 2012-30 and 2012-31**

JUNE 2012



**Prepared By:
Teska Associates, Inc.**

DIAMOND I-55 CORRIDOR
TAX INCREMENT FINANCING

Redevelopment Project Area Plan



July 2012



Teska Associates, Inc.

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TAX INCREMENT FINANCING BACKGROUND AND INTRODUCTION

BACKGROUND

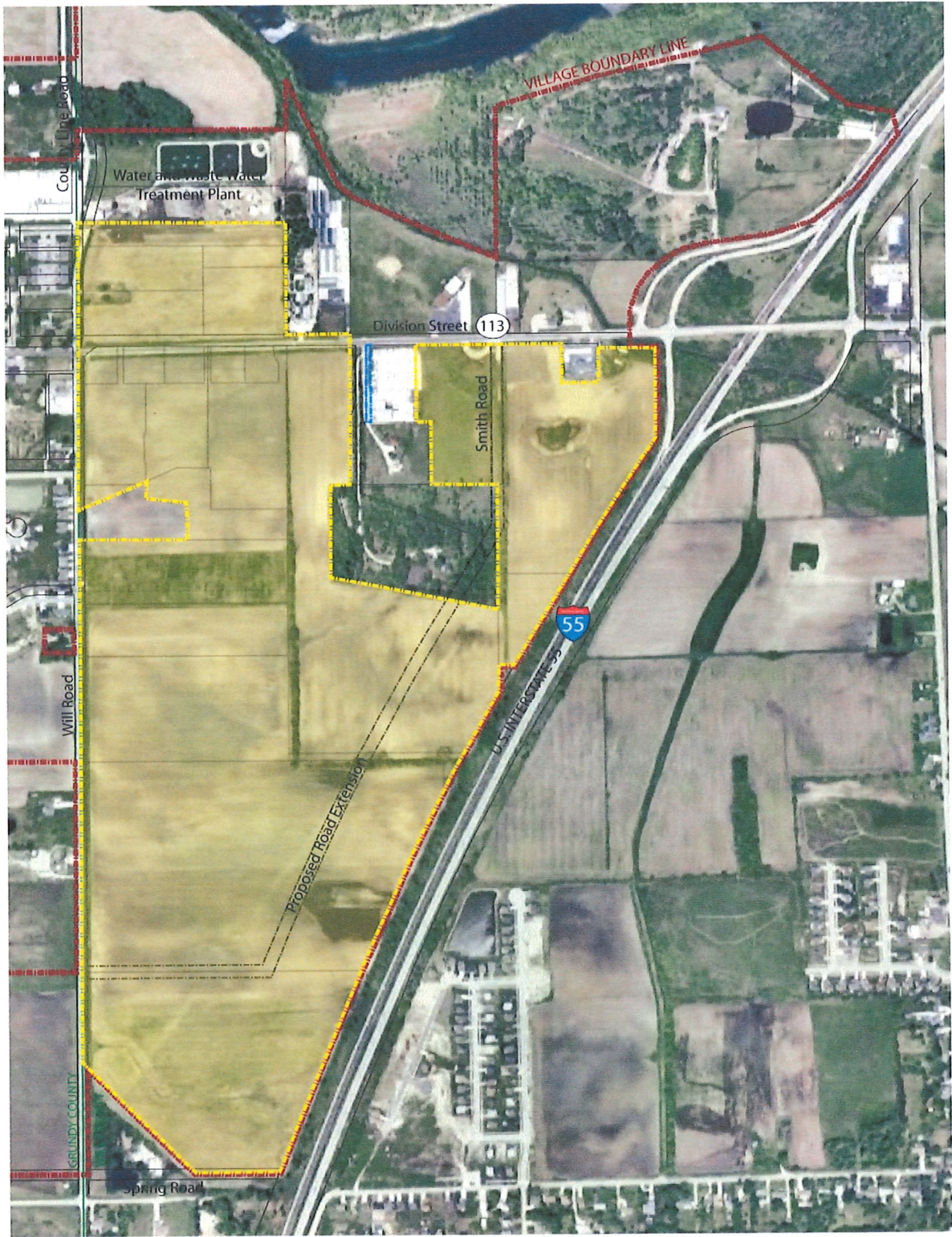
This report presents the Tax Increment Redevelopment Plan and Program for the Diamond I-55 Corridor Redevelopment Project Area ("the Project Area"). The Redevelopment Plan has been prepared by Teska Associates, Inc. ("TESKA") in advance of public review and adoption by the Village of Diamond (the "Village"). The proposed Redevelopment Plan seeks to respond to a number of problems and needs within the Project Area that have contributed to the inability of the Project Area to achieve the vision established by the Village in its Comprehensive Plan. This Redevelopment Plan is also indicative of a strong commitment and desire on the part of the Village to maintain and revitalize the Project Area as an essential part of Diamond's economic development and fiscal health. The goal of the Redevelopment Plan is to strengthen the employment, industrial, and commercial components of the Project Area, through the improvement of vacant former mining parcels for new development. This Plan is intended to provide a framework for improvements within the Project Area over the 23-year life of the TIF, including redevelopment goals, recommended land uses, and a budget of estimated project costs.

In February of 2012, TESKA initiated a feasibility study, performed site evaluations, and identified public improvement deficiencies to determine the eligibility of the Project Area for TIF. The Eligibility Findings Report documented the presence of vacant former mining parcels that because the area has not been subject to growth and development through investment by private enterprise, would not reasonably be anticipated to be developed without the adoption of a redevelopment plan. This evidence enabled TESKA to conclude in the Eligibility Study that the Project Area meets the statutory requirements for a "Blighted Area" and could be designated as a "Redevelopment Project Area" under the Illinois TIF Act.

TAX INCREMENT FINANCING

Tax increment financing is permitted in Illinois under the "Tax Increment Allocation Redevelopment Act" (Chapter 65 ILCS 5/11-74.4-1, et seq.) of the Illinois Statutes, as amended from time to time (hereinafter the "Act"). Only areas which meet certain specifications as outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act in effect after the effective date of Public Act No. 91-478, known as the TIF Reform Law. It shall serve as a guide to all proposed public and private actions in the Redevelopment Project Area (see Figure A). In addition to describing the redevelopment objectives, this Redevelopment Area Plan and Program sets forth, in general terms, the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to improve eligible "conservation" or "blighted" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be repaid with the revenues generated by increased assessed values of private real estate within a designated project area. The key to this financing tool is that funding does not rely on the taxing power of the municipality alone. The property taxing power of all taxing districts with jurisdiction over the land within the project area can be employed to retire the necessary financial obligations. This taxing power is only applied to the increase in equalized assessed valuation generated within the designated project area during the limited term of the Redevelopment Plan and Program, principally increased equalized assessed valuation from new private development.



Project Area Boundary Map – Aerial View

ELIGIBILITY OF THE PROPOSED TIF DISTRICT

Commencing in February of 2012, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed redevelopment project area. The results of the study indicate that the Project Area meets the Act's requirements for a "blighted area," and is eligible to be designated by the Village of Diamond as a "Tax Increment Financing Redevelopment Project Area." The detailed findings of this study are described in Appendix "A" of this report.

The Act identifies several different factors which may indicate the presence of blighting characteristics, and therefore eligibility for TIF district designation. One of these measures in vacant parcels must be resultant from impairment of the redevelopment Study Area due to the presence of one (1) of the following factors:

1. ***The area consists of one or more unused quarries, mines, or strip mine ponds.***
2. The area consists of unused rail yards, rail tracks, or railroad rights-of-way.
3. The area is subject to chronic flooding.
4. The area consists of an unused or illegal disposal site.
5. The area is not less than 50 nor more than 100 acres and 75% of which is vacant.
6. The area qualified as a blighted improved area prior to becoming vacant.

The Project Area qualifies as a "blighted area" under the Act due to the presence of the vacant former mining parcels that have not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan. The Project Area can therefore be qualified as a "blighted area," as defined in Section 11-74.4-3(a)(3) of the Act.

The presence of unused quarries, mines, or strip mine ponds, to a meaningful extent, contributes to the eligibility of the Project Area as a "Blighted Area" and is reasonably distributed throughout the study area.

