



July 12, 2011

GROWTH CELL STRATEGY REPORT 1996 - 2010



Table of Contents

| | |
|---------------------------------|----|
| Executive Summary..... | i |
| Peoria's History..... | 1 |
| Growth Management Strategy..... | 2 |
| Implementation..... | 3 |
| Growth Cell One..... | 3 |
| Growth Cell One A..... | 5 |
| Growth Cell Two..... | 7 |
| Growth Cell Three..... | 9 |
| East Village Growth Cell..... | 11 |
| Bike/Walk Trails..... | 13 |
| Orange Prairie Road..... | 15 |
| Pioneer Parkway..... | 17 |
| Progress..... | 18 |
| Housing Starts | 18 |
| Residential Dwelling Units..... | 19 |
| Population Change..... | 20 |
| Growth Cell Acreage..... | 21 |
| EAV..... | 22 |
| Commercial Development..... | 23 |
| Investment Impact..... | 24 |
| Conclusion..... | 25 |

Prepared by:

Pat Landes, Director
Ross Black, Assistant Director
James P Martin, Senior Urban Planner
Josh Naven, Senior Urban Planner
Shannon Techie, Urban Planner

City of Peoria, Illinois
Department of Planning and Growth Management

With assistance from the City's Building Inspections Department, Public Works Department, Finance Department, Information Service Department; the County; and the Greater Peoria Sanitary District.

July 12, 2011

EXECUTIVE SUMMARY

BACKGROUND

In 1993 there were few development sites remaining within the City of Peoria. Several factors had led to an out-migration of Peoria's population. In order to address this trend, in 1995, the City entered into intergovernmental agreements with Peoria County and the Greater Peoria Sanitary District resulting in the City of Peoria's Growth Management Policy. This strategy was originally implemented as a proactive approach to attract and direct, particularly new single family, growth to designated areas in order to control sprawl. The original Growth Cell One, established in 1995, was designed to capture primarily new single family development and was anticipated to accommodate twenty years of growth; however, by December of 2006 there were already four (4) separate Growth Cells shown below.

Each Cell was designed and planned with a different purpose which resulted in a differing rate of return. Growth Cell Two was principally designed to provide new commercial development and industrial/business growth opportunities. Due to the rapid residential development in Growth Cell One, Growth Cell Three was designed principally for residential development with the goal of creating a live/work environment in conjunction with Growth Cell 2 and existing commercially zoned land in Growth Cell 3. As a result, new commercial development was generated along Route 150 and office development along Route 91, with small pockets of residential areas. Growth Cell 1A was a result of market forces for new residential development and opened up opportunities for

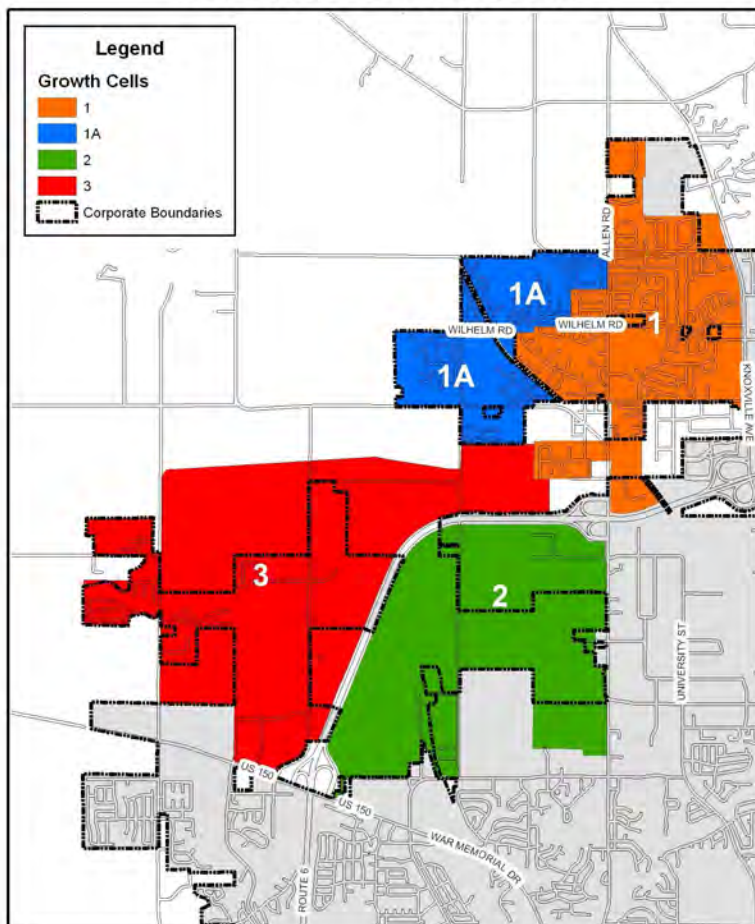
residential development along Radnor Road and west to Route 6. Sewers were extended over time which served as a catalyst for new development, causing the Growth Cells to increase in area.

While representing 34% of the MSA population from 1970 to 2000, the City of Peoria retained only 17% of the new single family housing starts in 1996. As a result of the Growth Cell effort, in 2010, Peoria represented approximately 32% of the MSA population and retained approximately 26% of the new single family growth within the MSA, as compared to 17% in 1996 when development began to occur within Growth Cell One.

Collaboration between the City of Peoria, Peoria County, and the Greater Peoria Sanitary District allowed for the creation of four Growth Cells. These Growth Cells were strategically located in geographic areas adjacent to the City to allow for:

- ◆ Planned and integrated land use patterns
- ◆ Reduced sprawl and preservation of prime agricultural land
- ◆ Controlled costs of additional infrastructure
- ◆ An increase of the City's share of regional growth
- ◆ The ability to attract and direct growth through the location of infrastructure

Growth Cell Areas



EXECUTIVE SUMMARY

The 2011 update of the Growth Cell Report is different from previous reports, in that previous reports accounted only for revenue resulting from residential development. The 2011 update takes into account all major revenue sources, and therefore accounts for all types of development, as commercial development is a significant revenue generator within the Growth Cells.

DATA SOURCES & ASSUMPTIONS

In developing this Growth Cell report, City staff adopted the policy of using actual data whenever possible and practical. If actual data was not possible or practical, an estimate was used based upon the best data available. When approaching estimates, a per acre approach was utilized in place of a per capita approach because it provides a more accurate result when addressing costs that are spread out over the entire city, regardless of whether there is a residential population present or not. An example of this would be City operating costs; e.g., emergency response is dispatched to areas where there is little or no residential population; industrial parks, large commercial areas, downtown, etc., and streets are maintained throughout the City in areas of high and low population density. Therefore, in these cases, it seems more appropriate to spread the cost out over a geographic area instead of using a per capita approach.

Further, as every individual annexation is recorded, the City is able to determine the total acreage of Peoria and of the Growth Cell areas on an annual basis. The population count that is used as the basis for the per capita calculation is only accurate at each decennial census. Staff was able to build upon the approach used by Dr. Scott in the earlier study of Growth Cell One, while utilizing the more robust data set available today along with improved GIS technology and staff expertise in GIS based analysis to arrive at a report summarizing the impact of the Growth Cell polices adopted by the City in the mid-1990s. The Peoria County Fiscal Calculator was reviewed as a possible data analysis tool in this effort. While the scope of this tool was helpful in verifying data inclusion in the City study, the tool itself is not well aligned to the task at hand, as it is designed as a tool to look at the future and not a retrospective tool, and it was specifically designed not to include data sets for the City of Peoria.

While every effort has been taken to provide the most precise and complete analysis possible, the nature of this type of analysis and the actual limitations on available data require some level of estimation and assumption. Staff is confident that the extended time frame of available data (15+ years), coupled by the more comprehensive data sets available, will create a smoothing effect upon any data deviations resulting in as small an error level as possible.

Quick Glance Table

| Revenue Data | Actual | Per Capita | Per Acre | Other |
|------------------------|--------|------------|----------|---|
| Property Taxes | | | X | |
| Sales & HRA Tax | | | X | Based on Commercial Acreage |
| Utility Taxes | | | X | |
| Permit Fees | X | | | |
| State Per Capita | | X | | |
| Capital Reimbursements | X | | | |
| Garbage Fee | X | | | Per residential unit (excluding multi-family) |
| Expenditure Data | Actual | Per Capita | Per Acre | Other |
| Capital Costs | X | | | Includes debt service costs for sewers only |
| Operating Costs | | | X | Discounted to account for undeveloped land |

EXECUTIVE SUMMARY

Revenue

Property Taxes – Previous Growth Cell reports calculated property tax revenue by using the EAV for each parcel and multiplying it by the City property tax rate. One of the ways in which this current report increases accuracy is by using actual property tax revenue for the years 2007 – 2009. The actual property tax revenue does not include any of the exemptions, TIF's, or other reductions that may be attached to individual properties. Since the actual property tax revenue is not available by parcel in the Growth Cells prior to 2007, City staff developed a formula that calculates the average variation between the EAV based property tax and the actual property tax for the years 2007 – 2009 (4%). Using this calculated variation, staff was able to project an estimated actual property tax revenue amount for the Growth Cells in a retrograde manner for the levy that includes the City, the Library, and associated pension funds.

Sales & HRA Taxes – This data is a calculation based on the following approach. The total sales & HRA tax revenue for the City was divided by the total number of acres in Peoria zoned as C1, C2, B1, CG, and CN (2,209 acres). The assumption is that a great majority of these taxes are generated from these specific zoning districts. This calculation provided an average tax revenue per acre result of \$23,283 for 2009. This per acre average revenue was then multiplied by the total number of acres of the above listed zoning districts within the Growth Cell areas (326 acres). The resulting estimated sales & HRA tax revenue for the Growth Cell areas for 2010 is \$7,670,473. Using 1996 as a starting point of zero acres of commercial in the Growth Cell Area, staff used a straight-line increase in commercial acreage to estimate the annual increase.

Utility Taxes – This data was calculated using an average per acre approach similar to the sales tax calculation above. The total utility tax revenue for the City was divided by the total number of acres in the City to establish a per acre average. This average was then multiplied by the total number of acres in the Growth Cell area, resulting in a 2009 estimated utility tax revenue in the Growth Cells of \$785,944.

Permit Fees – This data is based upon actual revenue by parcel.

State Per Capital Revenue – This data is based on the estimated number of persons residing in the Growth Cell areas per the 1996 base year, the actual counts for the 2000 and 2010 Census, multiplied by the actual State per capita payment.

Capital Reimbursements – This data is based upon actual capital reimbursements.

Garbage Fee – This data is based upon the calculation of \$72 per residential unit, excluding the multi-family units that are not subject to this fee.

Expenditures

Capital Costs – This data is based upon actual cost.

Operating Costs – This cost is calculated on a per acre basis. The total operating budget for the City is divided by the total number of acres in the City, returning an average per acre cost. This cost is multiplied out over the total acreage in the Growth Cells to establish a base total cost. The result is discounted by 40% based on current data that indicates 60% of the total Growth Cell area within the City of Peoria is developed. As operating costs are de minimis in non-developed areas, the costs associated with these areas was backed out of the final equation.

EXECUTIVE SUMMARY

Metropolitan Statistical Area (MSA) and Residential Building Permits

MSA - In 1996 when the Growth Cells were formed, the MSA was comprised Peoria, Tazewell, and Woodford counties, what is now considered Tri-County. For consistency and accuracy in comparing data by year, the MSA data includes only Peoria, Tazewell, and Woodford Counties.

Residential Building Permits - In previous years multiple family dwellings were coded differently in the system, and often counted as commercial. In addition, the number of units were not counted, only the number of buildings. Due to the inconsistency in data for multi-family dwelling units, only new single family dwellings are counted when comparing Growth Cell data to the MSA. This method is consistent with previous reports.

Debt Service

Calculations in this report account for the cost of debt service for sewers only.

RESULTS

The three most notable results from the City of Peoria's Growth Management Strategy are:

- 1. The capture of 26% of new single family dwelling units within the City of Peoria's Metropolitan Statistical Area, as compared to 17% in 1996**
- 2. An increase in Growth Cell EAV from approximately \$785,000 to \$259,000,000 from 1996 through 2009 (estimated at \$280,000,000 for 2010).**
- 3. An increase in annual revenue from \$154,000 in 1996 to \$14 million in 2010**

In 1995, Growth Cell One was created primarily to attract residential growth. Initially 600 acres in size, Growth Cell One has grown to encompass 1,168 acres. Growth Cell One's development has far exceeded its expectations. In 2005, Growth Cell One was extended to include additional land for new residential growth. This area is known as Growth Cell One A and now encompasses 630 acres of land. Growth Cells Two and Three were also created as a direct result of Growth Cell One's rapid development. In 1997, Growth Cell Two was created to include 1,289 acres with the primary purpose of developing an industrial business park. This planned industrial business park was planned to provide jobs for those living in the new residential areas, with the goal of creating a connection to Growth Cell Three and establishing a live-work community. Today, Growth Cell Two encompasses approximately 1,437 acres, developed with both commercial and industrial uses. Growth Cell Three followed in 1998 with a mixed land use design of approximately 2,129 acres.

This report contains an analysis of the past 15 years of the Growth Cell effort. A review of the City of Peoria's Home Start and Building Permit Data found that Peoria's 2010 percentage of new single family housing construction in the Metropolitan Statistical Area was approximately 26% as compared to 7% without the Growth Cells. In addition, the estimated Equalized Assessed Valuation for the Growth Cell areas rose from \$785,000 to \$259 million between 1996 and 2009 (estimated at \$280 million for 2010).

The cumulative capital investment through 2010 was \$18,819,227 in capital projects. This number takes into account reimbursements from developers totaling \$2,802,553. The cumulative operating costs through 2010 were \$35,908,175. The cumulative estimated revenue produced by the Growth Cells through 2010, through property taxes, HRA taxes, garbage fees, utility taxes, permit fees, per capita revenue, sewer connection fees and sales tax revenue is approximately \$99,650,465.

