



## **LEBANON BUSINESS DISTRICT REDEVELOPMENT PLAN & PROJECT SYNOPSIS**

Municipalities are authorized to create Business Districts by the Illinois Municipal Code, specifically in 65 ILCS 5/11-74.3 et seq. (the “Act”). The Act sets forth the requirements and procedures for establishing a Business District Redevelopment Project. The proposed Business District (the “District”) encompasses 298 parcels of property and rights-of-way in the City. Generally, the Area includes properties along Belleville and St. Louis Streets, as well as property along IL-4. The boundary map for the Area is attached as Exhibit A.

### **ELIGIBILITY STUDY**

In order to impose the retailers’ occupation tax and service occupation tax, the corporate authorities of the municipality shall make a formal finding that the Project Area is a “Blighted Area”, as defined as follows: *“Blighted area” means an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare.*

Much of the Area exhibits deteriorated site improvements in some form, which can be generally classified as either structural or surface improvements. Approximately 58% of the 238 structures in the Area show some sort of notable defects in the structural components, which were common in foundations, exterior walls, roofs, doors, windows, gutters, downspouts, siding, and other fascia materials. Generally, much of the deteriorated conditions noted could be attributed to the age of the structures. Additionally, 59% of the parcels exhibit deteriorated surface improvements. Common forms of this type of deterioration found were deteriorated sidewalks, unkempt gravel areas, cracked and deteriorated roadway surfacing, potholes, crumbling asphalt, and grass or weed growth in some of the surface improvements. In other portions of the proposed district parking lots, entry ways, alleyways, and driveways lack proper pavement and exhibit signs of deterioration. Similarly to the structural deterioration much of the surface deterioration can be attributed to general age, as over time vehicular wear and exposure to the elements degrades the improvements. Conditions such as these were present in 175 of the 298 parcels which make up the Area.

The ISGS maintains records of active and abandoned coal mines in the state. Data from the ISGS was used to determine that portions of the Area are either directly over an underground mine or within the mine proximity region. These conditions could potentially pose as a barrier to future development, and subsidence could threaten any of the existing structural improvements over undermined areas. The Multi-Hazard Mitigation Plan for St. Clair County identifies the City as being potentially susceptible to subsidence and considers all buildings located in or around undermined areas to be vulnerable to ground failure due to subsidence events.

There are issues with improper subdivision and obsolete platting throughout the Area. Some of the existing platting does not meet the needs of the contemporary standards, exhibited by characteristics such as being too large, too small, or in a size or shape that would not comply with guidelines for development. Other smaller parcels were divided in a way that seems to have occurred on an as-needed basis, but has left properties in dimensions that are unusable in their current configuration. These parcels are an inefficient use of land and represent improper subdivision and obsolete platting. These types of issues can be hurdles to the development or redevelopment of an Area, as the need for parcel combinations or splits can be difficult with multiple property owners or other stakeholders involved. Without a guided plan for redevelopment, it is unlikely the properties exhibiting these conditions will be utilized to their highest and best use.

Along with some of the obsolete platting characteristics of the properties in the Area, portions also exhibit conditions indicative of non-existent or inadequate street layout. One indication of this factor is in undeveloped properties that have been divided on an as-needed basis and have left larger portions of land

without access or provisions for right-of-way. The ideal use of these properties would be to follow a guided plan for the development of the land as a whole, creating access to the interior portion of the available acreage to ensure the property could be developed to its highest and best use.

The presence of these factors, in combination, creates conditions which constitute an economic liability to the City. Additionally, these factors combine to contribute to the economic underutilization of the Area.

The presence of deteriorated structures and conditions can create a perception of localized economic decline, which in turn deters future investment in the neighboring properties. In order to determine whether properties in a project Area could be considered to be stagnant or in decline, the growth rates of the EAVs of the parcels can be compared to the growth rates of the balance of the City, which is the total value of Lebanon minus the value of the properties which make up the Area. Approximately 73% of the 274 taxable parcels in the Area have had at least three years where the annual EAV growth rates are less than the balance of the City from 2017-2022. Another metric used is to compare the growth of the properties to the Consumer Price Index over this same period, and it was determined that 72% of the taxable properties meeting these qualifications. This analysis demonstrates that there are conditions present in the Area which cause it to be an economic liability to the City, and if there is not some program of intervention to reverse the trend of stagnant property values then the conditions will continue to worsen, which in turn will reduce the amount of tax revenues the City and associated taxing districts will draw from the properties.


The Area could also be considered to be economically underutilized. The proposed Business District Area encompasses the most trafficked areas in the City, including the main thoroughfares of IL-4 and the downtown area, but these properties have failed to capitalize on the high visibility and have not been growing on pace with the City or CPI. Another indication of the economic underutilization of the Area is in the form of the Retail Opportunity Gap that exists for the City, which shows an Opportunity Gap of nearly \$6M in the City across all retail trade sectors. This data provides an analysis of the existing demand for certain retail store types amongst residents in the City, along with the existing expenditures of the residents for those same retail store types. In a community with major roadways and in proximity to multiple interstates it is not uncommon to have a high supply for certain retail types, as a significant portion of expenditures are from non-residents. However, there are still an Opportunity Gap in nearly 60% of the retail store types under the NAICS classifications 44 and 45, as well as a gap of nearly \$2.3M in food services and drinking places. In combination these amount to an Opportunity Gap of over \$40M. What this means is that residents are having to leave the City to purchase goods in these retail types. If the properties in the Area were being utilized to their highest and best uses the Opportunity Gap across all these sectors would potentially be met, which would in turn keep resident's expenditures local and create additional property tax revenues through the development of new retail and commercial properties.

