



# County Board of Marshall County, Illinois

COUNTY COURTHOUSE • P.O. BOX 328 • LACON, ILLINOIS 61540-0328

PHONE (309) 246-6325 • FAX (309) 246-3667

January 14, 2016

Hon. David Leitch, Representative  
Illinois House of Representatives  
314 Capitol Building  
Springfield, IL 62706

Hon. Chuck Weaver, Senator  
Illinois Senate  
M103D Capitol Building  
Springfield, IL 62706

Re: Proposed Extension of City of Lacon TIF District I

Dear Representative Leitch and Senator Weaver:

On December 23, 1993, the City of Lacon, Illinois, established its Tax Increment Financing District I pursuant to the Tax Increment Allocation Redevelopment Act (the "Act", 65 ILCS 5/11-74.4 *et. seq.*). Since its inception, tax increment financing within Lacon TIF District I has facilitated the completion of numerous public and private redevelopment projects. The private redevelopment which has occurred within TIF District I has added many new jobs and played a major role in attracting new residents and has helped to sustain enrollments in our Schools. However, because there are additional private development projects to be undertaken and many critically important public improvements which remain to be completed within this redevelopment area, the City now seeks to extend the life of the TIF District for an additional twelve (12) years beyond its current termination on December 31, 2016 payable through December 31, 2017.

Marshall County supports the City's request for the 12-year Extension of Lacon TIF District I and joins in asking for your help and support for securing the approval in the State Legislature. The City and our District share a common interest in stimulating economic development within the Lacon TIF District I Redevelopment Project Area. Please contact me with any questions you may have.

Respectfully yours,

Gary R. Kroeschen  
Marshall County Board Chairman

cc: Mr. Ronald Schoof, Mayor, City of Lacon

# City of Lacon TIF 1 Extension for 12 Years

December 2016 through December 2023

City of Lacon would like to renew TIF 1 which will expire in December 2016. To be able to renew, state law requires a Bill to be passed in the Legislature and signed by the Governor. To help this process, we need a letter signed by all taxing districts within the City of Lacon not objecting to the renewal. **All other taxing districts in Lacon have provided this letter.**

City of Lacon is offering to surplus 37% of the TIF 1 income back to each of the taxing districts during the renewal period, which would start with 2017 taxes paid in 2018. Based taxes paid in 2015, the 37% surplus would have been **\$27,571** for Marshall County and Marshall County Airport. Total property valuation for Marshall County in 2014 was \$255,087,148 and Lacon TIF 1 valuation was \$6,996,062 – 2.7% of the County valuation.

TIF 1 income to Lacon has dropped 27% in the last 4 years due to valuation reduction.

## Considerations

- Two sources of major sales tax income for the City & County that was supported by Lacon TIF benefits was Dollar General and BP gas station. Both locations are locally owned and would not have been built without TIF benefits
- TIF 1 helped 30 public & private entities that have added property value
- Over \$2.8 million has been paid in TIF 1 benefits to private and public entities
- We still have \$1.8 million in TIF approved expenses payable to Developers within TIF 1
- Cost of Woolen Mill & River Front expense & improvement - \$1.2 million
- Cost of Water & Sewer expansion & improvements \$1.4 million
- Cost of Streets & sidewalks expansion & improvements \$1.4 million
- TIF 1 is very critical to Lacon as it connects all of our other TIF Districts and allows the same economic development within all TIF Districts
- Renewal will allow the continued development of our downtown area, which will provide sales tax revenue to the County
- This will be the only Economic Development tool available to the City and County if the Enterprise Zone is lost

## Currently Lacon Provides to the County

- Pays monthly \$208 for police dispatching services and \$100 for Recycling Center
- Records and issues all first original Birth and Death Certificates for Marshall County
- Provides Marshall County Airport unlimited water for \$50.00/month as the water line is not metered
- Covers police calls for the County when they are not able to respond.