As of 2010, approximately 3,311 acres of land, which comprises 62% of total land within the Growth Cells, remains undeveloped (2,027 acres is outside of the City limits), as compared to 1,283.66 undeveloped acres within the City, which comprises approximately 40% of the Growth Cell Area within the City. The total growth cell area includes 740.86 acres zoned as residential, 145.7 acres zoned as commercial, 35.4 acres zoned as office, 129.9 acres zoned as institutional, 223.8 acres zoned as industrial, and 2,027.14 acres outside the City limits.

EXECUTIVE SUMMARY

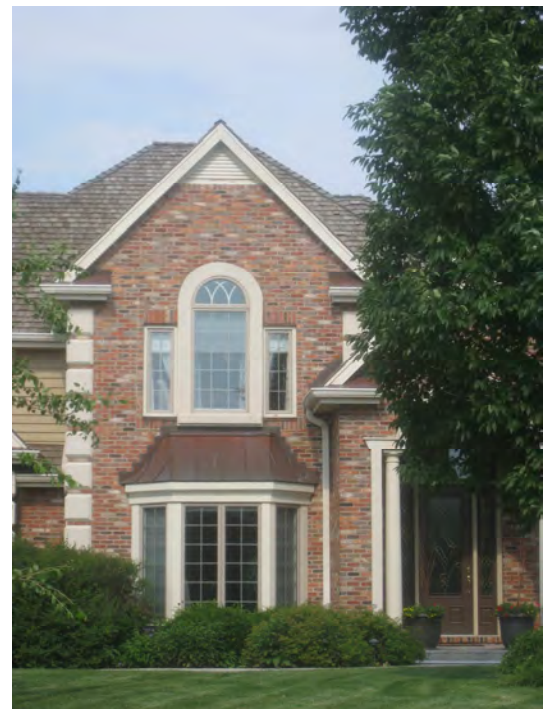
FUTURE PLANS

The successful collaboration between the City of Peoria, Peoria County, the Greater Peoria Sanitary District, and other governmental and private agencies, that began 13 years ago continues today. Founded on sound planning values and communication, the Growth Management Strategy has resulted in effective planning to control sprawl, recapture growth, and direct development to suitable areas.

To create consistency in reporting, Geographic Information Systems (GIS) is now being used to collect and tabulate all Growth Cell data. As part of this report, all building permit data from 1996 through 2010 was retabulated using GIS. In addition, EAV data was reviewed using GIS from 2004 through 2010, resulting in some variations from previous data, as all compilation was previously done manually. The new method will ensure consistent and more accurate results for future reporting.

The uncertainty of the economy creates some unpredictability in future trends within the Growth Cells. The slowdown of new residential development nationwide has impacted the amount of development within the City of Peoria as a whole and in turn within the Growth Cells. On the other hand, in 2010, the Growth Cells comprised 10% of the total area of the City and contained 7% of the total population. In addition, the City was able to capture 26% of the MSA new single family dwelling units, as compared to 17% in 1996. This continued trend would allow for the sustained growth of the Growth Cells.

Future plans involve the continued build-out within the existing Growth Cell areas. The City is investigating the possible creation of an industrial park within Growth Cell Two, with a focus on technology and sustainability. This will accommodate the growth of innovative industrial businesses within the City of Peoria.



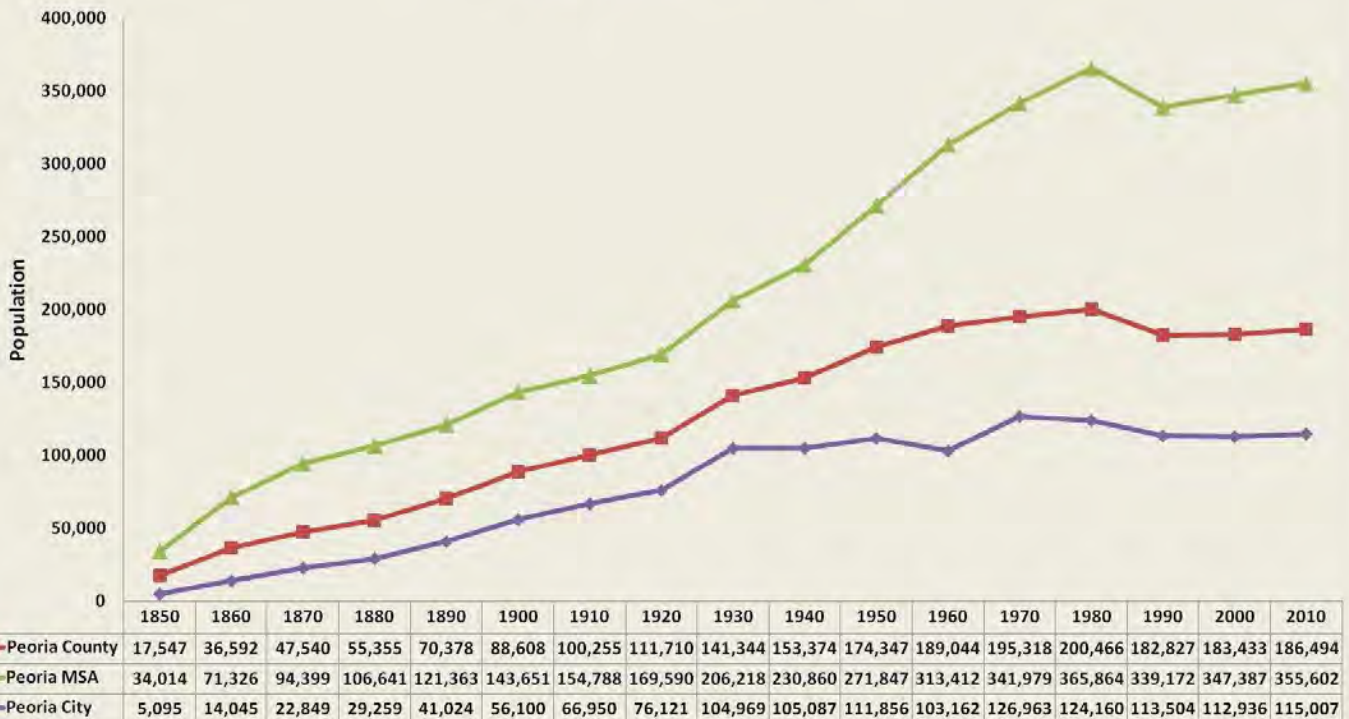
PEORIA'S HISTORY

The City of Peoria was incorporated in 1845, and was quickly established as the central city of a three-county area, Peoria, Woodford, and Tazewell, which comprised the Peoria Metropolitan Statistical Area (MSA) at that time and is different from the current MSA boundaries. For the purposes of this study, the original MSA boundaries are used for consistency in calculations.

Peoria's percentage of the population in the Metropolitan Statistical Area (MSA) increased rapidly until 1930, when Peoria's population of 104,000 represented slightly over 50 percent of the MSA population. As with many central cities, this growth trend reversed itself in the Post World War II decades. By 1960, Peoria represented only 33 percent of the MSA population. Through an aggressive annexation policy, Peoria held its percentage of the MSA population at approximately 34 percent from 1970 to 2000. This policy enabled the City of Peoria to capture sprawl, but it did not allow the City to direct or control growth.

Studies by the City of Peoria Planning & Growth Management Department indicated that although Peoria represented 34 percent of the MSA population, only 17 percent of the MSA new single family housing construction occurred within the City limits in 1996. It became very clear that the City of Peoria was losing a portion of its growth to nearby communities and to areas just beyond its corporate boundaries.

Population Tri-County, Peoria County, and City of Peoria
1850 - 2010



Source: U.S. Census Bureau

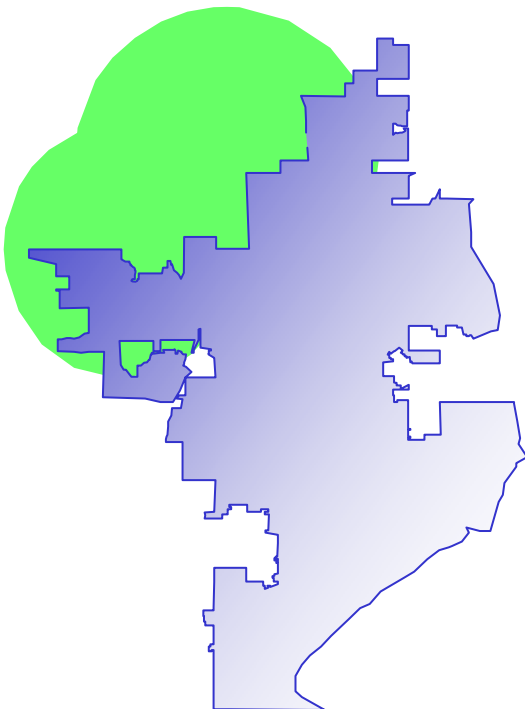
GROWTH MANAGEMENT STRATEGY

In the early 1990's housing data showed that the percentage of housing starts within the Peoria MSA was increasing in areas outside the City of Peoria. At the same time, the percentage of housing starts within the City of Peoria was declining. It was determined, that this loss of the percentage of new housing starts, if not reversed; would equate to an increased loss of population for the City and County.

As a result of this information, the City of Peoria and Peoria County entered into an intergovernmental agreement to direct and capture new growth that was migrating to other areas within the Tri-County region. Through a series of discussions, the City and the County reached an agreement which began the growth cell effort and led to the creation of Growth Cell One, the initial effort to attract development to both the City and the County.

As a part of the same effort, the City of Peoria and the Greater Peoria Sanitary District also entered into an intergovernmental agreement. This initial agreement provided that the City and the Sanitary District could jointly enter into specific agreements for the financing, engineering and construction of new sewer mains into the unincorporated areas of Peoria County. The agreement also outlined that the Sanitary District would not issue a permit to connect to any new sewer main funded, in whole or part, by the City, without the property owner completing a signed agreement requesting annexation into the City.

1995 FUTURE GROWTH AREAS



Elements of the Growth Cell Areas include:

- Planned and integrated land use patterns in areas within and adjacent to the City.
- Reduced sprawl and preservation of prime agricultural land.
- Controlled costs of additional infrastructure to serve growth areas.
- Increased City share of regional growth to ensure that the City remains financially viable.
- Ability to attract and direct growth through the location of infrastructure.

GROWTH CELL ONE

Growth Cell One was geographically identified as an area receiving the greatest development pressure for residential growth. The original Growth Cell One Agreement provided for the following:

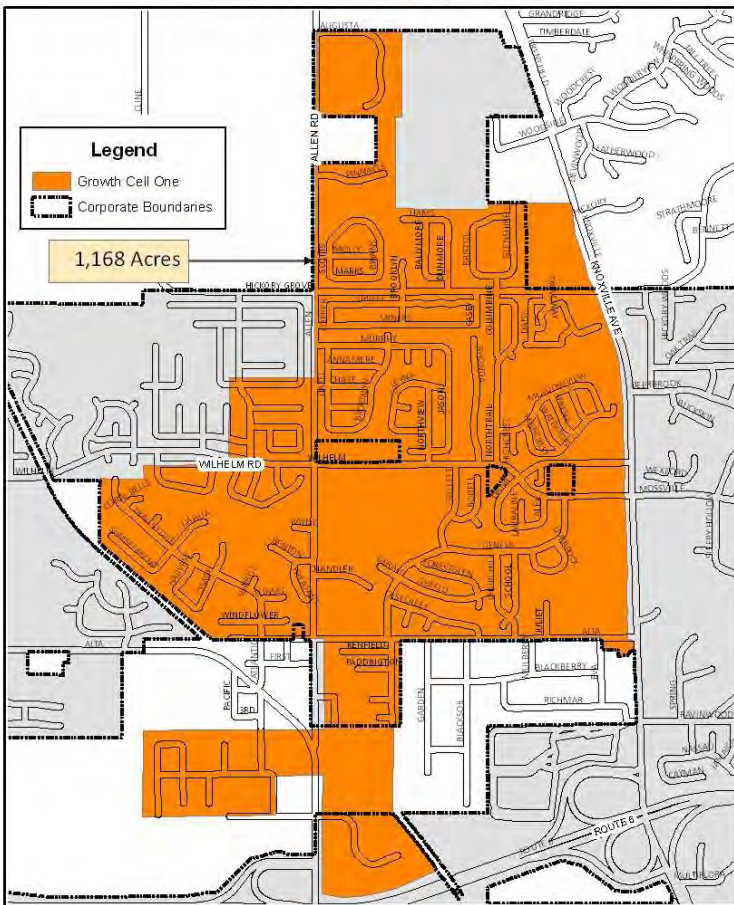
- The City and County agreed to common land use plans and sanitary sewers with urban development;
- The initial funding of sanitary sewer extensions by the City;
- Reimbursement of City infrastructure investments using sewer connection fees;
- The requirement that all development within Growth Cell One annex to the City upon connection to the sewer lines.

From 1996 - 2010, building permits were obtained for 1,829 dwelling units and 12 commercial buildings.

174.02 acres of land within Growth Cell 1 remain undeveloped, which accounts for approximately 15% of Growth Cell 1. The undeveloped land is comprised of 40.3 acres zoned as residential, 59 acres zoned as commercial, 8.4 acres zoned as office, and 66.32 acres outside of the City limits.