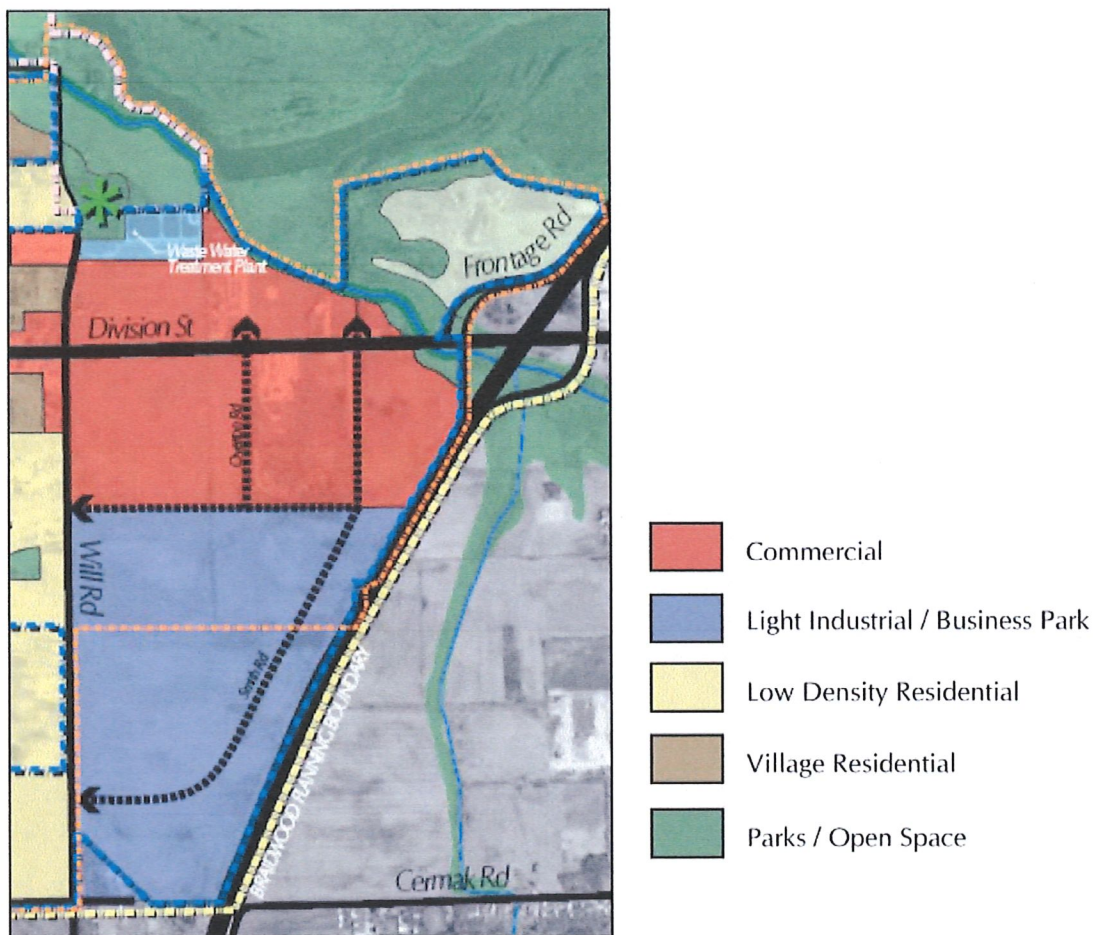
REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Diamond I-55 Corridor Project Area were carefully established in adherence to the eligibility criteria and include those parcels that would benefit by the proposed Redevelopment Plan and Program. The Project Area is generally bounded by Will Road to the west, Spring Road to the south, Interstate 55 to the east, and Division Street to the north. Parcels at the northeast corner of Will Road and Division Street and at the northwest corner of Division Street and I-55 interchange are also included, and some parcels near Division Street and Smith Road and parcels east of Will Road near Girot Lane are excluded. See Exhibit A - TIF Redevelopment Project Boundary for boundary details. Consisting of 25 parcels that cover approximately 282 acres (including right-of-way), the Study Area is composed entirely of vacant parcels, and all 25 parcels contain former underground mining sites.

The Study Area is split between two separate townships. The northern section consists of five (5) parcels within Wilmington Township that cover approximately 20 acres (excluding right-of-way). All five (5) parcels are currently vacant and are former underground mining sites.

The southern section lies within Reed Township. This area consists of twenty (20) parcels that cover approximately 259 acres (including right-of-way). All of the twenty (20) parcels are currently vacant and are former underground mining sites.

The current *Future Land Use Plan* map for the Village delineates the northern portion of the Project Area for “commercial” and the southern portion of the Project Area for “light industrial/business park” as shown below:



*Future Land Use Map – Village of Diamond
Comprehensive Plan*

LEGAL DESCRIPTION

Parts of the Southwest Quarter and the Southeast Quarter of Section 31, Township 33 North, and parts of the Northwest Quarter, the Northeast Quarter, and the Southwest Quarter of Section 6, Township 32 North, all in Range 9 East of the Third Principal Meridian, described as follows:

Beginning at the southwest corner of the Southwest Quarter of said Section 31; thence North 00E 13' 44" West 740.95 feet along the west line of the Southwest Quarter of said Section 31, to the north line of PIN 03-17-31-300-016; thence North 89E 27' 05" East 1320.67 feet along the said north line to the east line of the West Half of the Southwest Quarter of said Section 31; thence South 00E 14' 44" East 684.28 feet along the said east line to the north right-of-way line of Illinois Route 113 per Document Number R93-055385; thence easterly along the said north right-of-way line to a point that is 1750.28 feet east of the northwest corner of the Northwest Quarter of Section 6, Township 32 North, Range 9 East of the Third Principal Meridian, as measured along the north line of said Section 6; thence south perpendicular to the north right-of-way line of Illinois Route 113 to the south right-of-way line of Illinois Route 113; thence easterly along the said south right-of-way line to the west right-of-way line of Interstate 55; thence South 00E 06' 14" East 558.60 feet along the said west right-of-way line; thence southwesterly along the northwesterly right-of-way line of Interstate 55 to a point that is 625.3 feet north of the south line of the Northeast Quarter of Section 6, Township 32 North, Range 9 East of the Third Principal Meridian; thence westerly 102.98 feet to the west line of the Northeast Quarter of said Section 6; thence south along the said west line to the northwesterly right-of-way line of Interstate 55; thence southwesterly along the said right-of-way line to the south line of the Southwest Quarter of said Section 6; thence North 89E 58' 06" West 454.61 feet along the said south line to a point being 739 feet easterly of the southwest corner of the Southwest Quarter of said Section 6; thence North 48E 39' 53" West 979.75 feet (917 feet deed distance) to a point on the west line of the Southwest Quarter of said Section 6 being 4583 feet southerly of the northwest corner of said Section 6; thence northerly along the west line of said Section 6 to the northwest corner of said Section 6 being the POINT OF BEGINNING;

EXCEPTING THEREFROM the following six parcels of land:

Parcel 1)

Lot 11 in TBS-Diamond Resubdivision, being a resubdivision of Lots 1, 2, 3 & 4 of Hauck Subdivision of part of the West Half of the Northwest Quarter of Section 6, Township 32 North, Range 9 East of the Third Principal Meridian (PIN 02-24-06-101-014);

Parcel 2)

That part of the East Half of the Northwest Quarter of Section 6, Township 32 North, Range 9 East of the Third Principal Meridian, described as follows:

Commencing at the northwest corner of the Northwest Quarter of said Section 6; thence North 89E 59' 52" East 1750.28 feet along the north line of said Northwest Quarter to the Point of Beginning; thence continuing along the north line of said Northwest Quarter 25 feet; thence South 00E 18' 41" West 948.88 feet; thence South 70E 39' 50" East 783.75 feet; thence South 01E 26' 34" West 451.84 feet; thence North 79E 35' 34" West 799.28 feet; thence North 11E 56' 55" West 620.33 feet; thence South 77E 51' 59" East 165.11 feet; thence North 00E 18' 41" East 943.50 feet to the Point of Beginning, (Except that part taken for road widening per Document Number R93-050945) (PIN 02-24-06-100-004);

Parcel 3)

That part of the Northwest Quarter of Section 6, Township 32 North; Range 9 East of the Third Principal Meridian, described as follows:

Commencing at the northwest corner of the Northwest Quarter of said Section 6; thence North 89E 59' 52" East 1775.28 feet along the north line of said Section 6; thence South 00E 18' 41" West 908.80 feet to the Point of Beginning; thence North 89E 59' 52" East 450 feet; thence North 00E 18' 41" East 390 feet; thence South 89E 59' 52" West 450 feet; thence South 00E 18' 41" West 390 feet to the Point of Beginning and also including that part of the Northwest Quarter of Section 6, Township 32 North, Range 9 East of the Third Principal Meridian, described as follows:

Commencing at the northwest corner of the Northwest Quarter of said Section 6; thence North 89E 59' 52" East 1775.28 feet along the north line of said Section 6 to the Point of Beginning; thence South 00E 18' 41" West 518.80 feet; thence North 89E 59' 52" East 20 feet; thence North 00E 18' 41" East 518.80 feet; thence South 89E 59' 52" West 20 feet along the north line of said Section 6 to the Point of Beginning;

Excepting therefrom that part conveyed by Warranty Deed recorded as Document Number R93-98941 to wit: Part of the Northwest Quarter of Section 6, Township 32 North, Range 9 East of the Third Principal Meridian, in Will County, Illinois, described as follows:

Commencing at the northwest corner of said quarter section; thence on an assumed bearing, North 89E 26' 36" East 1775.28 feet along the north line of said quarter section to the Point of Beginning; thence continuing North 89E 26' 36" East, 20.00 feet along said north line; thence South 00E 14' 35" East, 43.92 feet, thence South 89E 14' 57" West, 20.00 feet; thence North 00E 14' 35" West 43.98 feet to the Point of Beginning (PIN 02-24-06-100-008);

Parcel 4)

That part of the East Half of the Northwest Quarter of Section 6, Township 32 North, Range 9 East of the Third Principal Meridian, described as commencing at the northwest corner of said Northwest Quarter; thence North 89E 59' 52" East 1815.28 feet along the north line of said Northwest Quarter to the Point of Beginning; thence South 00E 18' 41" West 518.80 feet; thence North 89E 59' 52" East 335.85 feet; thence North 00 E 18' 41" East 518.80 feet; thence South 89E 59' 52" West 335.85 feet to the Point of Beginning;

(excepting therefrom that part thereof conveyed to the people of the State of Illinois, Department of Transportation by Warranty Deed recorded September 28, 1993 as Document No. R93-84134) (PIN 02-24-06-100-009);

Parcel 5)

A part of the Northeast Quarter of Section 6, Township 32 North, Range 9 East of the Third Principal Meridian described as follows:

Commencing at the northwest corner of said Section 6; thence east 2647.66 feet along the north line of said Section 6; thence south 41.02 feet to the south right-of-way line of Illinois Route 113; thence North 89E 48' 35" East 218.43 feet along the said south right-of-way line; thence South 88E 45' 29" East 176.88 feet along the said south right-of-way line to the Point of Beginning; thence

continuing South 88E 45' 29" East 23.18 feet along the said south right-of-way line; thence North 53 E 33' 21" East 37.20 feet along the said south right-of-way line; thence North 89E 48' 33" East 196.90 feet along the said south right-of-way line; thence south 261.12 feet; thence west 250.00 feet; thence north 238.87 feet to the Point of Beginning;

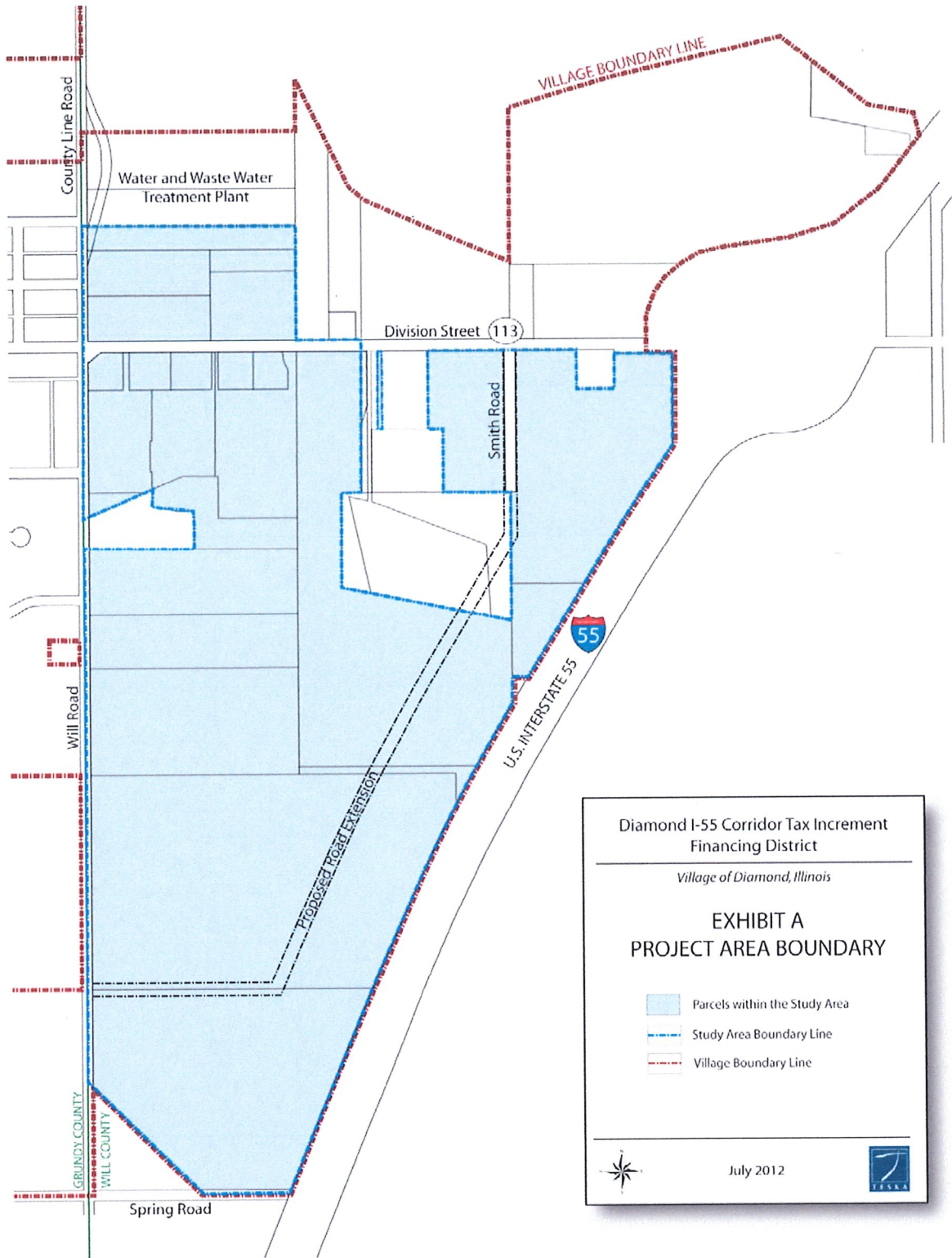
Parcel 6)

That part of the East Half of the Northwest Quarter of Section 6, Township 32 North, Range 9 East of the Third Principal Meridian described as follows:

Commencing at the northwest corner of said Northwest Quarter; thence North 89 E 59' 52" East along the north line of said Northwest Quarter, 1735.28 feet to the Point of Beginning; thence continuing North 89 E 59' 52" East along the said north line, 40 feet; thence South 00E 18' 41" West, 908.8 feet; thence North 89 E 59' 52" East, 926.13 feet to the east line of the said Northwest Quarter, being 908.79 feet southerly of the northeast corner of said Northwest Quarter; thence South 00E 09' 38" West along the said east line, 787.32 feet; thence North 79E 35' 34" West, 1130.78 feet; thence North 00E 09' 38" East, 583 feet; thence North 89E 59' 52" East, 146.6 feet; thence North 00E 18' 41" East, 908.8 feet to the point of beginning (Except that part described in Document Number R75-009095)(PIN 02-24-06-100-006)

All being located in parts of the Southwest Quarter and the Southeast Quarter of Section 31, Township 33 North, and parts of the Northwest Quarter, the Northeast Quarter, and the Southwest Quarter of Section 6, Township 32 North, all in Range 9 East of the Third Principal Meridian, Will County, Illinois.

