

**CITY OF MASCOUTAH  
ECONOMIC DEVELOPMENT COMMISSION  
#3 WEST MAIN STREET  
MASCOUTAH, IL 62258**

The notes of the meeting of the Economic Development Commission of the City of Mascoutah, March 14, 2016.

**Members present:** Ken McQuiston, Mike Baker, Tony Sax, Donna Mae Schlueter

**Staff present:** Lisa Koerkenmeier

**Others Present:** Keith Moran, Moran Economic Development and Dave Kunkel, Legacy Place

**Discussion Items:**

1. **Pre-Application Review for Economic Development Incentives (Legacy Place) -**  
Commissioners reviewed a pre-application requesting development incentives for the following project:

**Mascoutah Development Group LLC – Legacy Place, IL Route 4, north of Prairie View Estates.** Koerkenmeier reviewed the developer's plans to construct Legacy Place, an assisted living and memory care center. The developer is currently under contract to purchase 12.62 acres located just north of Prairie View Estates and west of IL Route 4. The project consists of constructing a one-story building, approximately 52,000 square foot in size. The facility would consist of 57 units of which 41 would be assisted living (mostly 1-bedroom, some 2-bedroom and studios) and 16 memory care units. Estimated total budget for project is \$7.1 M and the project will create approximately 30 jobs. Based on their conceptual site plan, the developer will likely use 7+ acres for the assisted living and memory care center and retain two out lots along IL Route 4 for future commercial development.

Dave Kunkel was present and provided many details of the project; the apartment floor plans, amenities, services provided and that the rent is privately paid by residents. He also noted that he and his partner have experience with constructing and managing similar facilities in Highland, Waterloo and Breese, IL. The Commission discussed the following items:

- Attempt to fund maximum of 15% of total capital investment minus land acquisition, based upon the probability that the assisted living and memory care center would attract commercial development and that the project would strengthen the economic and employment base of the City and therefore is of public interest to the community.
- Enterprise Zone benefits may be used by the developer for the project since the

- land under contract is located in the existing Enterprise Zone boundary.
- The maximum 15% of the total capital investment could come from TIF should the City continue to pursue the establishment of a new TIF for this land and area to the north to I-64/IL 4. The TIF incentive could include rebating a portion of the TIF increment for up to 15 years, being mindful of a potential pass-through or set aside of TIF increment to the taxing bodies, and the TIF redevelopment plan budget for other public improvements.

2. **Pre-Eligibility Study TIF 3 -** Koerkenmeier explained that staff and the City Council initiated a study to look at forming a new TIF for land at I-64/IL 4 which includes County owned land along IL 4 and continues south on IL 4 to the land zoned General Commercial in the Prairie View Estates development. This is the property that Mr. Kunkel has under contract. The boundary excludes developed land including the hotel, apartments, Mobil, Domino's and Huddle House. Based upon a preliminary study, the area will meet eligibility requirements. A large amount of land is included in three watersheds and much of the County land is prone to chronic flooding. The Mayor and staff have met with County officials and they are supportive of the TIF.

Keith Moran of Moran Economic Development was introduced. Mr. Moran is consulting staff on the establishment of a TIF District and completed the pre-eligibility study. The redevelopment plan for the TIF will focus on correcting issues that are holding the land back from development. Much of the TIF increment will be used to resolve storm water and drainage issues, new streets, water and sewer extensions, including the much needed water loop system in the north area of the City, and other public infrastructure costs. He explained that more than likely any residential development that is built within the TIF would not receive any TIF funding and that any TIF increment generated within the TIF District from residential development would likely be set aside and distributed as usual to the taxing bodies, including the school district.

3. **Review of TIF 2B Façade Improvement Grant "Pilot" Program –** The Commission reviewed the results of the first year pilot program. The program funded five projects totaling over \$71,000 of improvements and distributed approximately \$24,000 in grants. Staff has requested Council consider funding the façade improvement grant program in the amount of \$30,000 for fiscal year 2016/2017. No changes to the program were recommended at this time.
4. **Status of TIF 1 and TIF 2B Districts –** Koerkenmeier provided a brief report. TIF 1 (Industrial TIF) expires in three years. Of the \$160,000 +/- TIF funds collected annually, approximately \$40,000 is distributed to the school district and the remaining funds are used to pay down bond for electrical upgrades in the north area of the City and the Phase 1 Fuesser Road project. TIF 2B (downtown TIF) expires in seven years. Of the \$800,000 +/- TIF funds collected, a portion is

passed through to the school district and the remaining increment will primarily be used for Main Streetscape Project which IDOT has tentatively scheduled to begin this summer; new lighting, sidewalks, curb and guttering. TIF dollars will continue to fund smaller improvement projects including street resurfacing, curb and guttering, sidewalks, and water and sewer replacements.

Koerkenmeier stated that a key indicator of the success of the TIF 2B Redevelopment Plan is that the total Equalized Assessed Valuation (EAV) of the parcels in the TIF 2B Redevelopment Area climbed from a base EAV of \$8,143,485 in 2000 when the District was created to \$19,690,587 in 2013. The Redevelopment Plan anticipated that the EAV would increase to approximately \$15,000,000 when fully redeveloped. The TIF 2B District includes 36,000 linear feet of existing water mains; 17,000 linear feet of existing sewer mains; and 47,000 feet of roadway, with the majority of streets lacking any curb and gutter. Approximately \$2.5M has been spent on public improvements. Roughly 50% of the streets in TIF 2B have been resurfaced with curb & gutter and storm sewers installed. About 10% of these streets also had sidewalks installed/repared. Streets include Railway, Church, Market, State, Independence, and sections of George and South Streets. Roughly 80% of the water mains in TIF 2B have been replaced. Old cast iron pipes were removed and replaced with 6" or 8" PVC, fire hydrants and valves replaced. Roughly 50% of sewer mains in TIF 2B have been replaced and manhole deficiencies corrected.

5. **Update on Zoning Ordinance Revision** – Koerkenmeier reported that staff is working with the Planning Commission rewriting the Zoning Ordinance. Several of the land use and economic development recommendations in the City's Comprehensive Plan are being addressed through the zoning revisions including required planned developments along Route 4 and Route 177, requiring specific screening and landscaping buffers between residential and commercial developments, and developing general design standards for residential, commercial and industrial buildings.