### Summary of some of the past Governmental Projects

- Midland School - \$1,500,000 – Refund to school of the TIF tax reduction
- Paving of 9<sup>th</sup> Street to the Recycling Center - \$80,000
- Lacon Library - \$4451 – Computers
- Lacon Township - \$10,000
- Lacon – Sparland Fire District
  - \$25,000 – Land for new fire house
  - \$8,000 – new fire hose
  - \$15,000 – new air packs
- American Legion - \$19,415 – various projects
- Community Center - \$10,318 – Generator, doors & gutters
- Downtown Face Lift – \$86,127 - Improve building fronts in downtown area
- Purchase of Property
  - 316 S Main Street – Condemned/Abandoned property - \$18,000
  - 413 7<sup>th</sup> Street - Condemned/Abandoned property - \$19,000
  - Industrial Park - \$200,000

### Future Lacon TIF Projects

- Economic development within downtown and industrial park area
  - Expansion and Renovation of existing Business District
  - Street Scape Project when state IDOT funding available
  - Store Front Project
- Help fund development of old mill property
- Flood Control at Sewer Plant and Water Wells
- Upgrade sewer plant equipment
- Upgrade street lights to LED
- Replace aging city siren system – one tower not working now
- Add handicapped access to second floor of City Hall to allow usage for public events
- Provide infrastructure of potential new grade school
- Senior Housing

### Benefits

- Increase business within the City
- More business increases Sales Tax
- Property values increase
- More incentive for people to live in Lacon