Exhibit A - TIF Redevelopment Project Boundary



REDEVELOPMENT PLAN AND PROGRAM

The adoption of this Redevelopment Area Plan and Program will aid in the implementation of the goals and objectives identified in the Village of Diamond Comprehensive Land Use Plan and will assist in stimulating redevelopment and rehabilitation in this area which otherwise could not reasonably be anticipated to develop without the adoption of this Plan and Program. Through public investment, the area will become an environment and setting that will attract private investment.

The Act describes the Redevelopment Plan as “the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment project area as a blighted area or conservation area ..., and thereby serves to enhance the tax bases of the taxing districts which extend into the redevelopment project area.”

The successful implementation of the Redevelopment Area Plan and Program requires that the Village take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Redevelopment Area would not reasonably be developed and improved without the use of such incremental revenues.

The aim of the Redevelopment Plan is the revitalization of the Project Area as a vibrant Business Park and Commercial Center that supports various office, retail, and industrial use, further contributing to the long-term economic health and vitality of the Village. The recommended land uses, redevelopment opportunities, and public improvements of this Redevelopment Plan are largely based upon the guidelines and development opportunities presented in the Comprehensive Plan for the Village.

Exhibit “B” depicts current land uses. Exhibit “C” shows the future land uses as described in the Village of Diamond Comprehensive Plan. The northern portion of the Project Area is designated for “**commercial**” and is intended to support auto oriented commercial uses, and the southern portion of the Project Area is designated for “**light industrial/business park**” and is intended to support light industrial, manufacturing, and warehouse uses.

The Redevelopment Land Use Plan shall serve as a guideline for the Project Area. It is not meant to establish specific requirements and should not be rigidly interpreted. Adjustments may be made in response to market conditions and other key factors as long as they remain consistent with the Village’s overall goals and objectives for the TIF Project Area. As described, this Redevelopment Plan is consistent the Village’s current Comprehensive Plan and is intended to be the primary vehicle for implementing the goals and objectives of such Plan.

REDEVELOPMENT PLAN GOALS AND OBJECTIVES

These overall goals and objectives are intended to guide redevelopment decisions within the Project Area. The goals and objectives of the Redevelopment Plan are both those articulated in the Illinois Tax Allocation Redevelopment Act, and those stated in the Village of Diamond Comprehensive Plan. The Project Area’s location at the intersection of Division Street and Will Road and in close proximity to the Interstate 55 interchange provides a unique opportunity for the

fulfillment of the Comprehensive Plan's stated objectives. The Redevelopment Plan objectives are summarized below:

- *Promote the Division Street (Rt. 113) Corridor as a viable commercial and employment district both locally and regionally.* Division Street (Rt. 113) and Will Road are both major arterial corridors with convenient access to the Interstate 55 interchange that provides regional access and supports the economic needs of surrounding communities. The Village should capitalize on this through the encouragement of commercial development along Division Street that can serve the residents of Diamond and commuters entering/exiting the highway.
- *Enhance Community Identity.* As stated in the Comprehensive Plan, "the first impression of an area is both a lasting impression and a representation of the entire experience." The Division Street (Rt. 113) corridor is the primary entry point into the Village from the highway. The Comprehensive plan recommends welcome signage, unified landscaping, and expansion of the existing decorative street lighting currently on Division Street onto Spring Road and County Line Road/Will Road. The intersection of Division Street and I-55 can serve as an attractive "gateway" into the Village of Diamond.
- *Encourage Light Industrial/Business Park Development.* The Comprehensive Plan designates the southern half of the Project Area for light industrial/business park development due to the close proximity to major arterial roads (Division Street and Will Road) and convenient access to Interstate 55. Well designed, attractive facilities for warehouse distribution, high-tech, engineering, office and research uses are particularly appropriate for this area. An important component of this effort will be the extension of utilities and roadways into the area south of Division Street/Rt.113.
- *Ensure safe, responsible development of vacant mining sites.* As documented in the Comprehensive Plan, the Project Area was previously mined using the "longwall" method which involves leaving large pillars of coal around the shaft and then removing all the coal beyond the pillars, and the mine roof supported by rock and wooden props and cribs which allows for settlement of the ground surface following extraction. While the risks associated with commercial and light industrial development are quite low, necessary precautions should be taken to prevent collapse or flooding.
- *Encourage public/private partnerships.* The success of the plan for the Project Area is dependent on cooperation between both the private and public sectors working together toward revitalization of the Project Area as a whole, eliminating conditions which, if continued, may result in a lack of investment or disinvestment. Beyond cost-sharing for infrastructure, partnerships can be applied to joint-venture developments, decision-making, education, marketing, maintenance, and implementation of new projects.
- *Emphasize action and tangible results.* Tangible results can ensure continued interest and enthusiasm both by the citizens of Diamond as well as the development community. Specific short-term, highly visible projects will demonstrate the commitment of the public sector to the revitalization of the Project Area.

PURPOSE OF THE REDEVELOPMENT PLAN

Pursuant to the "Tax Increment Allocation Redevelopment Act," the purpose of a Redevelopment Plan and Program is to promote the health, safety, morals, and welfare of the general public by:

1. Eradicating blighting conditions and instituting conservation measures;
2. Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
3. Improving existing public utilities within the area; and
4. Enhancing the overall quality of the Village of Diamond.

REDEVELOPMENT PROJECT ACTIVITIES

The Project Area's bisection by Division Street has resulted in the creation of two separate redevelopment activity areas. The anticipated mix of land uses include office, business park, commercial, and light industrial; however required redevelopment activity is unique for each area. The following describes redevelopment activities intended for each individual activity area.

North Section (northeast corner of Division Street and County Line/Will Road)

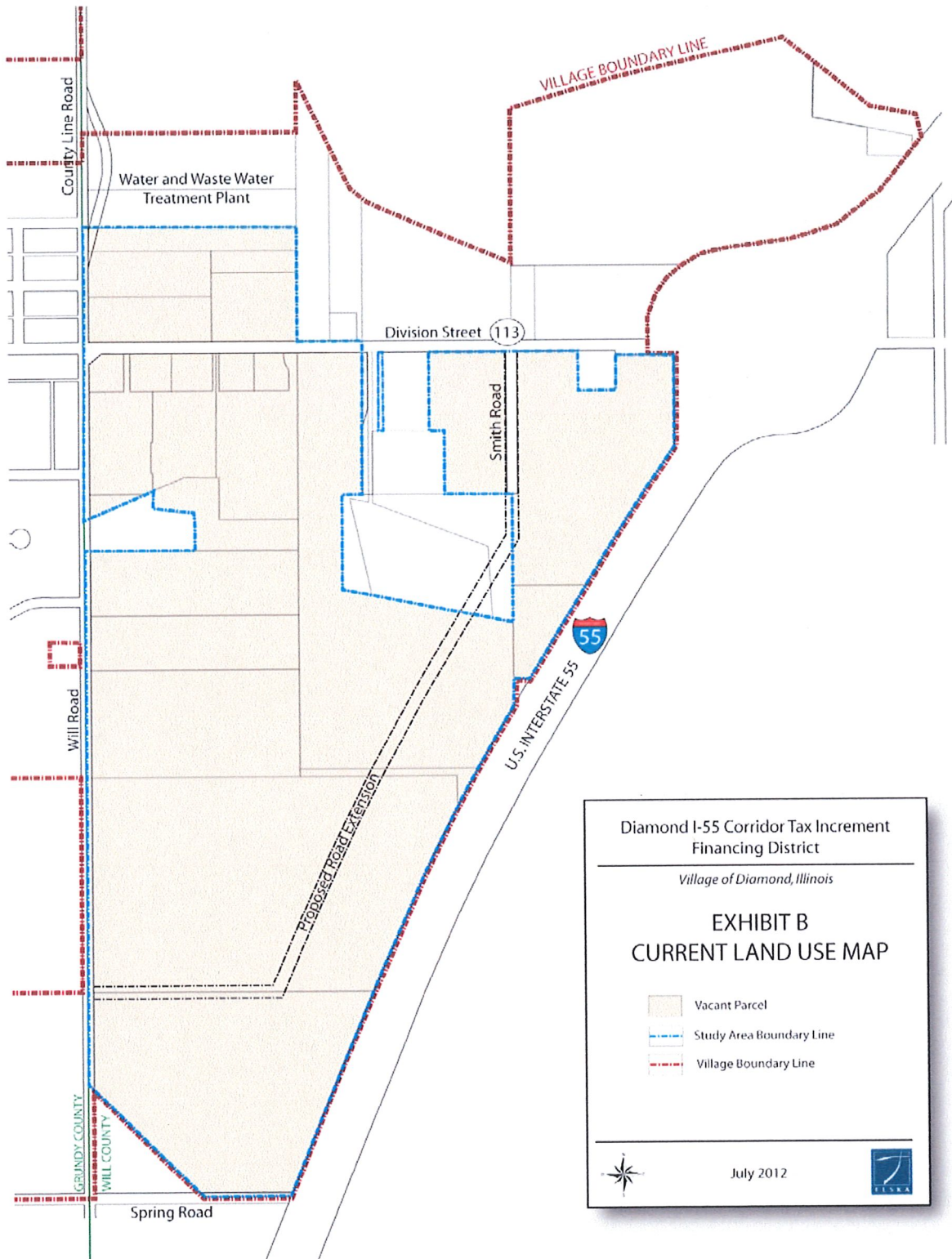
The 20 acre sites (not including any right-of-way), on the northeast corner of Division Street and Will Road, include five (5) vacant parcels. The development of this area is anticipated to be for new commercial uses. The mix of commercial users, whether retail, service or office, should be based on the market conditions at the time of redevelopment. The Redevelopment Plan anticipates that all development should enhance this highly visible intersection and provide an interesting gateway into the Village of Diamond. Public improvements anticipated include site improvements, possible streetscaping, road improvements and bike paths.

