

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2019

Name of Redevelopment Project Area (below):	Main/I55 Redevelopment Project Area
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Primary Use of Redevelopment Project Area*: Combination/Mixed

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

If "Combination/Mixed" List Component Types: Commercial/ Residential

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act	<u> X </u>
Industrial Jobs Recovery Law	<u> </u>

Please utilize the information below to properly label the Attachments.

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A).	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B).		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	X	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).		X
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, then Analysis MUST be attached and (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).	X	
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).	X	
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M).	X	

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))

Provide an analysis of the special tax allocation fund.

FY 2019

Main/I55 Redevelopment Project Area

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ -

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 10,145	\$ 10,145	100%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 45	\$ 45	0%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ -	\$ -	0%
Transfers from Municipal Sources	\$ -	\$ -	0%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ -	0%

All Amount Deposited in Special Tax Allocation Fund \$ 10,190

Cumulative Total Revenues/Cash Receipts \$ 10,190 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ -

Transfers to Municipal Sources \$ -

Distribution of Surplus

Total Expenditures/Disbursements \$ -

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 10,190

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 10,190

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c))

FY 2019

TIF NAME:

Main/I55 Redevelopment Project Area

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
		\$ -
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		\$ -
6. Costs of the constructuion of public works or improvements.		
		\$ -

SECTION 3.2 A

PAGE 2

7. Costs of eliminating or removing contaminants and other impediments.		
		\$ -
8. Cost of job training and retraining projects.		
		\$ -
9. Financing costs.		
		\$ -
10. Capital costs.		
		\$ -
11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.		
		\$ -
12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.		
		\$ -

SECTION 3.2 A

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		-
		\$ -

TOTAL ITEMIZED EXPENDITURES		\$ -
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SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FY 2019

TIF NAME:

Main/I55 Redevelopment Project Area

FUND BALANCE BY SOURCE

\$ 10,190

Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

Amount of Original Issuance	Amount Designated

Total Amount Designated for Obligations

\$ -	\$ -
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2. Description of Project Costs to be Paid

Planning and Professional Fees	\$ 150,000
TIF Administrative Costs	\$ 250,000
Acquisiton	\$ 1,000,000
School Capital Costs	\$ 150,000
Streets, Sidewalks, Curbs, Gutters, Utilities, Traffic Signals	\$ 2,000,000
Rehabiliations and Renovation	\$ 3,000,000
Interest Subisdy	\$ 2,000,000

Total Amount Designated for Project Costs

\$ 8,550,000

TOTAL AMOUNT DESIGNATED

\$ 8,550,000

SURPLUS/(DEFICIT)

\$ (8,539,810)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2019

TIF NAME:

Main/I55 Redevelopment Project Area

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X

Check here if no property was acquired by the Municipality within the Redevelopment Project Area.

Property Acquired by the Municipality Within the Redevelopment Project Area.

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)

FY 2019

TIF Name: Main/I55 Redevelopment Project Area

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.

Select ONE of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
--	--

2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
--	---

2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	1
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LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 16,460,586	\$ -	\$ 16,460,586
Public Investment Undertaken	\$ -	\$ 75,530	\$ 1,300,000
Ratio of Private/Public Investment	0		12 47/71

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*:

Private Investment Undertaken (See Instructions)	\$ 16,460,586		\$ 16,460,586
Public Investment Undertaken		\$ 75,530	\$ 1,300,000
Ratio of Private/Public Investment	0		12 47/71

Project 2*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0



October 30, 2019

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

Re: Report of Annual Activities – Main/I-55 Redevelopment Project Area
April 1, 2018 - March 31, 2019

Dear Local Government Compliance Manager:

Pursuant to the Tax Increment Allocation Redevelopment Act, the Town of Normal hereby submits the annual Tax Increment Finance Report for Normal for the period from April 1, 2018 through March 31, 2019.

I hereby certify that the Town of Normal has complied with all requirements of the Tax Increment Allocation Redevelopment Act, including reporting requirements during Fiscal Year 2018-19.

Should you have any questions concerning our annual report, please contact Andrew Huhn, Finance Director (309) 454-2444.

Sincerely,

A handwritten signature in blue ink that reads "Christopher Koos".

Christopher Koos
Mayor

Enclosure

“Committed to Service Excellence”

11 Uptown Circle • Post Office Box 589 • Normal, Illinois 61761-0589
Telephone (309) 454-2444 • Fax (309) 454-9609 • TDD (309) 454-9630
www.normal.org



October 30, 2019

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

Re: Report of Annual Activities – Main/I-55 Redevelopment Project Area
April 1, 2018 – March 31, 2019

Dear Local Government Compliance Manager:

I am legal counsel for the Town of Normal, Illinois (the “Town”), and in accordance with the requirements of Section 11-74.4-5 of the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code, I have examined, *inter alia*, the following:

1. The Annual Tax Increment Finance Report for Main/I-55 Redevelopment Project Area dated October 30, 2019.
2. A letter dated October 30, 2019 from Christopher Koos, Mayor, addressed to the Office of the Comptroller as addressed above regarding the certification by the Mayor as the Chief Executive Office of the Town, as required by Section 11-74.4-5.