Note that data of undeveloped land does not account for roads

Growth Cell One

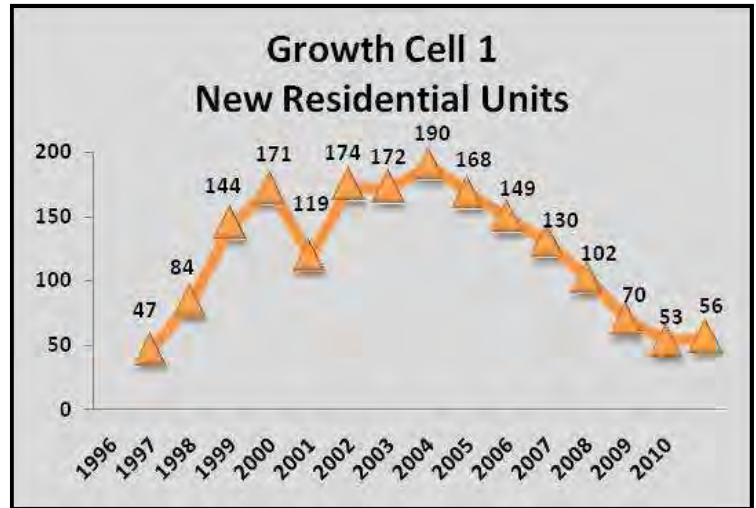


Although initially much smaller in size (approximately 600 acres), Growth Cell One grew to encompass approximately 1,168 acres of land that could be served by sanitary sewer. Growth Cell One was designed to primarily attract residential growth with projected total build-out in 20 years. Even with Growth Cell One's added acreage (that nearly doubled its size), the volume of development far exceeded original expectations in half the anticipated time.

GROWTH CELL ONE

RESIDENTIAL

| Final Plats | Acres | Proposed | |
|--------------------|--------------|--------------|---------|
| | | Platted | Status |
| Augusta Estates | 40.7 | 30 | Platted |
| The Pinnacle | 23 | 23 | Platted |
| Northbrook | 33.9 | 78 | Platted |
| Waterford Place | 17.5 | 81 | Platted |
| Devonshire Estates | 30.7 | 45 | Platted |
| Glenhaven Estates | 70 | 82 | Partial |
| Hickory Grove | 40 | 176 | Platted |
| Dover Pointe | 88 | 216 | Platted |
| Northridge Meadows | 20.3 | 57 | Platted |
| Northtrail Meadows | 56.4 | 274 | Platted |
| Knoxville Point | 20.2 | 212 | Platted |
| Trails Edge | 127 | 112 | Platted |
| Trails Edge Villas | 9 | 36 | Platted |
| Chapel Park | 47.5 | 171 | Platted |
| Inglewood | 2.7 | 18 | Platted |
| Churchhill Park | 60.6 | 211 | Platted |
| Prairie Vista | 16.3 | 312 | Platted |
| Rollingbrook | 41.7 | 129 | Platted |
| TOTAL | 745.5 | 2,263 | |



NON-RESIDENTIAL

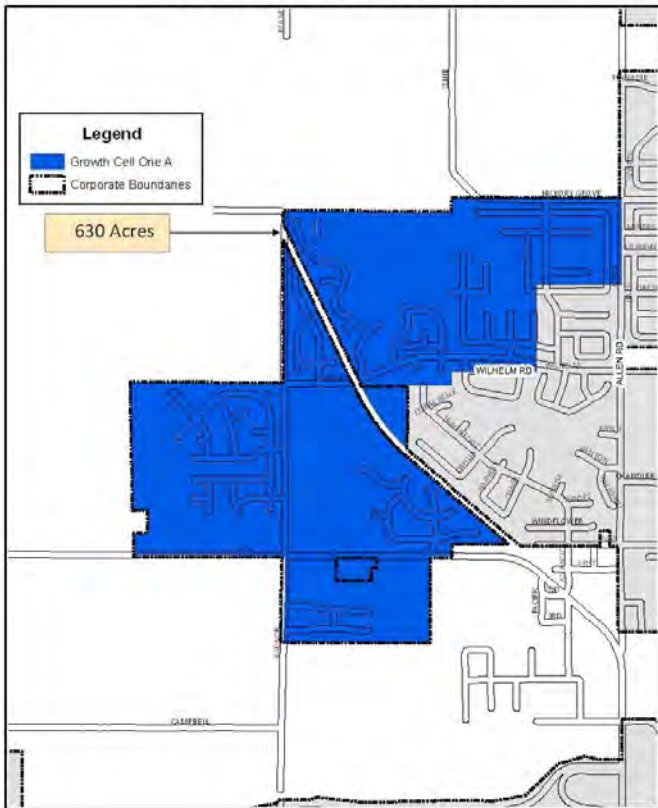
| Description | Acres | Sq. Ft. |
|-----------------------------|---------------|----------------|
| Mini Warehouses | 5.3 | 15,000 |
| Super Pantry | 6.5 | 7,700 |
| Janssen's Farm | 38.6 | 32,900 |
| Glenhaven (non-residential) | 34 | 7,300 |
| Sud Business Park | 40.9 | 50,000 |
| Methodist Medical Office | 5.96 | 78,453 |
| Dunlap Bank | 2.13 | 5,700 |
| Apple Tree | 1.1 | 6,700 |
| Northwoods Community Church | 56.2 | 88,000 |
| Office Building | 1.15 | 8,800 |
| Midwest Kidney Center | 1.73 | 10,150 |
| Fire Station #20 | 1.25 | 6,000 |
| TOTAL | 194.82 | 316,703 |



GROWTH CELL ONE A

Development in Growth Cell One A began in 2006. Growth Cell One A was created as a result of the development activity in Growth Cell One. This expansion allowed for additional new residential growth. Growth Cell One A now encompasses 630 acres of land previously unavailable to sanitary sewer.

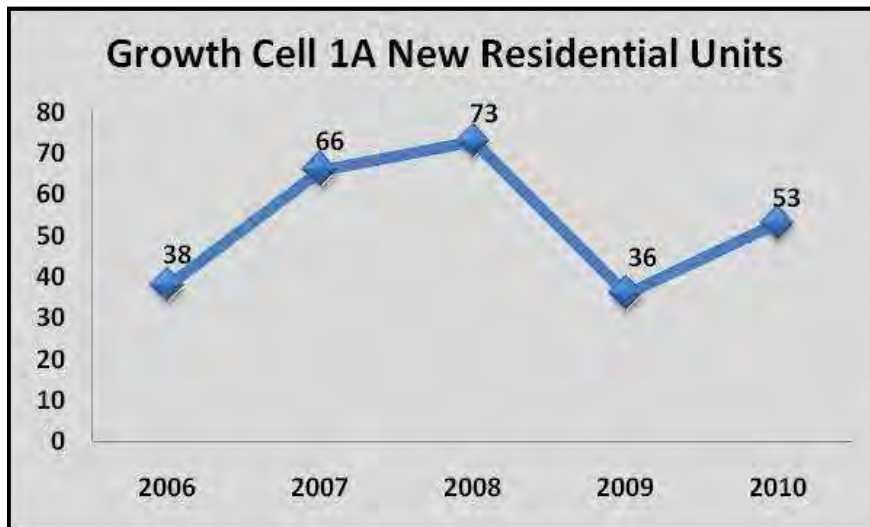
Growth Cell One A



From 2006 - 2010, building permits were obtained for 266 dwelling units.

337.86 acres of land within Growth Cell 1A remains undeveloped, which accounts for approximately 54% of Growth Cell 1A. The undeveloped land is comprised of 337.86 acres zoned as residential.

Note that data of undeveloped land does not account for roads



GROWTH CELL ONE A

RESIDENTIAL

| Final Plats | Acres | Proposed | |
|--------------------|--------------|---------------|----------|
| | | Platted Units | Status |
| Attingham Park | 51.4 | 67 | Platted |
| Sunrise Meadow | 37 | 68 | Proposed |
| Prairie Cove | 40 | 54 | Proposed |
| Summer Ridge | 47 | 111 | Partial |
| Fields Crossing | 60 | 61 | Partial |
| Trail View Estates | 30 | 86 | Partial |
| Trails Crossing | 24 | 85 | Partial |
| Hunters Trail | 41 | 84 | Platted |
| Copper Creek | 23.3 | 62 | Partial |
| Stonehedge | 47 | 92 | Platted |
| Wynncrest | 110 | 56 | Partial |
| Stonegate | 48 | 164 | Partial |
| TOTAL | 558.7 | 990 | |



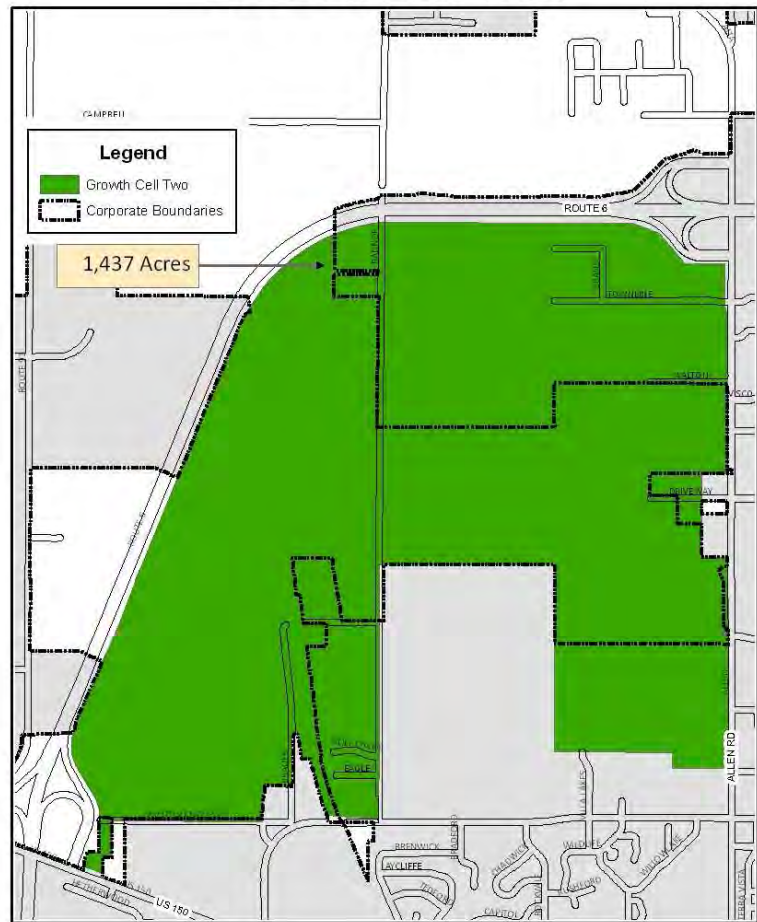
GROWTH CELL TWO

Recognizing that residential growth would be constrained without real job growth, the City of Peoria Planning and Growth Management Department reviewed the amount of undeveloped industrial zoned land within the City. Staff concluded that the amount of ready-to-use industrial/office park land in Pioneer Park and throughout the City was not sufficient to facilitate potential opportunities for new industrial/business growth or adequately support and retain existing industrial uses.

In consideration of the short supply of undeveloped land for industrial use, a second Growth Cell was created. In September 1997, the City and Sanitary District entered into an agreement for the extension of sewers into the area designated at Growth Cell Two. In addition, an agreement with the County provided for uniform regulations and review, along with provisions for sharing the Use and Occupation Tax. Growth Cell Two comprises approximately 1,437 acres.



Growth Cell Two



From 1999 - 2008, building permits were obtained for 45 dwelling units and 25 commercial developments.

1306.6 acres of land within Growth Cell 2 remain undeveloped, which accounts for approximately 91% of Growth Cell 2. The undeveloped land is comprised of 66.3 acres zoned as residential, 39.4 acres zoned as commercial, 11.9 acres zoned as office, 223.8 acres zoned as industrial and 965.2 acres outside of the City limits.

Note that data of undeveloped land does not account for roads

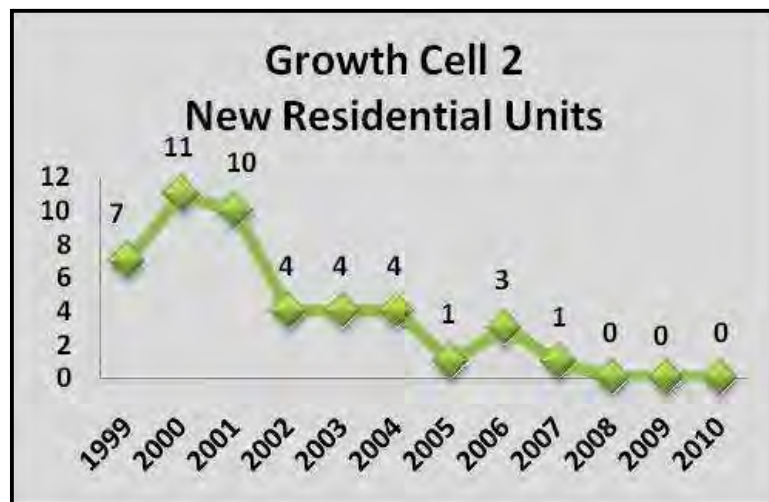
GROWTH CELL TWO

RESIDENTIAL

| <u>Final Plats</u> | <u>Acres</u> | <u>Platted Units</u> | <u>Status</u> |
|--------------------|--------------|----------------------|---------------|
| Golf Creek | 8.5 | 24 | Platted |
| Eagle Point | 5.7 | 25 | Platted |
| TOTAL | 14.2 | 49 | |

NON-RESIDENTIAL

| <u>Description</u> | <u>Acres</u> | <u>Sq. Ft.</u> |
|-------------------------------|---------------|----------------|
| Affordable Dentures | 0.8 | 20,000 |
| Parker/Hanniffin | 4.8 | 34,200 |
| Salvation Army | 3 | 20,000 |
| Menards | 17.9 | 94,400 |
| Wal-Mart | 22.1 | 203,219 |
| Walmart Outlots | 4.8 | 0 |
| Retail Outlet | 1.21 | 10,880 |
| Arby's | 1.06 | 3,400 |
| Bob Evans | 1.08 | 5,227 |
| Hundman Lumber | 6.4 | 25,570 |
| Medical Supply | 3 | 34,249 |
| K.C. Hall | 2.4 | 8,500 |
| Triplet | 5.1 | 4,698 |
| Jerasic Kennel | 14 | 7,056 |
| Warehouse | 4.1 | 24,376 |
| KFC | 0.67 | 2,464 |
| Ridgeview Grade School | 13.2 | 70,366 |
| Golf Learning Center | 38.1 | 5,808 |
| Mini Max Storage | 9 | 8250 |
| Double A Pizza | 6.21 | 4575 |
| Library | 6.12 | 30,000 |
| Shell Station and Burger King | 2.05 | 8,001 |
| Aldi's | 1.83 | 17,728 |
| Scott Lewis Office Building | 3 | 30,000 |
| Dunlap Veterinary Clinic | .78 | 4,700 |
| Landwirth Building | 3.48 | 26,700 |
| TOTAL | 176.19 | 704,367 |