South Section (south of Division Street)

This redevelopment activity area consists of multiple large parcels that will allow for large, unified developments. The redevelopment of this activity area is planned for commercial and light industrial/business park uses. Commercial uses are anticipated fronting onto Division Street with industrial/business park uses further to the south. The mix of commercial users, whether retail, service, industrial, or office, should be based on the market conditions at the time of redevelopment. Public improvements anticipated include possible site improvements, streetscaping, road improvements, bike paths, and intersection signalization.

The Redevelopment Plan also anticipates activities to be undertaken by the public sector, which are identified in the Public Improvements section of this report. All redevelopment and public improvements should be conducted under the guidance of the Village's Comprehensive Plan, including development guidelines and recommendations contained therein.

Exhibit B: Current Land Use Map



Diamond I-55 Corridor Tax Increment Financing District

Village of Diamond, Illinois

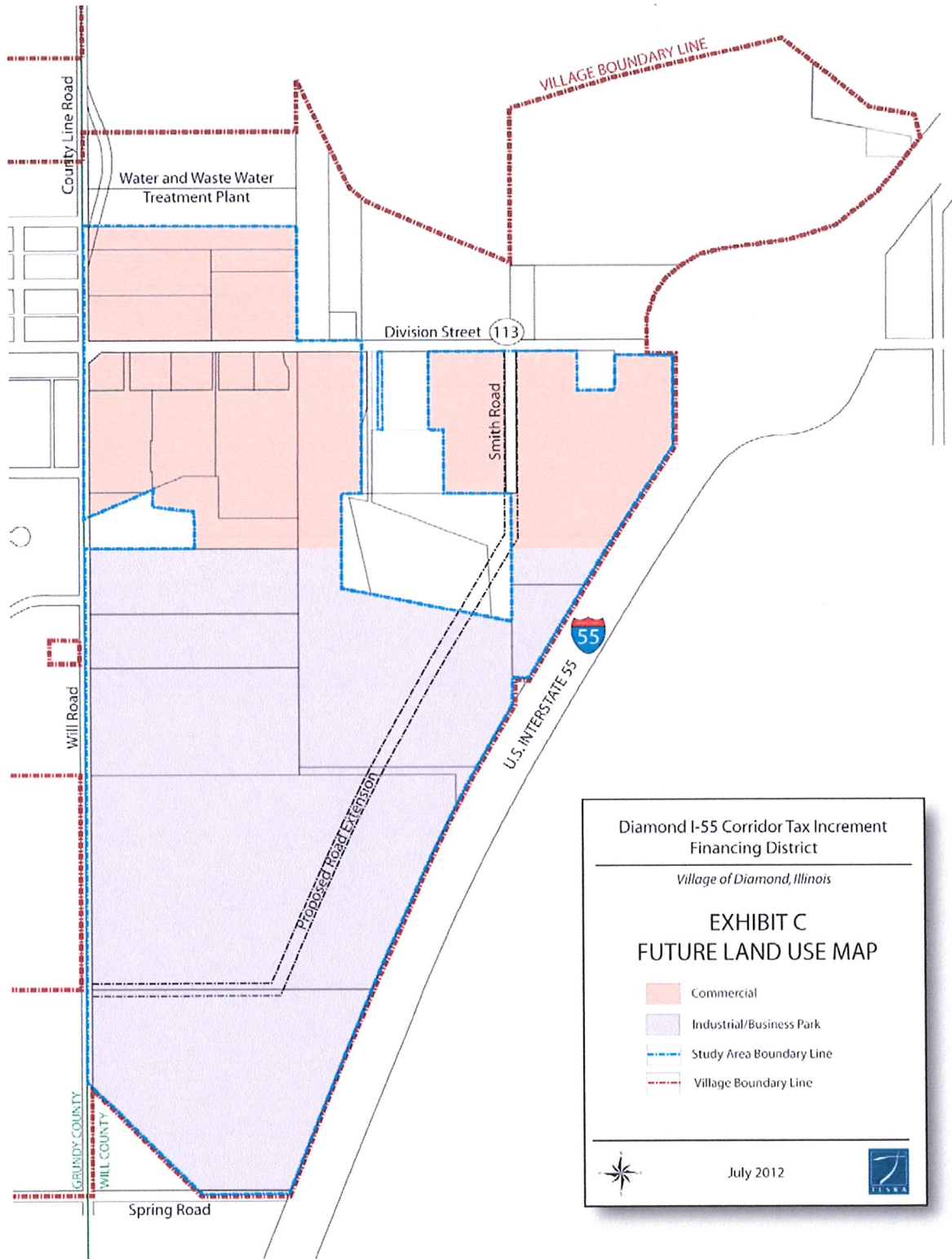
EXHIBIT B

CURRENT LAND USE MAP

- Vacant Parcel
- Study Area Boundary Line
- Village Boundary Line

July 2012

Exhibit C: Future Land Use Map



ELIGIBLE PROJECT COSTS

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Program. Such costs may include, without limitation, the following:

- 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;
- The cost of marketing sites within the Project Area to prospective businesses, developers, and investors;
- 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 and 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;
- Costs of rehabilitation, reconstruction, repair, or remodeling of existing 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;
- Costs of the construction of public works or improvements;
- Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Project Area, and costs of 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, as provided in the Act;
- 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 under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;
- To the extent the Village 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;
- Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law;
- Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act; and

PROPERTY ASSEMBLY

The Redevelopment Plan anticipates that a majority of the redevelopment or rehabilitation will be undertaken by the private market. However, should acquisition, clearance, and assembly of properties within the Project Area not result from the actions of the private sector, the Village does reserve the right to acquire, clear, or assemble any properties within the TIF District during the 23-year duration of the TIF. Such authority is granted to the municipality by the TIF law and through the powers of eminent domain. All action(s) will be consistent with the stated intent of the TIF and should not result in the need for additional amendments to this Plan.

The redevelopment project area contains no residential uses or structures and so Village residents will not be removed as a result of redevelopment activity. In keeping the requirements of the TIF statute, the Village certifies that no redevelopment activity will occur within the redevelopment project area that results in the removal of any residential units.

LAND DISPOSITION

Per the TIF Statute, and existing Illinois Law, existing municipal property or property acquired by a municipality may be assembled into appropriate redevelopment sites. These properties may be sold or leased by said municipality to other public bodies or to private developers, in whole or in part. The Village reserves the right to sell or lease any property acquired by it within the TIF District during the 23-year duration of the TIF. Any future modifications to the stated disposition actions of this Plan will be in accordance with the objectives of this Redevelopment Plan and Program, and will not require any amendment to the Plan. Terms of conveyance may be incorporated into appropriate disposition documents or agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other municipal codes and ordinances governing the use of the land for land owned by the Village.