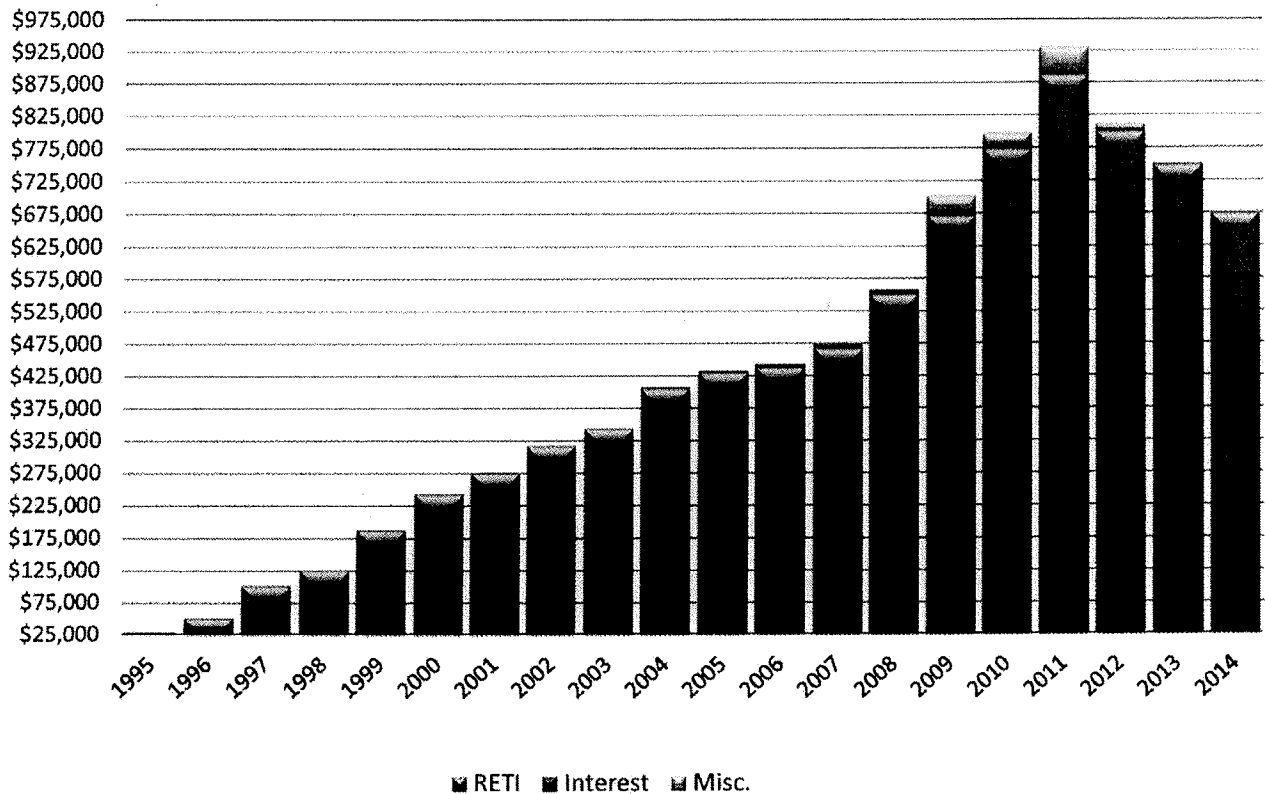


Ronald Schoof – City of Lacon Mayor  
January 4, 2016

**Lacon TIF District I Facts At-A-Glance, FY2014**

Established.....	1993
Ends .....	Tax Year 2016 Payable 2017
Base Tax Year.....	1992
TIF Base EAV.....	\$3,259,078
Tax Yr. 2012 Net Taxable EAV.....	\$10,238,134
Tax Yr. 2012 RE Increment.....	\$674,943
Total Obligations in TIF Plan.....	\$12,074,983
Total Expenditures to Date.....	\$8,444,495
Remaining Obligations.....	\$3,630,488

**Fig. 3. Lacon TIF District I  
Annual Revenue by Fiscal Year**



**CITY OF LACON TAX INCREMENT FINANCING DISTRICT I**

Established: 1993  
 Ends: Tax Yr. 2016 Payable 2017  
 Base Tax Year: 1992  
 TIF Base EAV: \$3,259,078