GROWTH CELL THREE

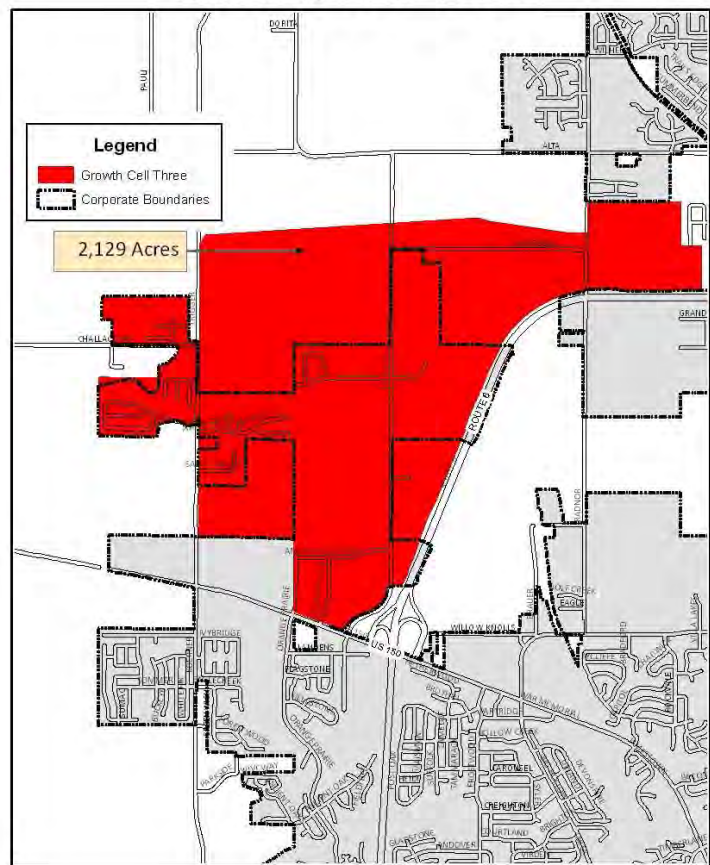
Growth Cell Three was created in response to the rapid development of residential land within Growth Cell One and the effort to utilize Growth Cell Two principally for commercial/industrial land uses. Approximately 2,129 acres were identified for mixed uses of residential and commercial growth within Growth Cell Three. Following the policy set forth for the previous Growth Cells, a City/Sanitary District agreement provided for the extension of sewer into Growth Cell Three.

Growth Cell Three is the largest area for controlled growth. Included in the planning process for Growth Cell Three were the City, County, Sanitary District, Dunlap School District, Illinois Department of Transportation and other agencies.

Growth Cell 3 combined with Cell 2 created the Fargo Run Concept Plan demonstrating how development could be enhanced and connected by including:

- Planned open space
- Bike/Walk Trail connections along streets and streambeds
- Natural vegetation within Erosion Control and Streambed Buffer Zones
- Residential, office, commercial, institutional, and industrial land uses connected by sidewalks, trails, and roadways

Growth Cell Three



From 1996 - 2008, building permits were obtained for 306 dwelling units and 69 Commercial Developments (59 Commercial Developments within the Shoppes of Grande Prairie).

1492.32 acres of land within Growth Cell 3 remains undeveloped, which accounts for approximately 70% of Growth Cell 3. The undeveloped land is comprised of 304.4 acres zoned as residential, 47.3 acres zoned as commercial, 15.1 acres zoned as office, 129.9 acres zoned as institutional, and 995.62 acres outside of the City limits.

Note that data of undeveloped land does not account for roads

GROWTH CELL THREE

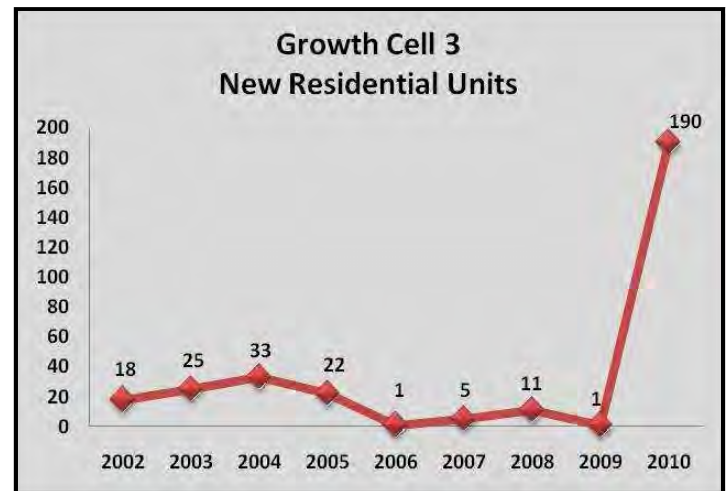
RESIDENTIAL

| <u>Final Plats</u> | <u>Acres</u> | <u>Platted Units</u> | <u>Status</u> |
|---------------------------|--------------|----------------------|---------------|
| Bridlewood | 36 | 10 | Platted |
| Timberbrooke | 46.9 | 98 | Platted |
| Villas at Grand Prairie | 38 | 41 | Partial |
| Grande Prairie Apartments | 8.7 | 160 | Platted |
| Waterstone | 49 | 48 | Partial |
| Wyndridge | 15.3 | 32 | Partial |
| Villas of Waterstone | 10.6 | 32 | Partial |
| TOTAL | 204.5 | 421 | |



NON-RESIDENTIAL

| <u>Description</u> | <u>Acres</u> | <u>Sq. Ft.</u> |
|--|---------------|------------------|
| Grande Prairie Mall (includes ancillary shops which are part of one Special Use = 59 Commercial developments) | 136 | 822,820 |
| Furniture Row | 14 | 57,800 |
| OSF Campus | 210 | 356,000 |
| Commercial | 0.6 | 4,200 |
| Wingate Motel | 2.11 | 47,386 |
| Grace Presbyterian | 59.5 | 63,862 |
| Peoria Sanitary | 37 | NA |
| Raylene's | .66 | 5,000 |
| Hampton Inn | 2.26 | 14,500 |
| Main Street Bank | 1.51 | 4,420 |
| Tilted Kilt | 1.5 | 6,042 |
| TOTAL | 465.14 | 1,382,030 |



EAST VILLAGE GROWTH CELL

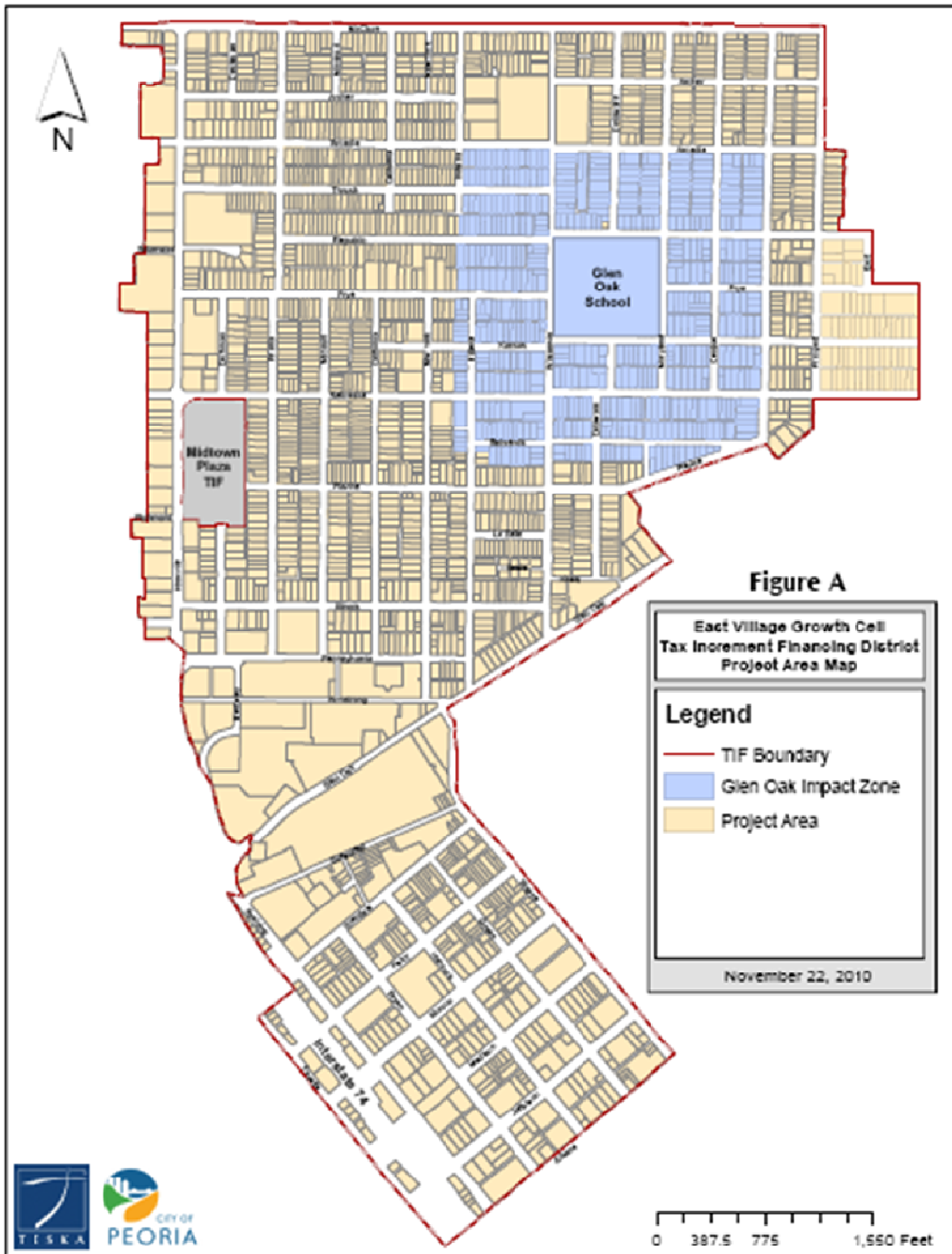
The East Village Growth Cell was created on March 22, 2011 through a Redevelopment Plan approved by the City Council. The East Village Growth Cell was not part of the original planned Growth Cells, and being in the interior of the City it is different in nature; however, it is consistent with the 1995 Growth Management Strategy. In recent years, the City has begun looking at redevelopment within the core of the City. This proposed project provides a new opportunity to apply the City's Growth Cell Strategy to the heart of the City; taking advantage of existing infrastructure and building upon existing public and private investment to capture a greater percentage of the region's growth. The East Village Growth Cell was not created to capture new housing starts, but similar to the originally planned Growth Cells, it was created to spur new development and increased investment in a designated area.

increased investment in a designated area.

With commercial corridors, residential neighborhoods, historic districts, and medical complexes, this diversity in the East Village Growth Cell provides many opportunities for the growth of a mixed-use neighborhood. This project would provide a mechanism to develop programs that facilitate the investment in residential areas, to provide redevelopment opportunities for commercial structures, encourage the preservation of historic structures and the redevelopment of affordable housing.

Peoria School District 150 has invested \$26 million to develop a new state-of-the-art, 126,000 square foot school. This entire development is designed to be a Neighborhood Center, which will be a key component in transforming the East Village Growth Cell.

In addition, the City has made, and is continuing to make, significant investment in the Glen Oak Impact Zone. Approximately \$3.6 million has been invested in infrastructure and housing improvements.



EAST VILLAGE GROWTH CELL

OSF Saint Francis Medical Center is one of the City's largest employers. Their investment in campus expansion, including the Milestone Building and the Simulation Center, shows a major commitment to this neighborhood, as does their City approved Official Development Plan. The TIF will provide opportunities for the City to partner with OSF and other area employers to continue to reinvest in the East Village Growth Cell. In addition, it will facilitate additional housing, retail, and restaurant opportunities within walking distance of major employers such as OSF.

The Tax Increment Financing District for the East Village Growth Cell produces additional funds to be available for improvements. In addition, the TIF District serves as a tool to encourage increased private investment in the core of the City.

The East Village Growth Cell is consistent with the goals of the 1995 Growth Management Strategy, as follows:

- Planned and integrated land use patterns in areas within and adjacent to the City: Located in the core of the City, a planned and integrated land use pattern is already in place. Future development and improvement in the East Village Growth Cell would be consistent with the planned future land use.
- Reduced sprawl: The East Village Growth Cell aids in reducing sprawl, as the area provides opportunities for infill development and improvements in the core of the City make the area more desirable. This in turn, lowers the need for residents to move from the core of the City and develop homes on outskirts of the City.
- Controlled costs of additional infrastructure to serve growth areas: Costs for additional infrastructure are controlled, as all infrastructure is in place. Infrastructure improvements will be needed; however, these are TIF eligible costs and funds can be used for such improvements.
- Increased City share of regional growth to ensure that the City remains financially viable: Improvements within the heart of the City will aid in population retention, which in turn aid in increasing the City's share of regional growth.
- Ability to attract and direct growth through the location of infrastructure: Growth will be attracted and directed in the East Village Growth Cell based on improvements to infrastructure.



BIKE/WALK TRAIL PLAN

On April 16, 2002, City Council adopted a Growth Cell Bike/Walk Trail Plan. That plan provided for an alternative sidewalk/walkway system for the purpose of providing connectivity. The plan would connect the residents of Growth Cell One to the Rock Island State Trail and establish a pedestrian walkway system.