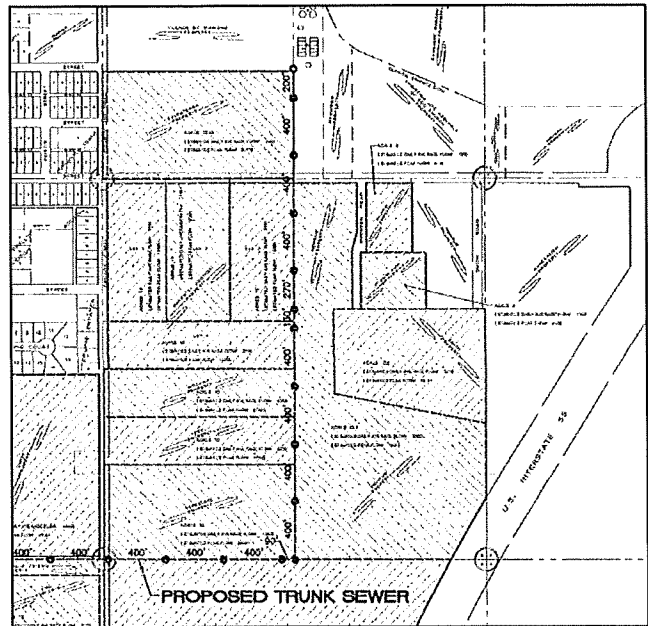
No conveyance, lease, mortgage, disposition of land or other property owned by the Village, or agreement relating to the development of such property will be made except upon the adoption of an ordinance by the Village. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without providing reasonable opportunity for the submission of alternative proposals or bids for land owned by the Village.

PUBLIC IMPROVEMENTS

The Village of Diamond will continue to provide public improvements in the Project Area to stimulate development and redevelopment in a manner consistent with this Redevelopment Plan. Public improvements may include, but are not limited to, the following:

- o Construction, resurfacing, widening, reconstruction, and other improvements to rights-of-way, streets, alleys, pedestrian ways, and pathways. In particular, TIF funds are anticipated to be used for the construction of a new roadway (Smith Road) connecting Division Street/Rt.113 and Will Road/County Line Road. Improvements to Will Road north of Division Street/Rt.113 and extending Will Road to three lanes south to Spring Road. Extending Division Street/Rt.113 to three lanes to the I-55 interchange is also anticipated;

- Site Improvements including grading and filling;
- Development of or improvements to public open space;
- Improvement or replacement of public utilities such as sewer and water lines, sidewalks, bike paths, curbs and gutters, stormwater detention facilities. In particular, TIF funds are anticipated to be used for the construction of a trunk sewer line within the Project Area, a new 500,000 gallon water tower, and enclosure of the drainage ditch on Will Road;
- Beautification improvements, including streetscape, lighting, signage, and landscaping of public properties; and



Proposed Trunk Sewer Line

Recommended public improvements anticipated to be undertaken might include streetscape and infrastructure improvements as well as assistance to property owners for facade improvements and building rehabilitation. The costs associated with these improvements may be shared by the Village of Diamond and individual developers, pursuant to an agreement between the parties. The Village may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list that are consistent with the objectives of this Redevelopment Plan.

PHASING OF PROJECT

Redevelopment projects anticipated in this Plan may commence immediately. Major development and redevelopment projects may be completed during the life of the TIF district. The Village may undertake additional public improvements or development projects as appropriate throughout the life of the Redevelopment Plan and Program.

ESTIMATED PROJECT COSTS

Estimated public project costs are listed in Table 1. These costs are based on 2011 dollars and are therefore subject to inflation.

Table 1: Estimated Redevelopment Project Costs

Category	Cost
Property Assembly including Acquisition, Site Preparation and Demolition, Environmental Remediation	\$7,600,000
Environmental, market and planning studies, surveys, development of engineering and architectural plans, specifications, implementation and administration fees	\$1,900,000
Construction or improvement of public improvements (1)	\$15,225,000
Job training and retraining	\$363,000
Total Estimated Project Costs (2)	\$25,088,000

- (1) Public improvements may also include capital costs of taxing districts and other costs allowable under the Act. Specifically, public improvements as identified in the Redevelopment Plan and as allowable under the Act may be made to property and facilities owned or operated by the Village or other public entities. As provided in the Act, Redevelopment Project Costs may include, to the extent the Village 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.
- (2) Actual costs for each category identified above may vary provided that the total estimated project costs may not be exceeded without amendment to this Redevelopment Plan. In addition, this table does not include costs associated with the issuance of municipal obligations, capitalized interest, reimbursement for a portion of privately issued obligations, financing costs during construction (not to exceed 36 months), or other eligible project costs. Such additional costs may or may not be incurred and cannot be estimated at this time.

SOURCES OF FUNDS

The Act provides a way for municipalities to finance public redevelopment costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (EAV) of real property within the Project Area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in the tax increment revenue.

Funds necessary to pay redevelopment project costs may be derived from a number of authorized sources. These may include, but are not limited to, the following:

- o Real property tax increment revenues from the Project Area;
- o Tax revenues resulting from the establishment of any Special Service Area districts within the Project Area;
- o Interest earned on temporary investments;
- o Gifts, grants, and contributions;

- o Sale or lease of land proceeds;
- o General Funds;
- o Sales taxes; and
- o User fees.

The principal source of funds to undertake redevelopment activities will be the incremental increase in real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the project area over the initial equalized assessed value of each such lot, block, tract or parcel. It is estimated that the incremental increase in property taxes over the term of the TIF District will be **\$46,565,794**. There may also be other eligible local sources of revenue, such as the sale or lease of Village owned property that the Village determines are appropriate to allocate to the payment of redevelopment project costs.

NATURE AND TERM OF OBLIGATIONS TO BE ISSUED

The financial plan of this Redevelopment Plan is intended to establish a conservative public expenditure approach. Revenues will be accumulated in the special tax allocation fund to pay for public purpose expenditures identified in this Redevelopment Plan, and whenever practical, expenditures will be made on a cash basis. This method of financing shall not preclude the Village from undertaking initiatives designed to stimulate appropriate private investment in the Project Area.

Certain redevelopment projects may be of such a scale or on such a timetable as to preclude financing on a cash basis. These projects may be funded by the use of tax increment revenue obligations issued pursuant to the Act for a term not to exceed twenty (20) years. Consistent with the conservative nature of the financial plan for this Redevelopment Program, the issuance of tax increment revenue obligations shall occur when the commitment is in place for private sector investment necessary to fund such obligations.

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts in the Project Area.

One or more issues of obligations may be sold at one or more times in order to implement this plan, as now or hereafter amended, in accordance with law.

The Village may, by ordinance, in addition to obligations secured by the special tax allocation fund provided by law, pledge for a period not greater than the term of the obligations any part or any combination of the following:

- o Net revenues of all or part of a Redevelopment Project;
- o A mortgage on part or all of a Redevelopment Project; and

- o Any other taxes or anticipated receipts that the municipality may lawfully pledge.

EQUALIZED ASSESSED VALUATION

Table 2 lists the most recent (2011) equalized assessed valuation of properties in the Project Area. The total 2011 equalized assessed valuation of the Project Area is **\$19,670**.