Based on the foregoing and in reliance on the factual matters contained therein, but without having independently verified the accuracy or completeness of such factual matters, I am of the opinion that the Town was in compliance with the Act of and during the period covered by such reported information.

Sincerely,

A handwritten signature in black ink that reads "B. D. Day".

Brian D. Day
Corporation Counsel

“Committed to Service Excellence”

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Attachment D

Activity in the Main/I-55 Redevelopment Project Area

The Main/I-55 Redevelopment Project Area is a single-project TIF created in 2008 to facilitate the redevelopment of the former Holiday Inn at 8 Traders Circle. Following an \$18.2 million renovation by owner Swift Hospitality Group of Freeport, the property opened as a Radisson Hotel in July 2017.

The developer will receive all property tax increment generated by the increase in assessed value for the life of the TIF which terminates in 2031. TIF base EAV of the property is \$771,667. Pre-project EAV had fallen to \$661,533 in 2013.

First full-year assessment on the hotel is \$1,580,000 for CY 2018 payable in CY 2019. Property tax attributable to the base assessment of \$771,667 will be distributed to the taxing bodies. Taxes attributable to the increase in EAV will be returned to the developer. Total increment is estimated at \$1.2 million over the life of the TIF.

Swift Hospitality and Sand Lodging bought the property in a bank-authorized auction in 2010. Following the purchase of the property, the Town Council approved a redevelopment agreement with Normal Lodging LLC, in which the developer committed to renovating the property as a 158-room full service Radisson Hotel with a 12,000 square-foot conference center. The developer failed to meet the project commencement deadline, and the agreement was rescinded in December 2013.

In late 2015, the developer secured a financing commitment for the project and requested the Town reauthorize the prior development agreement. The agreement was approved with additional provisions in December 2015.



MINUTES
Joint Review Board
Town of Normal Main/I-55
Redevelopment Plan and Project
September 19, 2018

The Joint Review Board (JRB) for the Town of Normal Main/I-55 Tax Increment Financing District met September 19, 2018 to review the Main/I-55 Tax Increment Redevelopment Plan and Project.

Due to the retirement of Mark Peterson, Town of Normal City Manager and JRB Chairman, Jeanne Moonan made a motion to call the meeting to order at 3:03 PM. Pam Reece seconded the motion, and the motion passed unanimously. Ms. Heffernan called the roll with the following JRB members in attendance: Doug Minter, Heartland Community College; M. Curt Richardson, Unit District #5; Bill Wasson, McLean County; Pamela Reece, Town of Normal; Sarah Grammer, Normal Township; and Jeanne Moonan, public member.

Also in attendance were Town of Normal staff members Andrew Huhn, Finance Director; Karen Killingsworth, Finance Manager; Deanna Willey, Accountant; Brian Day, Corporation Counsel; and Sally Heffernan, Economic Development Director.

Mr. Minter requested nominations for Chairman. Mr. Richardson nominated Mr. Minter and Ms. Grammar seconded the nomination. Ms. Moonon moved nominations be closed, and Ms. Grammer seconded. The motions passed unanimously.

Mr. Minter requested approval of the September 13, 2017 JRB minutes. Ms. Moonon moved approval of the minutes, and Ms. Grammar seconded. The motion passed unanimously.

Ms. Heffernan explained the Main/I-55 Redevelopment Project Area is a single-project TIF created in 2008 to facilitate the redevelopment of the former Holiday Inn at 8 Traders Circle. Following an \$18.2 million renovation by owner Swift Hospitality Group of Freeport, the property opened as a Radisson Hotel in July 2017.

The developer will receive all property tax increment generated by the increase in assessed value for the life of the TIF which terminates in 2031. TIF base EAV of the property is \$771,667. Pre-project EAV had fallen to \$661,533 in 2013.

First full-year assessment on the hotel is \$1,580,000 for CY 2018 payable in CY 2019. Property tax attributable to the base assessment of \$771,667 will be distributed to the taxing bodies. Taxes attributable to the increase in EAV will be returned to the developer.

The original redevelopment agreement with Swift Hospitality estimated the TIF rebate at \$3.9 million. A delay in the project reduced the estimated rebate to \$2.6 - \$3 million over the life of the TIF. The lower than expected EAV of \$1.5 million will reduce the estimated TIF rebate to an estimated \$1.2 million.

Mr. Minter asked, given the less than anticipated increase in EAV, was this project an appropriate use of TIF? Ms. Heffernan said she would send a history of the project and detailed TIF reimbursement to JRB members following the meeting. Follow-up information is attached to these minutes.