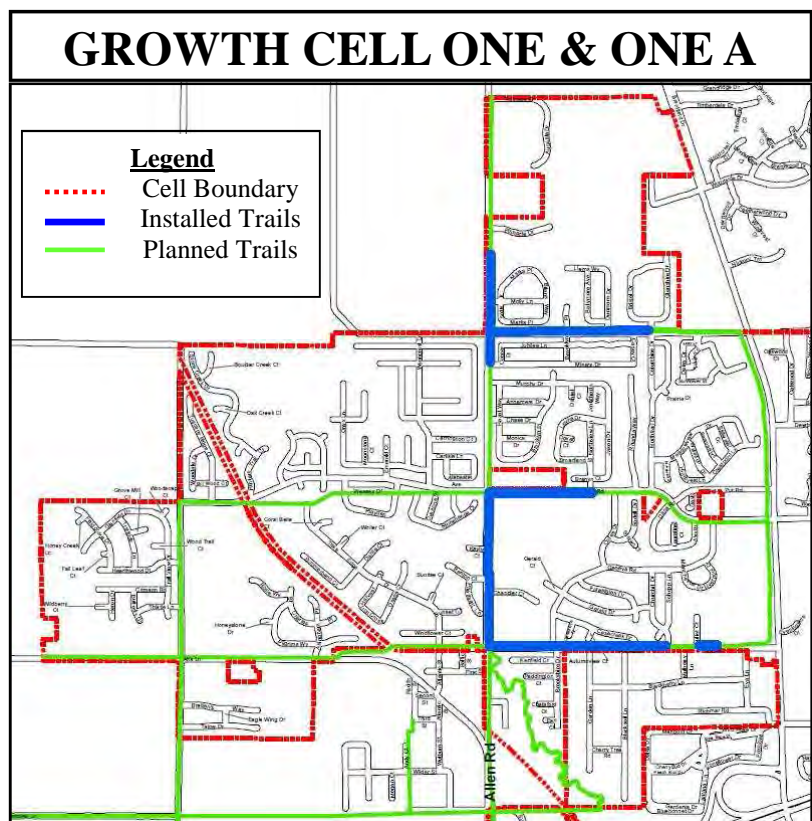
As Growth Cell One developed, other opportunities emerged for connection to an even larger area, such as a neighborhood park, commercial, office, and future development areas along Knoxville Avenue. On June 1, 2004, City Council approved an amendment to the Growth Cell One Bike/Walk Trail Plan and adopted Bike/Walk Trail Plans for Growth Cells Two and Three. As provided for in the City of Peoria Subdivision Ordinance, this created alternative sidewalk/walkway systems for the Growth Cells.

The benefits of a bike/walk trail system include economic growth, improved quality of life, enhanced natural beauty and open space, improved environmental quality, and increased property values.

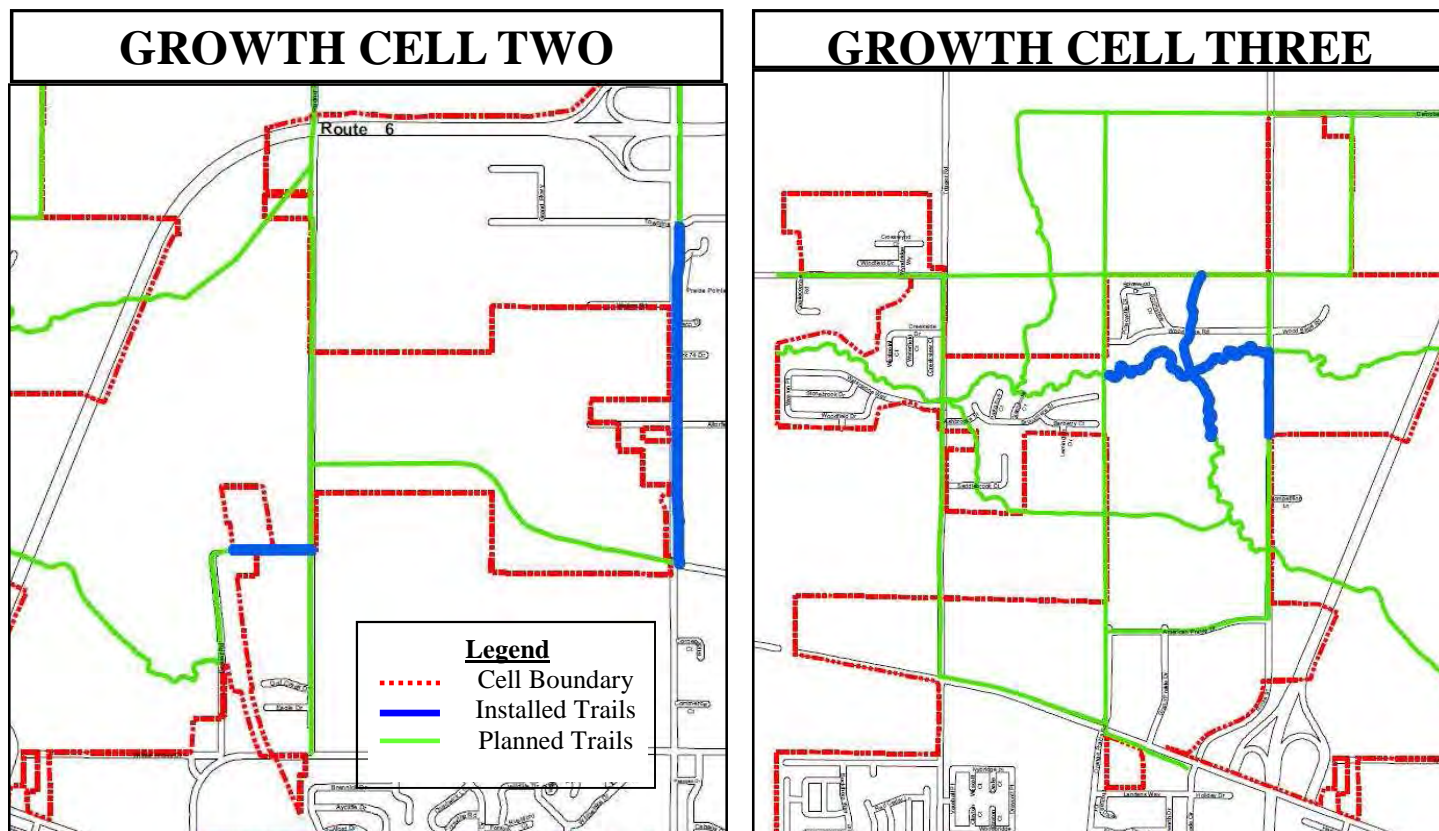
Over 30 miles of trail are planned within the Growth Cells. This Bike/Walk Trail Plan will create an interconnected system of usable open space, linear parks, and recreation trails connecting neighborhoods to neighborhoods and neighbors to neighbors, improving the quality of life for the residents of Peoria and surrounding communities.

Currently developers can either install a bike/walk trail or pay a fee in lieu equal to the cost of trail construction. Often trails are not installed until a later date when the original funds have diminished in value. The new Comprehensive Plan proposes installation upon development, shifting the true costs to the developer, rather than an inflated price in future years, paid by the taxpayers.

| Bike/Walk Trail Mileage | | |
|-------------------------|----------------------|------------------------|
| <u>Growth Cell</u> | <u>Planned Miles</u> | <u>Completed Miles</u> |
| Cell 1 | 8.40 | 2.49 |
| Cell 1A | 2.62 | 0.00 |
| Cell 2 | 5.38 | 0.91 |
| Cell 3 | 15.19 | 1.35 |
| TOTAL (IN CELLS) | 31.59 | 4.75 |



BIKE/WALK TRAIL PLAN



Planned trail locations are those adopted by the Council to be installed in the future.

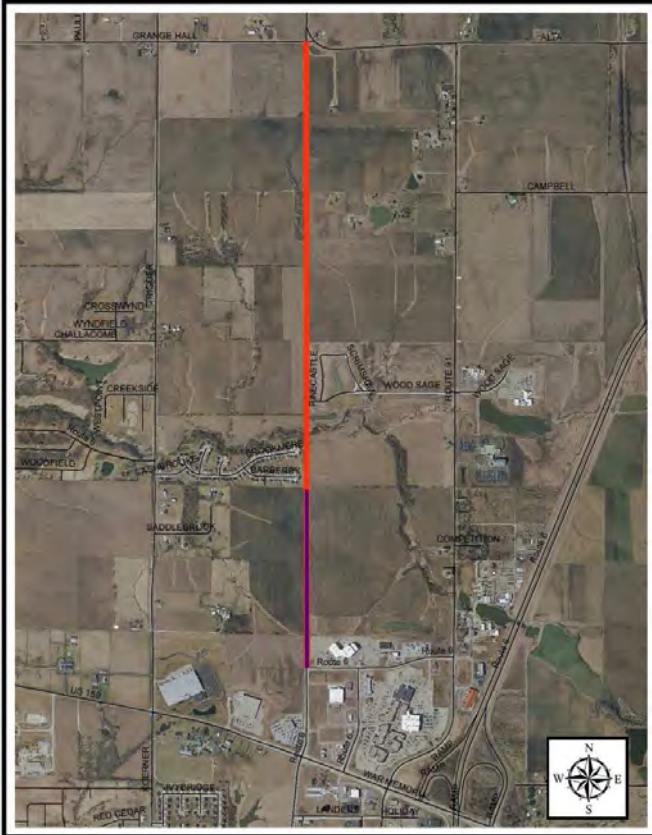
Not shown on these maps are the locations of 5 foot sidewalks that were installed prior to the passage of the bike/walk trail plans. These are principally within Cell One. Some developers chose to pay a fee in lieu rather than install the bike/walk trail. That portion of the trail will be installed by the City when additional development creates the need for connectivity. The current balance of that fund is approximately \$300,505.

In addition some developments have received approval of a bike/walk trail plan for a specific project. The trail will be installed with the development. In such cases, a letter of credit is held by the City that is equal to an estimated cost of this portion of the bike/walk trial. Should the development not occur, the developer has the option of installing the trail or releasing the funds to the City for the installation of the approved bike/walk trail.

ORANGE PRAIRIE ROAD

INTRODUCTION

Looking at the Growth Management Strategy and development within the Growth Cells, substantial infrastructure pieces, Orange Prairie Road and Pioneer Parkway, were identified as significant to the Growth Cells, as they provide connectivity within the area. Both infrastructure pieces were considered during growth cell discussion to provide transportation access to serve and promote economic growth in the Growth Cells.



Provided by Public Works

BASIC HISTORY: Orange Prairie Road is a proposed Principal Arterial as shown on the City's Street Plan and Thoroughfare Map. In 2009, the State Legislature provided funds to construct Orange Prairie Road from IL 91/Grange Hall Road/Alta Road at the north to US 150 (War Memorial Drive) at the south. The funding for the road is provided through an agreement with the Illinois Department of Transportation (IDOT).

PROJECT PLAN:

The City's role is to complete the planning, design, land acquisition, utility relocations, and construction of the road. While the project will not need to meet all of the Federal process, the project will be developed under rules for State projects. The City will need to comply with Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, publicly bid and award construction contracts, and comply with all applicable Executive Orders and Federal Highway Acts pursuant to the Equal Opportunity and Non-discrimination Regulations.

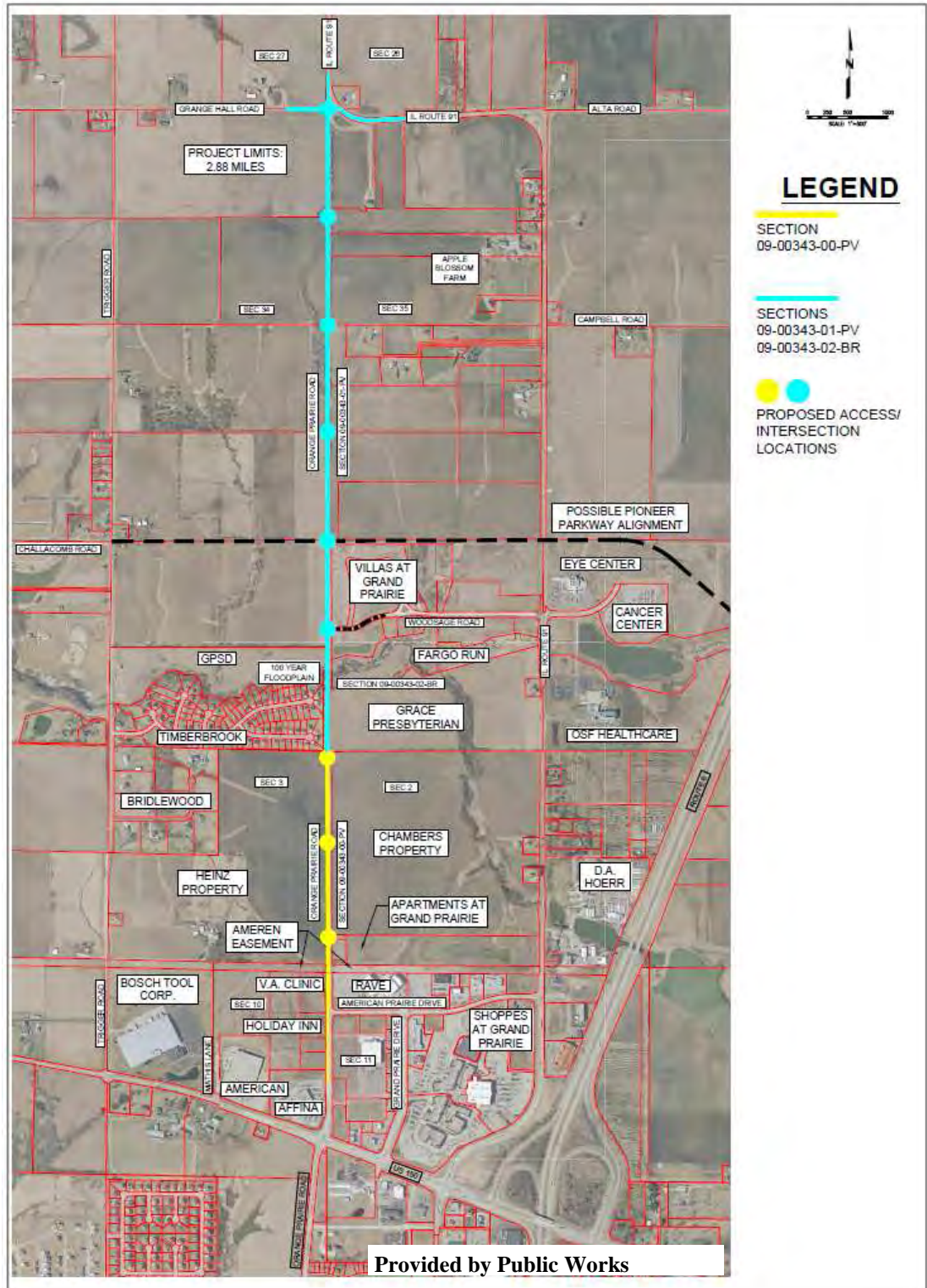
TIMELINE:

On March 4, 2010 staff issued a Request for Letters of Interest/Qualifications Statements for professional services for this project. On March 16, eleven (11) submittals were received. A review committee interviewed four short-listed firms and chose the firm of Farnsworth Group, Inc. as the best qualified firm to negotiate a scope of work for professional services. This firm's technical qualifications, knowledge of the project corridor, local staff and resources capable of the demanding timeline of this project were deciding factors. The Farnsworth Group, Inc. team for professional services includes the following parties: Farnsworth, Terra Engineering, Infrastructure Engineering, Huff & Huff, Whitney and Associates, Neff Valuation Group, CMT Engineers and Kaskaskia Engineering Group.