Table 2: 2011 Equalized Assessed Valuations

Parcel Index Number (PIN)	2011 Equalized Assessed Value (EAV)
02-24-06-100-012-0000	\$1,038
02-24-06-100-013-0000	\$1,405
02-24-06-100-014-0000	\$782
02-24-06-100-015-0000	\$3,113
02-24-06-100-016-0000	\$880
02-24-06-101-005-0000	\$0
02-24-06-101-006-0000	\$145
02-24-06-101-007-0000	\$139
02-24-06-101-008-0000	\$0
02-24-06-101-009-0000	\$136
02-24-06-101-010-0000	\$655
02-24-06-101-011-0000	\$647
02-24-06-101-012-0000	\$1,213
02-24-06-101-013-0000	\$2
02-24-06-101-015-0000	\$489
02-24-06-200-001-0000 *	\$2,686 *
02-24-06-200-002-0000	\$727
02-24-06-300-004-0000	\$541
02-24-06-300-005-0000	\$2,086
02-24-06-300-006-0000	\$763
03-17-31-300-015-0000	\$607
03-17-31-300-016-0000	\$394
03-17-31-300-017-0000	\$204
03-17-31-300-018-0000	\$419
03-17-31-300-019-0000	\$599
Total:	\$19,670

*Note: 2011 EAV for PIN 02-24-06-200-001-0000 has been adjusted to remove developed portions of this parcel. Only valuation for the vacant portion of this parcel is included. This parcel is in the process of resubdivision to separate the currently developed area from the remainder of the parcel and only the vacant portion is intended to be included within the I-55 Corridor TIF.

Upon the completion of anticipated redevelopment projects it is estimated that the equalized assessed valuation of real property within the Project Area will be in excess of **\$80,881,983**. This figure is based upon estimates of value for the anticipated rehabilitation and redevelopment projects described in the Redevelopment Project Plan section of this report.

IMPACT ON WILL COUNTY

No new residential development is planned for the Project Area and no new demands are anticipated for County Services. Therefore, there will be minimal financial impacts upon the County, and no program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON WILL COUNTY FOREST PRESERVE

No new residential development, and no overall increase in the Village's population is anticipated within the Project Area. Furthermore, there are no anticipated increased demands for recreational activities due to the proposed development. Any impacts on the Forest Preserve District will be incidental. No program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON REED TOWNSHIP

The proposed Plan is not anticipated to increase the demands of the current services that the Township offers. The increased demand for any Township provided services resultant from the development plan set forth in this document will be incidental in relation to the total operations of the Township. Therefore, no program to offset any anticipated impacts on the Township is set forth in the Redevelopment Plan.

IMPACT ON REED TOWNSHIP ROAD DISTRICT

The Township Road District maintains township roads and bridges that are not on State or County right-of-way or within the corporate limits of municipalities. All new roads will be located within the Village of Diamond, and no new township roads are anticipated as a result of this Redevelopment Plan. Therefore, no program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON WILMINGTON TOWNSHIP

The proposed Plan is not anticipated to increase the demands of the current services that the Township offers. The increased demand for any Township provided services resultant from the development plan set forth in this document will be incidental in relation to the total operations of the Township. Therefore, no program to offset any anticipated impacts on the Township is set forth in the Redevelopment Plan.

IMPACT ON WILMINGTON TOWNSHIP ROAD DISTRICT

The Township Road District maintains township roads and bridges that are not on State or County right-of-way or within the corporate limits of municipalities. All new roads will be located within the village of Diamond, and no new township roads are anticipated as a result of this Redevelopment Plan. Therefore, no program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON VILLAGE OF DIAMOND

As a result of new development in the Project Area, the Village of Diamond may experience increased demand for services from the Village, including but not limited to the Police, Building, Community Development, Finance, Public Works and other departments, as well as the Village

sewage treatment plant. This increased demand should not be so substantial that, on its own, warrants the hiring of additional Village employees and/or related equipment. Additionally, there are no residential units in the Project Area that will be impacted by the development, thus no residential housing impact study is required. Therefore, no program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON JOLIET JUNIOR COLLEGE DISTRICT 525

No new residential development is planned to occur within the Project Area. Therefore, there is no anticipated increase in services and no new capital expenditures required to support the change in population resultant from the proposed development. The replacement of underutilized property with new development may cause limited demand for the services and programs provided by Joliet Junior College, including training programs to serve new businesses. However, the impact is anticipated to be minimal therefore no program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON COAL CITY SCHOOL DISTRICT 1-U

No new residential development is planned for the Project Area. Therefore, there is no anticipated increase in services and no new capital expenditures required to support the change in population resultant from the proposed development. Therefore, no program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON REED-CUSTER SCHOOL DISTRICT 255-U

No new residential development is planned for the Project Area. Therefore, there is no anticipated increase in services and no new capital expenditures required to support the change in population resultant from the proposed development. Therefore, no program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON WILMINGTON SCHOOL DISTRICT 209-U

No new residential development is planned for the Project Area. Therefore, there is no anticipated increase in services and no new capital expenditures required to support the change in population resultant from the proposed development. Therefore, no program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON BRAIDWOOD PARK DISTRICT

The increased demands for recreational services resultant from the anticipated commercial development should have minimal impacts on the Park District – any increase would only account for a small percentage of the total demands required of the District. No program is set forth to offset any anticipated impacts on the District in the Redevelopment Plan.

IMPACT ON BRAIDWOOD FIRE PROTECTION DISTRICT

New development in the Project Area may increase demand for fire protection. However, new development built with modern fire codes and fire protection measures should not require a significant impact on the Braidwood Fire Protection District. No program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON WILMINGTON FIRE PROTECTION DISTRICT

New development in the Project Area may increase demand for fire protection. However, new development built with modern fire codes and fire protection measures should not require a significant impact on the Braidwood Fire Protection District. No program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON FOSSIL RIDGE PUBLIC LIBRARY

Whereas new development may increase demand for facilities and programs offered by the Library, this increased demand is only related to a small percentage of the total population served by the Library District. No program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON WILMINGTON PUBLIC LIBRARY

Whereas new development may increase demand for facilities and programs offered by the Library, this increased demand is only related to a small percentage of the total population served by the Library District. No program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

IMPACT ON REED TOWNSHIP MOSQUITO ABATEMENT DISTRICT

New development in the Project Area will not increase the mosquito population and therefore no impact on the Mosquito Abatement District is anticipated. No program to offset any anticipated impacts on the District is set forth in the Redevelopment Plan.

DIAMOND I-55 CORRIDOR
TAX INCREMENT FINANCING

Eligibility Report



VILLAGE OF
Diamond

JULY 2012



TESKA ASSOCIATES, INC.

vacant. Additionally, vacant land can be designated “blight” if it can be further determined that the area is impaired by the presence of at least two (2) of the following factors (generally stated as): the area consists of obsolete platting; the area consists of a diversity of ownership that would retard or impede the ability to assemble the land for development; the area consists of tax and special assessment delinquencies or has been the subject of tax sales within the past 5 years; the area is adjacent to deteriorated structures or site improvements; the area has incurred Illinois or United States Environmental Protection Agency remediation; and the area has experienced declining equalized assessed value (“EAV”).

The Act further states that to meet such qualifying standards, such instances must be documented and must be reasonably distributed throughout the Study Area to which it pertains; and it is determined that the area would not be expected to redevelop without the adoption of a redevelopment plan.

EXISTING CONDITIONS

The Study Area is generally bounded by Will Road to the west, Spring Road to the south, Interstate 55 to the east, and Division Street to the north, including parcels northeast of County Line Road and Division Street, and excluding parcels south of Division Street near Smith Road and parcels east of Will Road near Girof Lane. The Study Area consists of 25 parcels that cover approximately 282 acres (including rights-of-way). All of the parcels in the Study Area are vacant and contain no structures, and all contain former underground coal mining and industrial mining sites.

The northern portion of the Study Area (north of Division Street) is within Wilmington Township. This northern section consists of five (5) parcels that cover approximately 20 acres (not including rights-of-way). All five (5) parcels are currently vacant and contain former mining sites.

The southern portion of the Study Area (south of Division Street) is within Reed Township. This southern section consists of twenty (20) parcels that cover approximately 259 acres (not including rights-of-way). All of the parcels in the southern section are also vacant and contain former underground mining sites. A planned future extension of Smith Road south and then west to connect to Will Road lies in this southern section.

Exhibit 1 illustrates the boundaries of the Study Area, including parcels
Exhibit 2 illustrates the location of former mining sites

STATEMENT OF DESIGNATION

Determination of eligibility of the Diamond I-55 Corridor TIF Redevelopment Study Area for tax increment financing was based on a comparison of data gathered through field observation by Teska Associates, Inc. (TESKA), document and archival research, and information provided by the Village of Diamond, the Wilmington and Reed Township Assessors offices, and the Will County Assessors office against the eligibility criteria set forth in the Act.