**TABLE 1. FINANCIAL SUMMARY**

PROJECT TYPE	Original Anticipated & Amended Obligations Per TIF Redevel. Plan	EXPENDITURES BY FISCAL YEAR ENDING APRIL 30TH					CUMULATIVE RESULTS	
		FY 1994-2010	FY 2011	FY 2012	FY 2013	FY 2014	Cumulative Expenditures	Remaining Obligations
<b>PUBLIC PROJECTS</b>								
Street & Sidewalk Maintenance	\$1,400,000	\$739,264	\$298,702	\$319,488	\$29,759	\$44,844	\$1,432,055	(\$32,055)
Sewer Plant	\$425,000	\$78,211	\$51,770	\$0	\$0	\$0	\$180,559	\$238,441
Water Plant	\$700,000	\$419,187	\$65,222	\$0	\$0	\$0	\$484,409	(\$14,412)
a. TIF IV Water/Sewer		\$0	\$0	\$184,892	\$0	\$45,111	\$230,003	
Woolen Mill & Riverfront Marina	\$1,199,901	\$1,084,488	\$23,481	\$19,180	\$7,665	\$0	\$1,121,020	\$13,981
a. Illinois River Development (Seal)		\$64,900	\$0	\$0	\$0	\$0	\$64,900	
City Hall/Building Maintenance/Supplies	\$400,000	\$242,083	\$23,664	\$5,412	\$42,548	\$3,129	\$316,836	\$83,164
Capital Outlay	\$407,830	\$220,205	\$49,955	\$54,646	\$63,549	\$40,941	\$429,296	(\$21,466)
Property Acquisition	\$175,000	\$25,000	\$59,000	\$45,371	\$45,371	\$63,769	\$238,511	(\$63,511)
Project Facelift	\$132,306	\$82,306	\$3,821	\$0	\$0	\$0	\$86,127	\$46,179
<b>SUBTOTAL</b>	<b>\$4,840,097</b>	<b>\$2,925,644</b>	<b>\$375,615</b>	<b>\$628,997</b>	<b>\$188,692</b>	<b>\$260,568</b>	<b>\$4,389,716</b>	<b>\$250,381</b>
<b>PRIVATE PROJECTS</b>								
<b>Public Infrastructure (Jollifs)</b>								
a. Sewer System Improvements	\$332,603	\$332,603	\$0	\$0	\$0	\$0	\$332,603	\$0
<b>Other Private Projects</b>								
a. Divebliss	\$279,604	\$0	\$0	\$0	\$0	\$0	\$0	\$279,604
b. Meierkord Development Corp.	\$45,301	\$18,876	\$2,518	\$2,335	\$2,280	\$1,902	\$27,911	\$17,390
c. Loius Lenz (Dollar General)	\$392,636	\$158,543	\$28,925	\$29,852	\$29,299	\$27,965	\$274,584	\$118,052
d. Daniel & Angela Hosler	\$80,940	\$42,893	\$7,409	\$8,681	\$7,974	\$7,701	\$74,658	\$6,282
e. Robert & Kathleen Brown	\$84,085	\$833	\$621	\$481	\$438	\$1,581	\$3,952	\$80,113
f. Patrick & Mary Strong	\$114,000	\$352	\$263	\$204	\$185	\$115	\$1,119	\$112,881
g. Gary Beall	\$23,755	\$18,073	\$1,892	\$0	\$0	\$0	\$19,765	\$3,990
h. Scott Johnson	\$17,734	\$17,733	\$0	\$0	\$0	\$0	\$17,733	\$1
i. Ronald & Tammy Mehalic	\$28,595	\$6,811	\$1,136	\$1,040	\$1,010	\$913	\$10,910	\$17,685
j. Tracey & Alicia Prather	\$51,488	\$9,549	\$1,272	\$1,208	\$1,174	\$1,083	\$14,266	\$37,222
k. Danny Reholz	\$15,295	\$9,549	\$1,951	\$1,800	\$1,753	\$242	\$15,295	\$0
m. C.B. Sauer & T. Murray	\$39,783	\$1,496	\$403	\$377	\$369	\$395	\$2,980	\$36,803
n. Glenn & Mary Jean Turnbull	\$48,500	\$6,831	\$1,150	\$1,070	\$1,045	\$967	\$11,063	\$37,437
o. Charles & Wynona McVeigh	\$25,028	\$5,516	\$1,248	\$1,132	\$1,096	\$941	\$9,933	\$15,095
p. Agape Properties (Donnelly)	\$97,633	\$5,553	\$1,766	\$2,447	\$2,325	\$2,042	\$14,133	\$83,500
q. Lacon Fitness Center (Poignant)	\$328,559	\$31,761	\$8,966	\$8,361	\$8,178	\$7,591	\$64,857	\$263,702
r. JMH Sales, LLC	\$20,500	\$3,665	\$1,628	\$1,522	\$1,490	\$0	\$8,305	\$12,195
s. James Newell	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