Mr. Richardson moved to adjourn the meeting of the Main/I-55 JRB. MS. Moonan seconded, and the motion passed on a unanimous voice vote.

Response to comments and questions from the Town of Normal JRB meeting of September 19, 2018

Main/I-55 TIF

Radisson Hotel

A JRB member asked about the use of Tax Increment Financing for this property given the increase in equalized assessed valuation (EAV) is less than expected. Current EAV of the property is \$1,580,000 (see table below). The parcel's base EAV, established when the TIF was created in 2008, is \$771,667. This value is considerably less than the property's value just four years earlier when the 2004 assessment was more than \$2 million. Photos from the Normal Township Assessor's website tell the story of a once-vibrant hotel deteriorating into blight with broken windows and boarded up doors.

Seeking to reverse the decline, the Town created the Main/I-55 Redevelopment Program and Project, a single-property TIF district, in 2008. The Town entered into a redevelopment agreement with a developer in the same year. After abating mold, and replacing the roof, windows and façade, the developer was unable to make loan payments, and the lender foreclosed. The property was sold to Swift Hospitality for \$2 million in 2010. Additional improvements were necessary for occupancy, and the hotel remained closed while Swift searched for financing. The property's condition continued to decline as did its assessment which fell to \$666,667 in 2011 and \$661,533 by 2013.

In 2015, Normal approved a redevelopment agreement with Normal Lodging LLC, the entity created by Swift for the Radisson renovation. The agreement includes a rebate of all property tax increment, that is, property taxes generated from the project beyond those attributable to the TIF base value of \$771,667. The Town also agreed to rebate hotel/motel taxes for seven years. At the time the agreement was written, it was estimated Swift would receive \$2.6 to \$3 million in TIF increment and \$1.85 million in hotel/motel tax rebates over the life of the agreement.

In 2016, Swift acquired financing for the project and undertook an \$18 million renovation of the hotel which opened in July 2017. The hotel received a partial assessment in 2017 and a full assessment of \$1,580,000 in 2018. Swift's total tax bill for 2017 payable in 2018 was \$76,915.62 with \$10,144.66 rebated to Swift through the TIF agreement.

Based on the 2018 assessment and using current tax rates, Swift's 2019 tax bill is estimated to be \$136,714.24 with \$66,770.80 going to the taxing bodies and \$69,943.44 rebated to Swift.

Projecting a three percent annual increase, property tax increment returned to Swift over the life of the TIF is estimated at \$1.2 million, well under the \$2.6-\$3 million estimate in the development agreement. It is likely, however, that the EAV of the Radisson will increase more than three percent over time as room occupancy increases, the conference center establishes itself as a meeting venue, and the local hotel industry rebounds.

From July 2017 through June 2018, the Town rebated \$71,326.33 in hotel/motel taxes to Swift. While hotel taxes have increased each quarter of the Radisson's operation, the Town does not yet have a seasonal quarter-to-quarter comparison to estimate the rebate in future years.

Hotel financing is difficult to procure, and even with anticipated TIF revenue, Swift struggled to find a lender. Town staff believes that without TIF it is unlikely a developer would have invested more than \$20 million in the property. This investment resulted in the elimination of an eyesore at a major entrance to the Town and increased the property's assessed valuation by 133% (105% over TIF base value).

Assessment of Main/I-55 TIF Parcel by Year

Year	Value	Assess. Type
2018 payable in 2019	\$1,580,000	Full
2017 payable in 2018	\$888,908	Partial
2016 payable in 2017	\$677,410	Full
2015 payable in 2016	\$661,533	Full
2014 payable in 2015	\$661,533	Full
2013 payable in 2014	\$661,533	Full
2012 payable in 2013	\$666,667	Full
2011 payable in 2012	\$666,667	Full
2010 payable in 2011	\$745,989	Full
2009 payable in 2010	\$745,989	Full
2008 payable in 2009	\$720,693	Full
2007 payable in 2008*	\$771,667	Full
2006 payable in 2007	\$1,143,780	Full
2005 payable in 2006	\$1,100,000	Full
2004 payable in 2005**	\$2,076,737	Full
2003 payable in 2004	\$2,051,706	Full
2002 payable in 2003	\$2,051,706	Full
2001 payable in 2002	\$1,973,554	Full
2000 payable in 2001	\$1,897,101	Full
1999 payable in 2000	\$1,865,940	Full
1998 payable in 1999	\$1,850,948	Full
1997 payable in 1998	\$1,800,884	Full
1996 payable in 1997	\$1,711,379	Full
1995 payable in 1996	\$1,444,134	Full
1994 payable in 1995	\$1,377,467	Full
1993 payable in 1994	\$1,318,403	Full
1992 payable in 1993	\$1,285,996	Full
1991 payable in 1992	\$1,265,495	Full
1990 payable in 1991	\$1,241,534	Full

From Normal Township Assessor's Website

*TIF Base Year

**Highest Assessment Year