The contract with Farnsworth Group is for both Phase 1 and Phase 2 engineering. Phase 1 engineering includes preparing a location and environmental study to determine the alignment; environmental and historical issues and construction limits of the project; intersections design studies; estimate of costs; right-of-way acquisition and public involvement. Phase 2 engineering includes the design of the roadway. Once ROW is acquired and IDOT has approved the design plans, construction of the south segment of roadway from US 150 (War Memorial Drive) to a point just south of Fargo Run Creek can be constructed, which is anticipated to be completed 2011. Construction of the remaining north portion of the roadway, from the terminus of the southern segment to the intersection with IL 91 (Grange Hall Road/Alta Lane), is anticipated in 2012.

ORANGE PRAIRIE ROAD

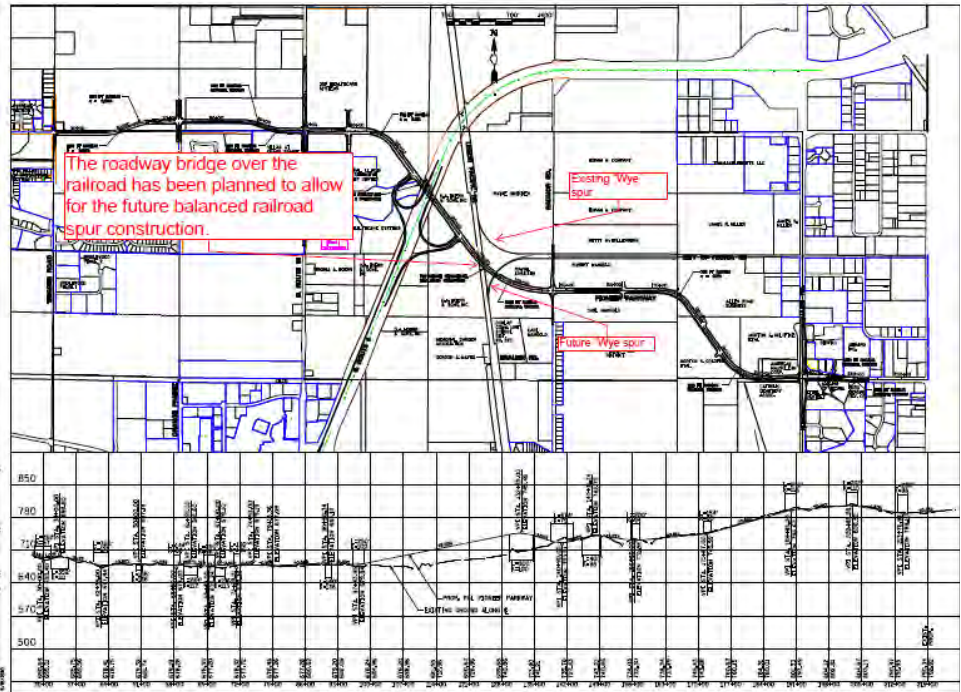
COST: IDOT has agreed to reimburse the City the amount of \$15,000,000 for the design and construction of Orange Prairie Road from IL 91/Grange Hall Road/Alta Road at the north to US 150 (War Memorial Drive) at the south. The City has no other funds allocated to this project and therefore intends to design and construct this project within the allowable State funds.



PIONEER PARKWAY EXTENSION

BASIC HISTORY

The purpose of this project is to provide transportation access to serve and promote economic growth in Growth Cells Two and Three (Growth Cells). This proposed road will traverse the Growth Cells and provide vehicular access to the interstate highway system via a proposed interchange with Illinois Route 6. The justification study for the new freeway access was completed by the Illinois Department of Transportation in 2000. The IDOT study also supported the westerly extension of Pioneer Parkway to connect to the new interchange.



PROJECT PLAN

This project involves the extension of Pioneer Parkway on a new **Provided by Public Works** alignment. This new, major arterial roadway will support planned development of the area identified for coordinated, beneficial growth management by the City of Peoria, Peoria County, and the Greater Peoria Sanitary District. The proposed roadway extension will begin at the intersection of Allen Road and Pioneer Parkway and continue west to intersect Trigger Road. The project will include a new interchange at IL Route 6, and a new bridge over an existing railroad. The length of the project is approximately 3 miles. The roadway will connect to existing roads at Radnor Road, IL Route 91 and Trigger Road, and will connect to the planned extension of Orange Prairie Road.

TIMELINE

Preliminary engineering studies for this project began in 2001. The City received federal and State approval of the project Environmental Assessment in February, 2011. Design Report approval is anticipated in summer/fall, 2011. The project will be built in multiple phases as funding allows, and could be implemented over a period of five to fifteen years or more. The first phase of construction will be the improvement of the Allen/Pioneer Parkway intersection and the first leg of the westerly extension, at an estimated current cost of \$5,000,000.

COST

The 2011 project cost estimate is \$45 – 50 million. The City will pursue State and Federal highway grants for this project. Motor Fuel Tax dollars can be used for the City's local match for future highway grants. Construction of some portions of the project could be facilitated by future developer or annexation agreements.

PIONEER PARKWAY/RAIL SERVICE

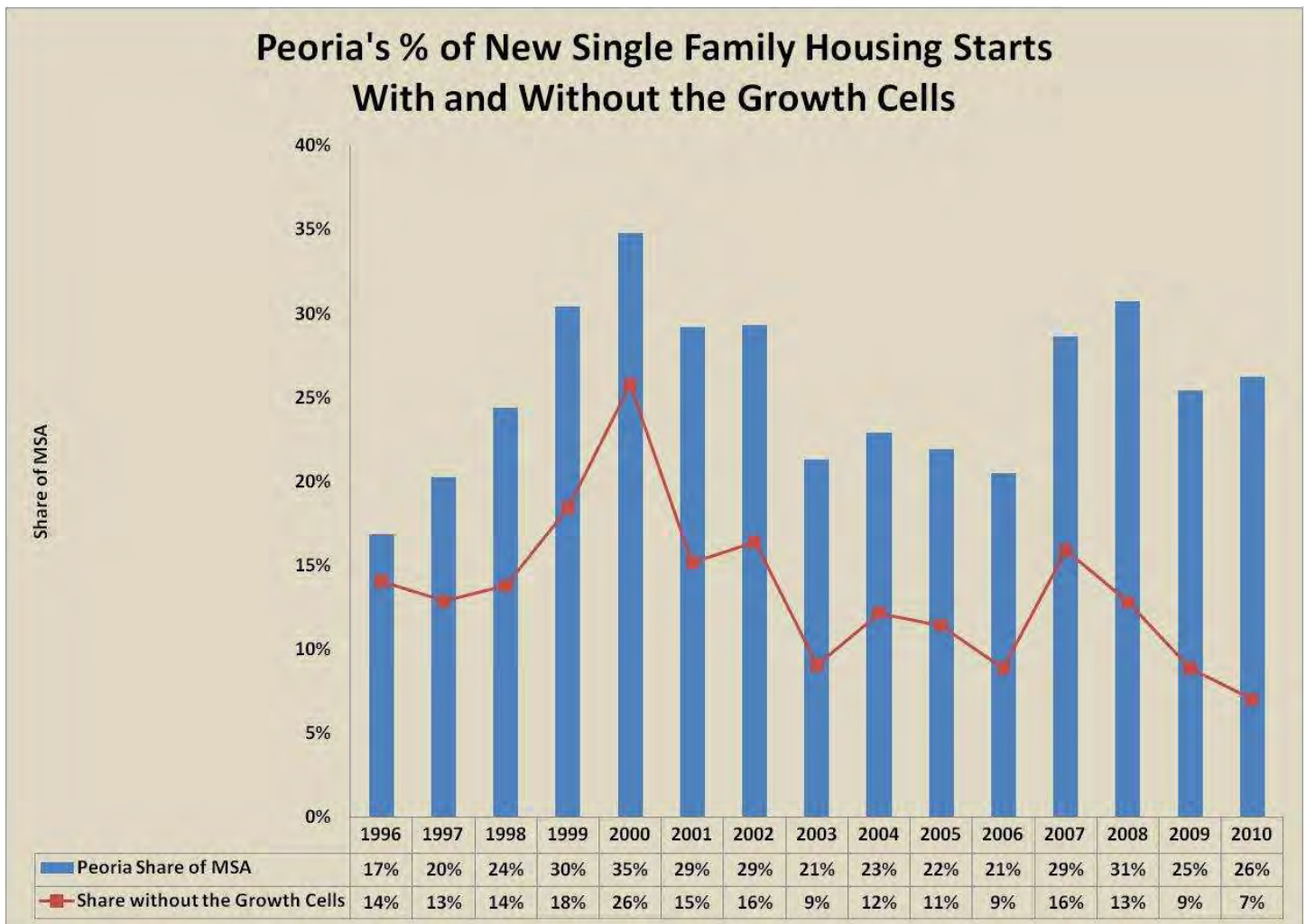
The proposed Pioneer Parkway roadway bridge over the Union Pacific railroad lines has been planned to allow for a future balanced railroad spur (a wye spur) to provide enhanced rail service to Growth Cell Two.

PROGRESS

SINGLE FAMILY HOUSING STARTS

One of the primary reasons for the development of the Growth Cell Strategy was for the City of Peoria to regain and retain the historic 1/3 share of the housing units, and by inference, population of the MSA. In the decade prior to the launch of the Growth Cell Strategy, the surrounding suburban communities were capturing an increasingly larger share of new housing development, as they were offering the type of suburban subdivision development that appealed to a broad cross-section of the population.

As the chart below indicates, since the launch of Growth Cell One in 1996, Peoria has been able to maintain a 1/4 share of new single family housing unit development in the MSA. In 2010, the City of Peoria captured 26% of all new single family dwelling units within the MSA. Without the Growth Cells, the City would have captured only 7% of new single family dwelling units. While there has been housing unit development in Peoria outside of the Growth Cell areas (as indicated by the red line), without the development within the Growth Cells, Peoria would have continued to lose the proportional share of housing starts to other communities in the MSA at a rapid pace.



Source: US Census Bureau (MSA and City Data)
City of Peoria (Growth Cell Data)

PROGRESS

RESIDENTIAL DWELLING UNITS

The chart below depicts the number of permits issued for residential units (both single family and multiple family) in the Growth Cell areas on an annual and cumulative basis. While the annual number of new units decreased with the national housing downturn in 2008 and 2009, there was recovery in 2010 due to the addition of a large number of apartment units.