a. James Newell	\$13,822	\$1,171	\$647	\$767	\$743	\$662	\$4,190	\$9,632
<b>Industrial Park</b>								
a. Dale Hardin	\$177,466	\$0	\$0	\$0	\$0	\$0	\$0	\$177,466
b. DAV-GAR Industries (MetaTech)	\$452,534	\$135,551	\$28,084	\$34,298	\$33,200	\$8,290	\$239,423	\$213,111
c. DAV-GAR Industries (MetaTech)	\$20,000	\$12,745	\$0	\$0	\$0	\$0	\$12,745	\$7,255
<b>Downtown Building Projects</b>								
a. American Legion Post 593	\$45,598	\$14,045	\$702	\$652	\$4,016	\$0	\$19,415	\$26,183
b. Hemza Enterprises	\$256,230	\$46,029	\$0	\$0	\$1,477	\$1,319	\$48,825	\$207,405
c. Stewart Inman	\$82,732	\$3,745	\$463	\$477	\$483	\$504	\$5,672	\$57,060
d. Ulrich (Spot Free Car Wash)	\$58,202	\$24,361	\$3,606	\$3,369	\$3,298	\$2,942	\$37,578	\$20,626
e. Richard E. Hemza	\$20,000	\$0	\$0	\$0	\$10,000	\$5,000	\$15,000	\$5,000
<b>SUBTOTAL</b>	<b>\$9,134,603</b>	<b>\$908,294</b>	<b>\$94,659</b>	<b>\$100,073</b>	<b>\$117,832</b>	<b>\$72,075</b>	<b>\$1,286,913</b>	<b>\$1,847,690</b>
<b>TAXING DISTRICT'S CAPITAL COSTS</b>								
School District Unit #7	\$1,552,000	\$1,016,330	\$104,709	\$128,986	\$130,174	\$124,648	\$1,502,847	\$49,153
Other Capital Cost	\$1,275,000	\$2,500	\$0	\$0	\$0	\$0	\$2,500	\$1,258,049
a. Community Center		\$4,451	\$0	\$0	\$0	\$0	\$4,451	
b. Lacon Public Library		\$0	\$0	\$10,000	\$0	\$0	\$10,000	
c. Lacon Township		\$0	\$0	\$0	\$0	\$0	\$0	
d. Lacon-Sparland Fire District		\$0	\$0	\$0	\$0	\$0	\$0	
<b>SUBTOTAL</b>	<b>\$2,827,000</b>	<b>\$1,023,281</b>	<b>\$104,709</b>	<b>\$128,986</b>	<b>\$130,174</b>	<b>\$124,648</b>	<b>\$1,519,798</b>	<b>\$1,907,202</b>
<b>ADMINISTRATIVE/PROFESSIONAL</b>								
Professional & Legal Services	\$1,101,914	\$523,895	\$46,685	\$57,095	\$48,331	\$53,052	\$728,858	\$221,780
a. TIF III Legal/Professional		\$24,397	\$0	\$0	\$0	\$0	\$24,397	
b. TIF IV Legal/Professional		\$37,824	\$3,532	\$18,800	\$0	\$5,750	\$63,706	
c. TIF V Legal/Professional		\$0	\$0	\$37,993	\$0	\$0	\$37,993	
Engineering Services	\$79,737	\$30,237	\$0	\$0	\$5,889	\$8,116	\$74,242	\$5,495
Economic Development/Miscellaneous	\$0	\$1,645	\$0	\$10,857	\$6,912	\$5,766	\$25,180	\$0
Loan Payment Interest	\$28,693	\$28,693	\$0	\$0	\$0	\$0	\$28,693	\$0
Morgan's Landing & Carson Loan	\$64,999	\$64,999	\$0	\$0	\$0	\$0	\$64,999	\$0
<b>SUBTOTAL</b>	<b>\$1,275,949</b>	<b>\$714,690</b>	<b>\$50,227</b>	<b>\$122,545</b>	<b>\$91,182</b>	<b>\$102,684</b>	<b>\$1,048,068</b>	<b>\$227,275</b>
<b>GRAND TOTAL</b>	<b>\$12,074,983</b>	<b>\$5,578,699</b>	<b>\$825,191</b>	<b>\$988,601</b>	<b>\$492,029</b>	<b>\$559,975</b>	<b>\$8,444,495</b>	<b>\$3,630,488</b>

**TABLE 2. LACON TIF DISTRICT I SUMMARY STATISTICS**

	FY 1994-2010	FY 2011	FY 2012	FY 2013	FY 2014	
Real Estate Tax Year:	n/a	2009	2010	2011	2012	
Taxes Payable in Calendar Year:	n/a	2010	2011	2012	2013	Total
Incremental EAV:	n/a	\$10,831,022	\$9,380,775	\$8,441,690	\$7,123,099	
Total Real Estate Tax Increment:	\$5,425,337	\$888,227	\$800,872	\$750,241	\$674,943	\$8,539,620

# LACON TIF DISTRICT I SEVENTH AMENDMENT



## LEGEND

- INCLUDED TIF AREAS
- EXCLUDED TIF AREAS
- PARCEL REMOVED BY 7TH AMENDMENT