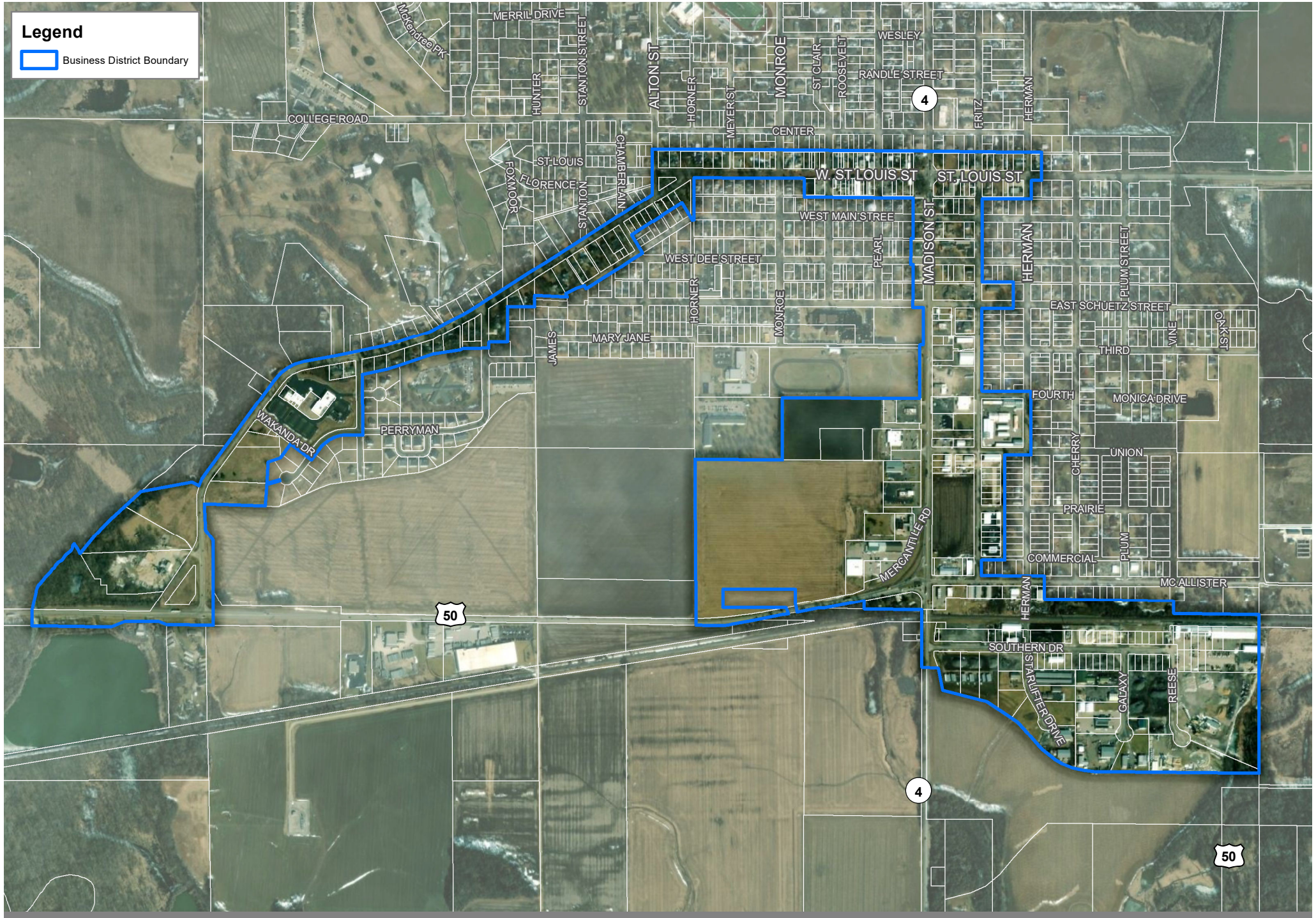
## **REDEVELOPMENT PLAN**

The primary goal of the plan is to provide a resource for economic development throughout the Area. Some of the objectives of the Redevelopment Plan include, but are not limited to, the following:

- Upgrade the utilities and infrastructure throughout the Area, including water and sewer system improvements.
- Improve the sidewalks throughout the Area, including reconstructing/repairing those exhibiting deteriorated conditions and constructing new sidewalks in areas currently without.
- Resurface roadways, construct curbs and gutters, make parking lot improvements, and provide resources for other general site improvements.
- Redevelop those properties exhibiting deteriorated conditions, and other general site improvements.
- Enhance the sales tax base of the District.
- Facilitate streetscape and façade improvements for commercial properties in the Area, particularly in the historic downtown area and along IL-4.
- Recruit new retail businesses to promote future sales tax growth.
- Retain small businesses to the community and assist with business development and expansion.
- Enhance the property tax base of the District.

**Legend**

 Business District Boundary



**EXHIBIT A - BOUNDARY MAP**  
**BUSINESS DISTRICT**  
Lebanon, IL