**New Residential Units in the Growth Cells
1996 - 2010**

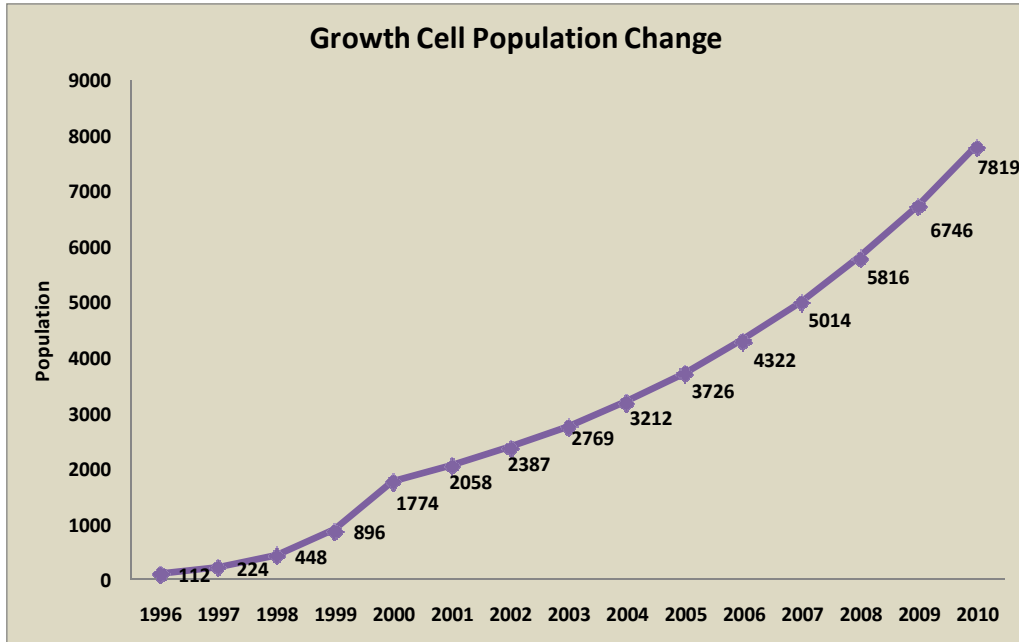


Source: City of Peoria Building Permit Data

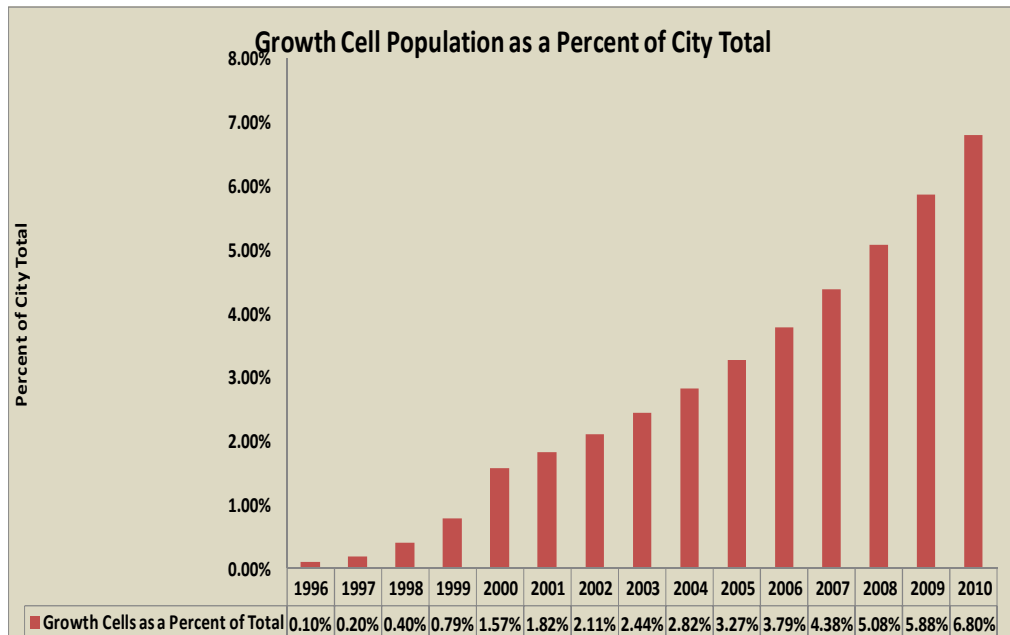
PROGRESS

POPULATION CHANGE

The City of Peoria's rate of capture of MSA population has remained relatively unchanged at approximately 1/3 of the total population; however, the City's population increased by 2,071 people from 2000 to 2010 and the population within the growth cells has continued to increase yearly, with an increase of 6,045 people from 2000 to 2010. It is therefore possible that the Growth Cells have helped in retaining the City's historical 1/3 share of the MSA population.



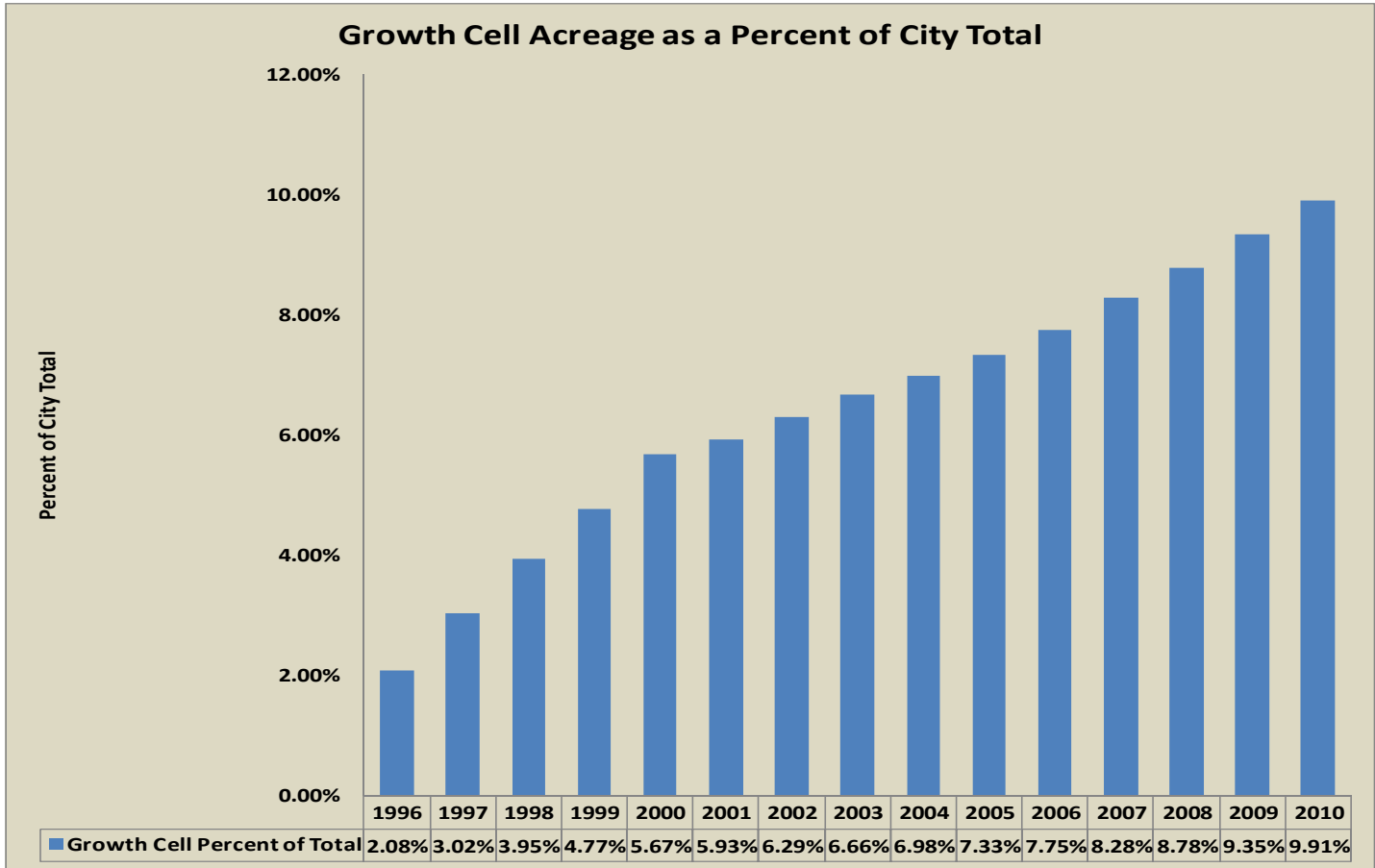
In 1996, the Growth Cells represented 0.10% of the total City population and in 2010 the Growth Cells represent approximately 7% of the City's total population.



PROGRESS

GROWTH CELLS ACREAGE

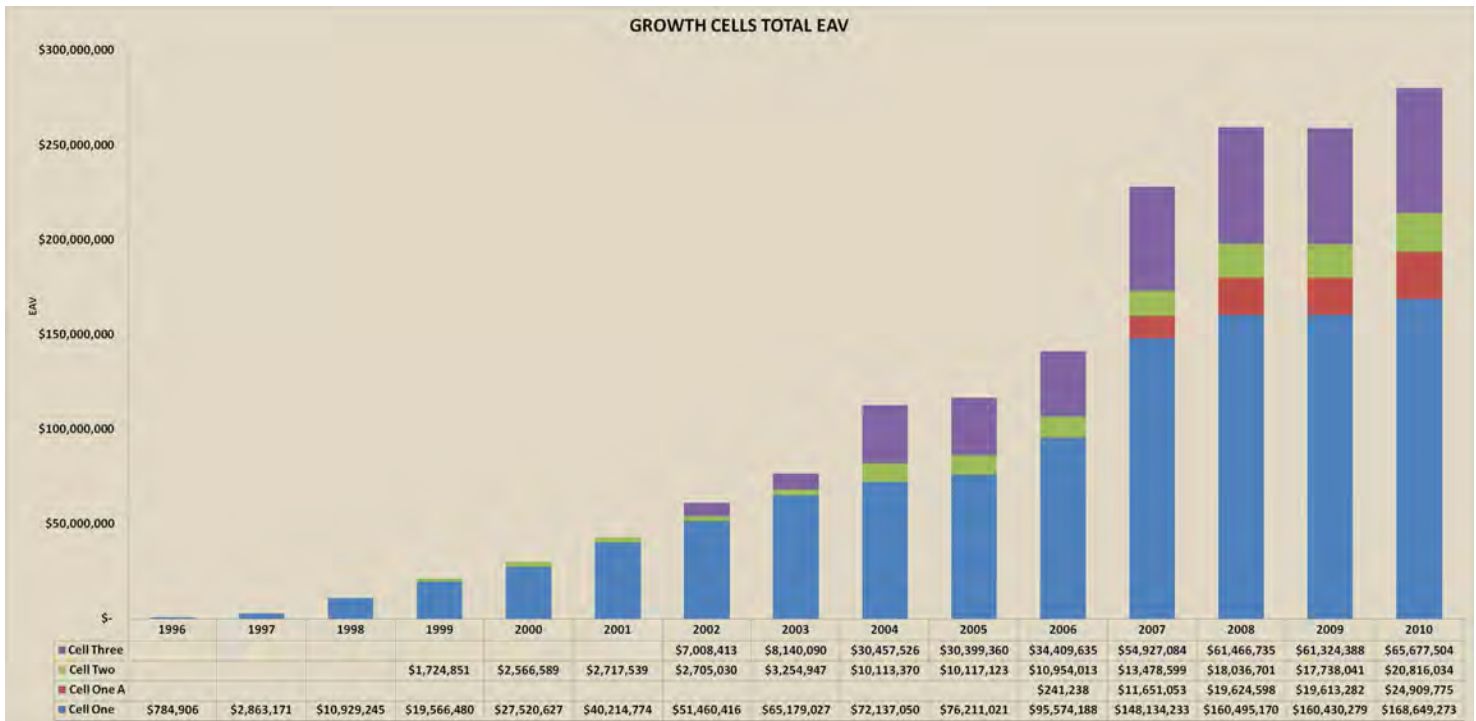
In 1996, the Growth Cells represented approximately 2% of the total area of the City. The Growth Cells grew to encompass approximately 10% of the total area of the City in 2010. While representing 10% of the total area of the City and 7% of the total population, the Growth Cells account for 13% of the EAV.



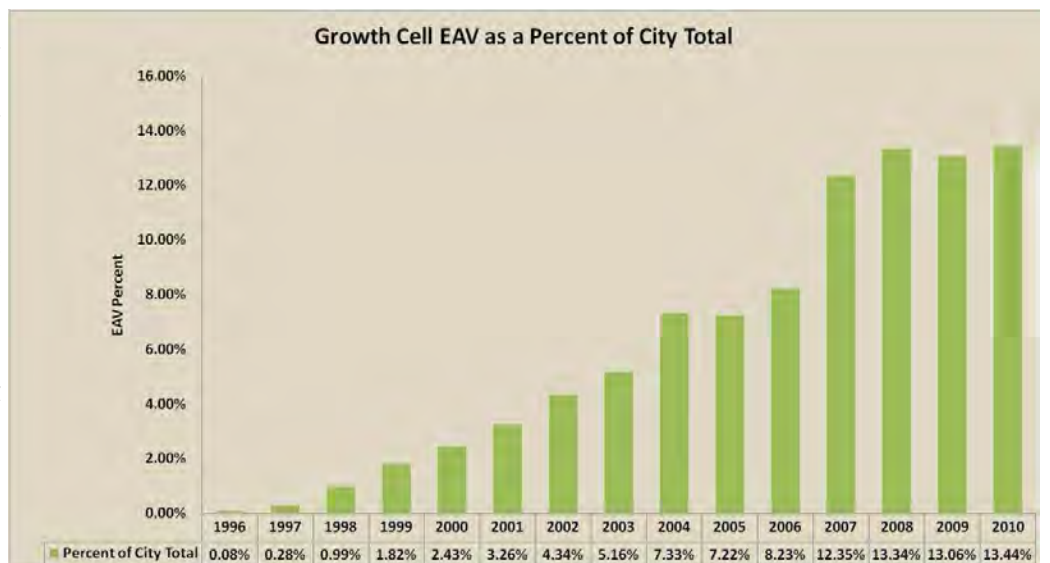
PROGRESS

EQUALIZED ASSESSED VALUATION (EAV)

One method of determining the value of new development is to track the growth of the equalized assessed valuation for properties. The EAV is 1/3 of the perceived market value for the land and any improvements on the land for each parcel in Peoria. The chart below indicates the growth of the EAV for the four existing Growth Cell areas. It should be noted that the total EAV cannot necessarily be used to calculate property tax revenue, as exemptions will reduce the actual taxable value of the property. However, it is clear from the data below, that the Growth Cell areas have significantly increased in value since 1996.



In a related calculation, the total current EAV for the City of Peoria is \$2.2 billion. The EAV for the areas of the City annexed from 1995 through 2009 (constituting all of the Growth Cells plus some additional new development areas) is \$259 million; the estimated EAV for 2010 is \$280 million. The post-1995 areas represent approximately 13% of the total EAV for the City, while accounting for only 10% of the acreage.