TESKA has determined that the proposed Study Area is eligible for designation as a “blighted area” based on the following one (1) factor:

1. Parcels containing 282 acres (including right-of-way) of former coal mining and industrial underground mining land which is currently vacant land, and because the area has not been subject to growth and development through investment by private enterprise, would not reasonably be anticipated to be developed without the adoption of a redevelopment plan.

Exhibit 1 - Project Area Boundary Map

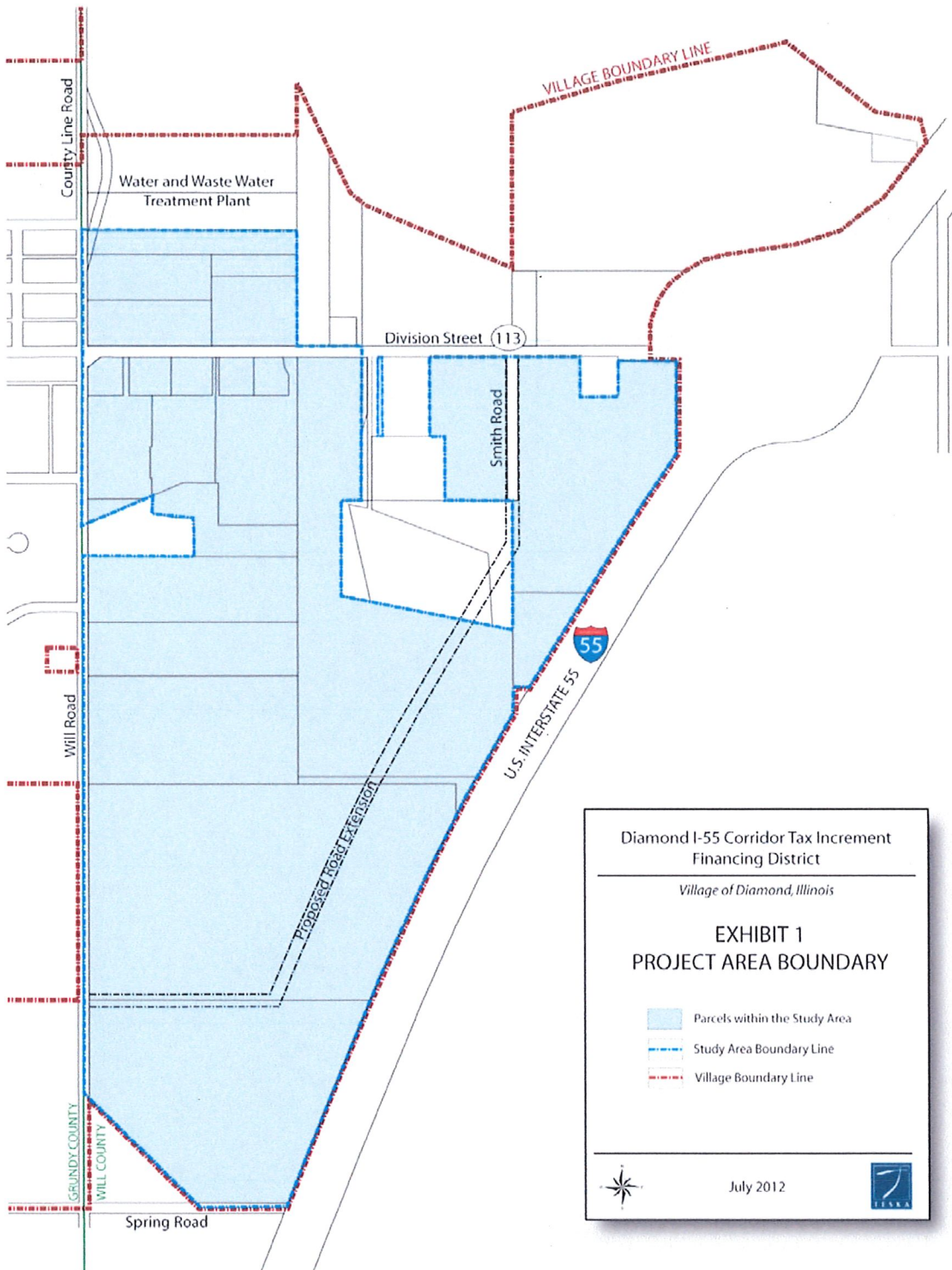
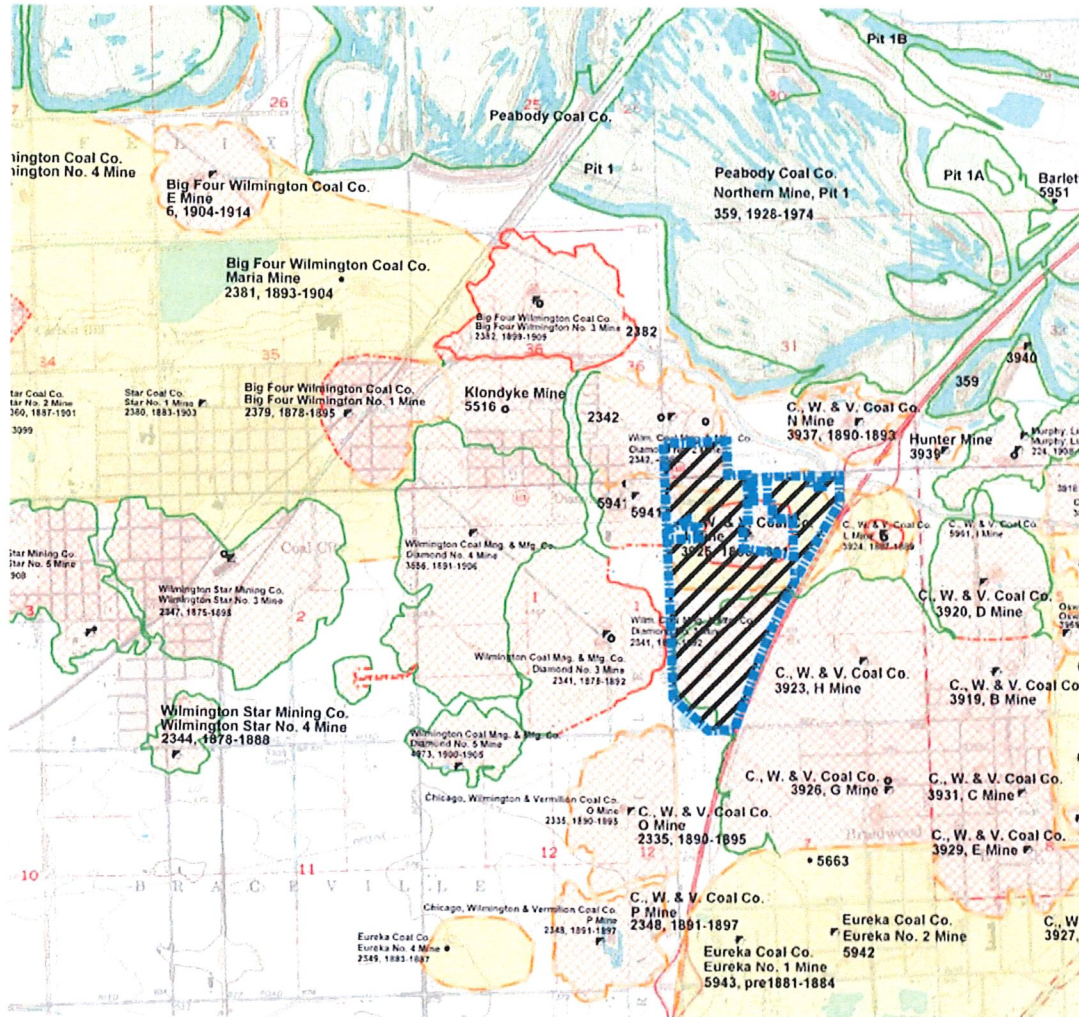





Exhibit 2 – Location of Mining Sites



-  Underground Coal Mine - Abandoned
-  Indefinite Underground Coal Mine Boundary - Abandoned
-  Project Area Boundary

*Mining locations taken from "Coal Mines and Underground Industrial Mines, Grundy County"
Illinois State Geological Survey – Prairie Research Institute
University of Illinois at Urbana Champaign*