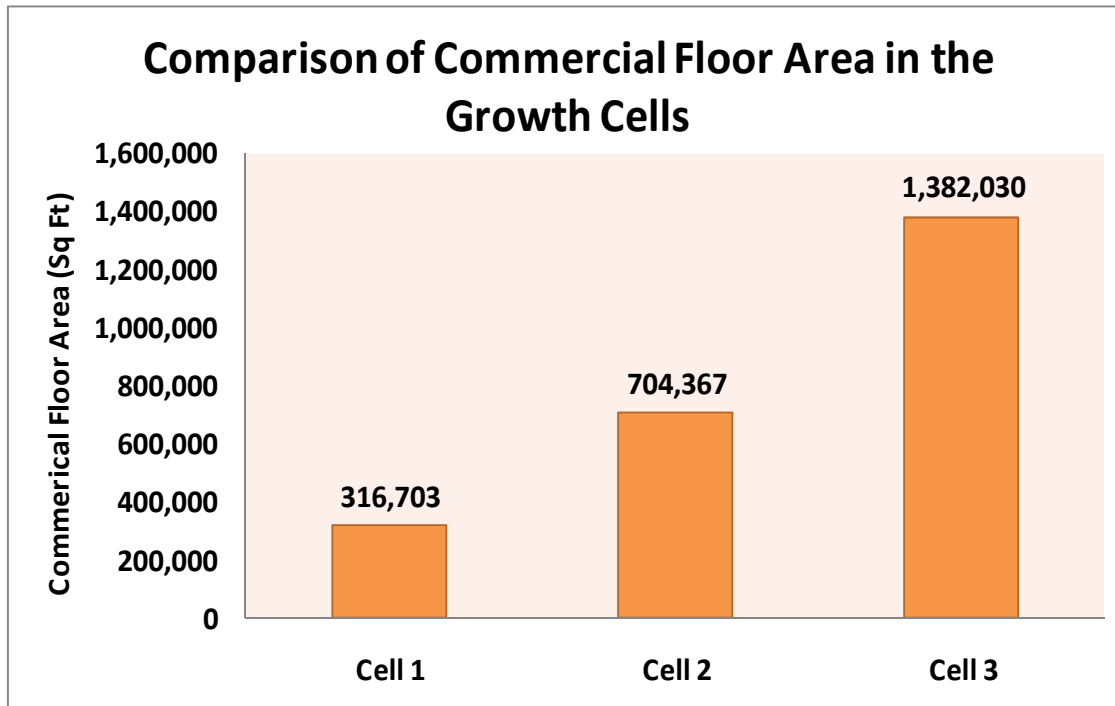
Source: *City of Peoria*
Note that 2010 data is estimated

PROGRESS

COMMERCIAL DEVELOPMENT

Total commercial development within the Growth Cells has reached approximately 2,403,100 square feet of floor area, with Growth Cell Three containing the largest amount of commercial development.

Although Growth Cell One was designed as a residential development area, Growth Cells Two and Three have been planned and developed with a more diverse land use base, allowing the development of services that cater not only to the residential population of the Growth Cells, but to the larger population of the Peoria MSA. Additional commercial development has occurred as a result of the Growth Cell effort, however, the development occurred outside of the Growth Cell boundary. For example, the VA Clinic, American TV, Home Depot, Country Inn and Suites, CEFCU, and Candlewood Suites all developed just outside of the Growth Cell boundary.



Source: City of Peoria

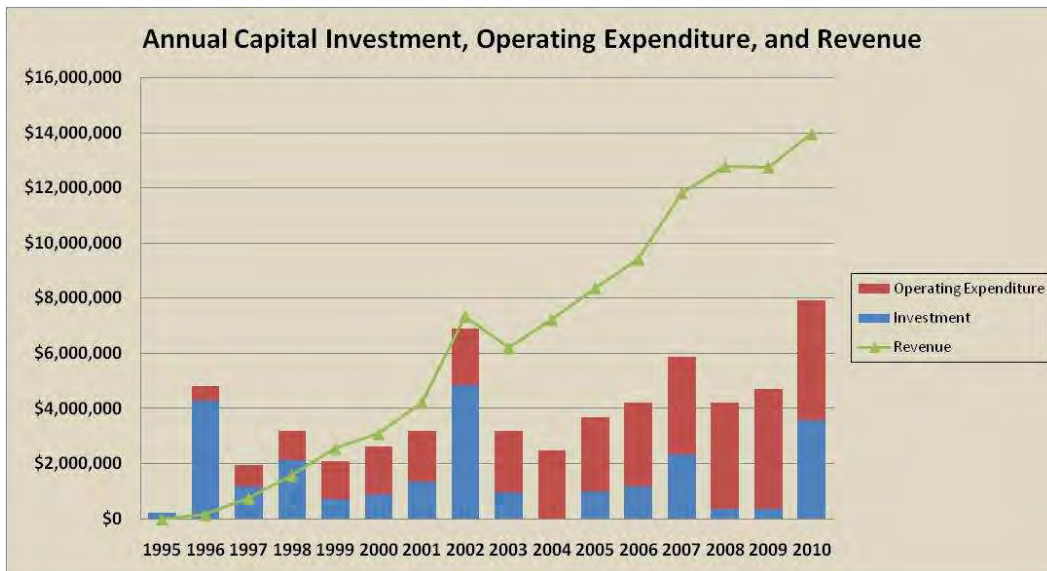
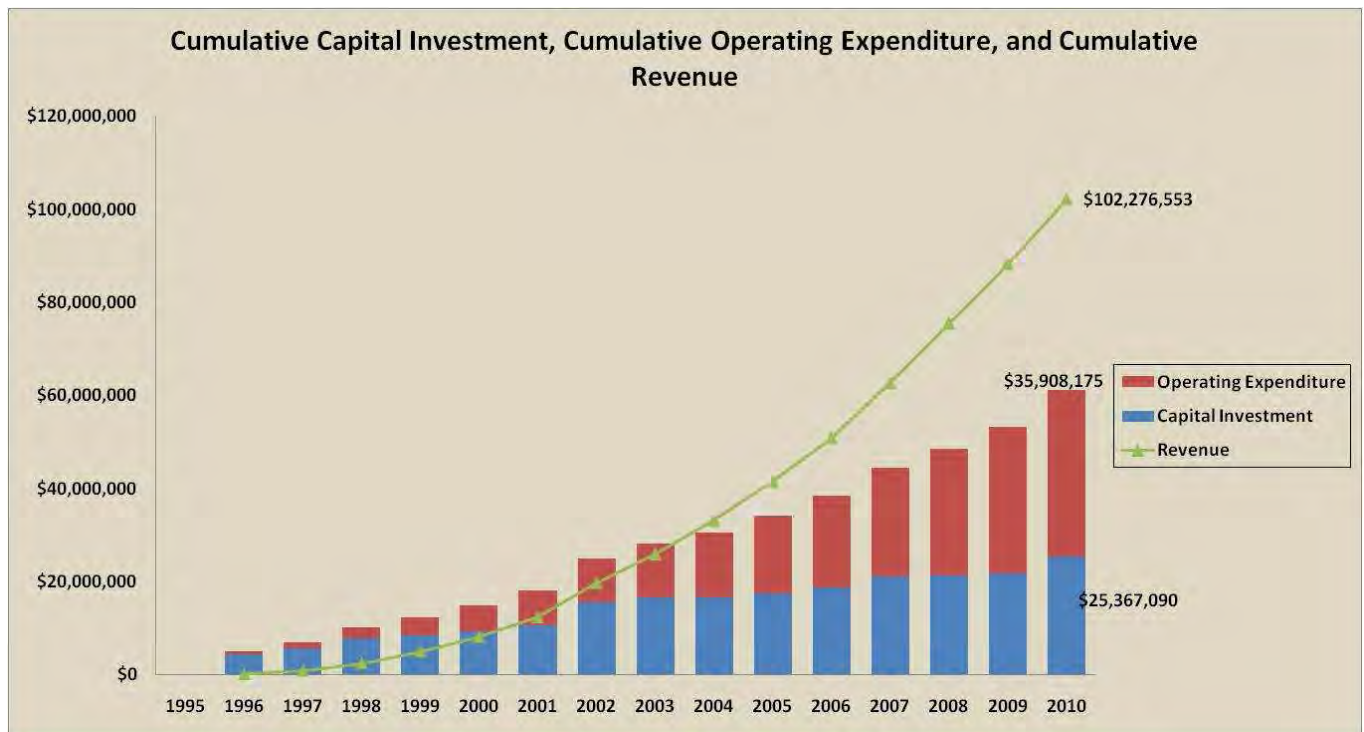
- Within Growth Cell Two, a 22-acre Super Wal-Mart site. Recent developments within Growth Cell Two include Double A Pizza and Mini Max Storage.
- Growth Cell Two contains an estimated 51 acres of public use including a school and public golf course.
- Growth Cell Three, which contains approximately 2,129 acres, includes the 136-acre regional shopping center, The Shoppes at Grand Prairie and the 210-acre OSF Health Care Facility. Recent developments within the Growth Cells include OSF Data Center which totals 76,000 square feet.

PROGRESS

INVESTMENT IMPACT

From 1996 through 2010, the City of Peoria has invested approximately \$25 million in funds (which includes approximately 3.7 million in debt service costs for sewers) in the Growth Cells. This investment has resulted in the several major improvements.

From 1996 through 2009, the investment the City made in the infrastructure within the Growth Cells has resulted in an increase in the EAV from approximately \$784,906 to approximately \$259 million, generating approximately \$14 million in revenue to the City of Peoria in 2010. To date, the City has invested \$61,275,265 and has generated \$102,276,553 in revenue to the City.



The chart to the left provides a breakdown of Capital Investment (includes cost for debt service for sewers), Operating Expenditure, and Revenue on an annual basis, with approximately \$14 million in revenue generated in 2010.

PROGRESS

Previous reports only took into account the impact of residential growth within the Growth Cells, primarily property tax revenue. This report, however, looks at both commercial and residential. Major contributors to commercial related revenue within the Growth Cells are HRA tax and sales tax.

One approach to calculation sales tax revenue is based on the location of the parcels that actually produce sales tax. As sales tax revenue is not available on a parcel by parcel basis, several assumptions need to be made with this approach. First, that the great majority of all sales and HRA tax revenue in Peoria is produced from parcels zoned C1, C2, CN, CG, and B1. Second, that because of the relatively large land area constituted by these zoning classifications (2,209 acres) and the variety of commercial uses throughout the City, it can be assumed that an average tax revenue per acre can be a generally accepted number.

The total commercial area (C1 & C2) in the Growth Cells is 326 acres. The most recent (2010) total sales/HRA tax revenue for the City was \$51.5 million. This would translate into approximately \$23,000 of revenue per acre. By taking this average and the known commercial acreage in the Growth Cells, it can be projected that the total sales/HRA tax revenue in 2010 from the Growth Cells was approximately \$7.7 million.

The Growth Cells contain an estimated population of 7,819 which had the potential to be lost to areas outside the City's boundaries without opportunities for new residential development. Note that two special censuses were conducted, one in 2004 and one in 2007. The total impact on the City was 8,455 additional persons and 3,653 additional housing units, resulting in approximately \$4,173,760 in total revenue to the City of Peoria through 2010.

In addition, while there was less new single family development nationwide and within the City of Peoria from 2008 to 2010, the City was able to capture a approximately 26% of all new single family housing starts within the MSA. The number of new single family home starts within the US declined by 5% from the 2009 to 2010, while the MSA increased by 7% and the City of Peoria increased by 11%.

CONCLUSION

In conclusion, comparisons of data within the Growth Cells between 1996 and 2010 find that the Growth Management Strategy has contributed to the City of Peoria retaining and/or increasing its share of regional housing starts, population, and tax base.

From 1996 to the present the City of Peoria has been able to capture approximately 1/4 of all new single family residential housing units within the MSA. Without the Growth Cells, the City would have only captured 7% of all new single family housing development in 2010.

In 1996, when development began in the Growth Cells, the Growth Cells accounted for 3% of all new single family residential dwelling units within the Peoria MSA (Tri-County Area). In 2010, the Growth Cells accounted for 19% of new residential units within the MSA. In 2010, instead of capturing 26% of new single family residential development within the MSA, the City would have captured 7%, as the majority of new residential growth which occurred in 2010 occurred within the Growth Cells.

In 2010, for the first time since 1970, the City of Peoria's population experienced an increase. The City of Peoria grew from 112,936 in 2000 to 115,007 in 2010. This population increase aligns with Dr. Scott's predictions from his Economic Analysis of the City of Peoria's Growth Management Strategy from 2004. The growth cells alone grew from 1,774 in 2000 to 7,819 in 2010. Dr Scott predicted that as a result of the Growth Cells, the City of Peoria's population would be 118,000 by 2020.

CONCLUSION

The population increase from the 2010 Census is evidence that the Growth Cells have aided in permitting the City of Peoria to overcome its population decline. From 2000 to 2010, 25% of the new population growth within the MSA occurred within the City of Peoria and on average 25% of the new single family housing starts within the Tri-County Area occurred within the City of Peoria. Without land within the City to build, it is possible that new construction and therefore population growth would have occurred outside of the Peoria City limits.

In 1996, the Growth Cells comprised 0.08% of the total City EAV and in 2009 the Growth Cells comprise 13% of the total City EAV and are projected to comprise approximately 14% of the EAV in 2010. From 2006 to 2007, the EAV within the Growth Cells increased by 68% and from 2007 to 2008 the Growth Cell EAV increased by 14%. From 1996 through 2009, the Growth Cell EAV rose from approximately \$784,906 to \$259 million, resulting in an increase in property tax revenue from \$10,252 in 1996 to \$3.9 million in 2010.

In summary, based on the calculations and assumptions used in this report, the following expenditures and revenues are reported for the Growth Cells from 1996 to 2010:

| | |
|--|----------------------|
| Revenue | \$102,276,553 |
| Capital Expenditure | -\$25,367,090 |
| Operating Expenditure | -\$35,908,175 |
| Difference Between Revenue and Expenditures | \$41,001,288 |



