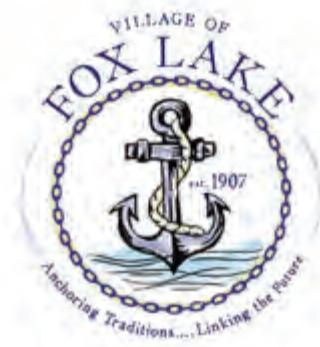


ROUTE 12 SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

Redevelopment Plan & Program



Fox Lake, IL

REPORT
September 2021

**ROUTE 12 SOUTH
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN & PROGRAM**



September 2021

Prepared by:
Teska Associates, Inc.



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INTRODUCTION

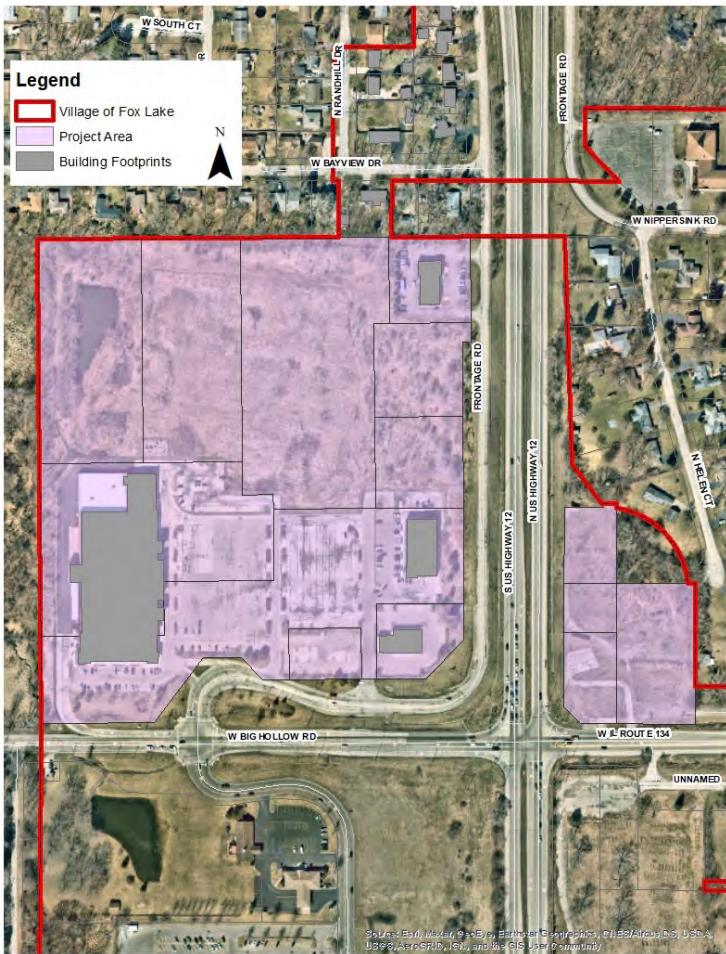
This report documents the Tax Increment Redevelopment Plan and Program (the “Redevelopment Plan”) for the Village of Fox Lake Route 12 South Tax Increment Financing Redevelopment Project Area (the “Project Area”). The Redevelopment Plan has been prepared for use by the Village of Fox Lake (the “Village”) by Teska Associates, Inc. The proposed Redevelopment Plan seeks to respond to a number of deficiencies, challenges and needs within the Project Area, and is indicative of a strong commitment and desire on the part of the Village to improve and revitalize the Project Area. This document is intended to provide a framework for improvements and reinvestment within the Project Area over the next 23 years.

The Village’s current comprehensive plan, which was adopted in 2012, encourages continued economic development within the Village, and highlights specific recommendations for the Project Area. The comprehensive plan encourages continued commercial development and redevelopment along the Route 12 corridor and south Route 12 corridor specifically, as well as infrastructure improvements throughout the Village.

The Project Area primarily includes the Fox Crossing shopping center and adjacent vacant properties, which is currently partially developed. Due to the unique nature of this site, and the extraordinary challenges necessary for redevelopment including issues related to soils that are preventing further development, the Village is exploring tax increment financing. To this end, the Village retained the planning consulting firm Teska Associates, Inc. to assist the Village in the creation of a new Redevelopment Project Area (also referred to as a “TIF district”) covering the Caterpillar site. Teska has conducted the necessary field surveys, site evaluations, and identified key redevelopment opportunities and necessary public improvements within the Project Area, and this Redevelopment Plan summarizes the analyses and findings of the consultant’s work. The Village is entitled to rely on the findings and conclusions of this Redevelopment Plan in designating the Project Area as a “redevelopment project area” under the **State of Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 as amended**, the “Act”. Teska has prepared this Redevelopment Plan and the related Eligibility Study with the understanding that the Village would rely on: (a) the findings and conclusions of the Redevelopment Plan and associated Eligibility Report in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan; and (b) the fact that Teska has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Study will comply with the requirements of the Act.

Tax Increment Financing

Tax increment financing is permitted in Illinois under the "Tax Increment Allocation Redevelopment Act" (**Chapter 65 ILCS 5/11-74.4-1, et seq.**) of the Illinois Statutes, as amended (hereinafter the "Act"). Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. In addition to describing the redevelopment objectives, this Redevelopment Plan sets forth in general terms the overall program to be undertaken to achieve these objectives.



The Act permits municipalities to improve eligible "conservation" or "blighted" areas in accordance with an adopted Redevelopment Plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be repaid with the revenues generated by increased assessed values of private real estate within a designated project area. This taxing power is only applied to the increase in equalized assessed valuation generated within the designated project area during the limited term of the Redevelopment Plan, principally increased equalized assessed valuation from new private development.

REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Project Area were carefully established in adherence to the eligibility criteria and include only those parcels which would benefit by the proposed Redevelopment Plan. The Project Area generally consists of properties located at the northwest corner of IL Route 12 and Big Hollow Road and consists of fourteen (14) parcels totaling approximately eighty (80) acres. Existing land uses within the Project Area are illustrated in "Figure B - Existing Land Uses".

Table 1: Existing Land Use *	
Existing Land Use	Land Area (Acres)
Commercial	36
Vacant	26
Rights-of-way	18
TOTAL	80

Table 2: Existing Housing Units **	
Type	Units
Single-Family	0
Multi-Family	0
TOTAL	0

* The intended relocation of ten (10) or more residential units, or the presence of seventy-five (75) or more residential units requires the preparation of a Housing Impact Study. Therefore, a Housing Impact Study is not required to be included in this report.

Figure 1 - Boundary Map



Legend

 TIF Boundary  TIF Parcels

1 inch = 355 feet



Figure B - Existing Land Use

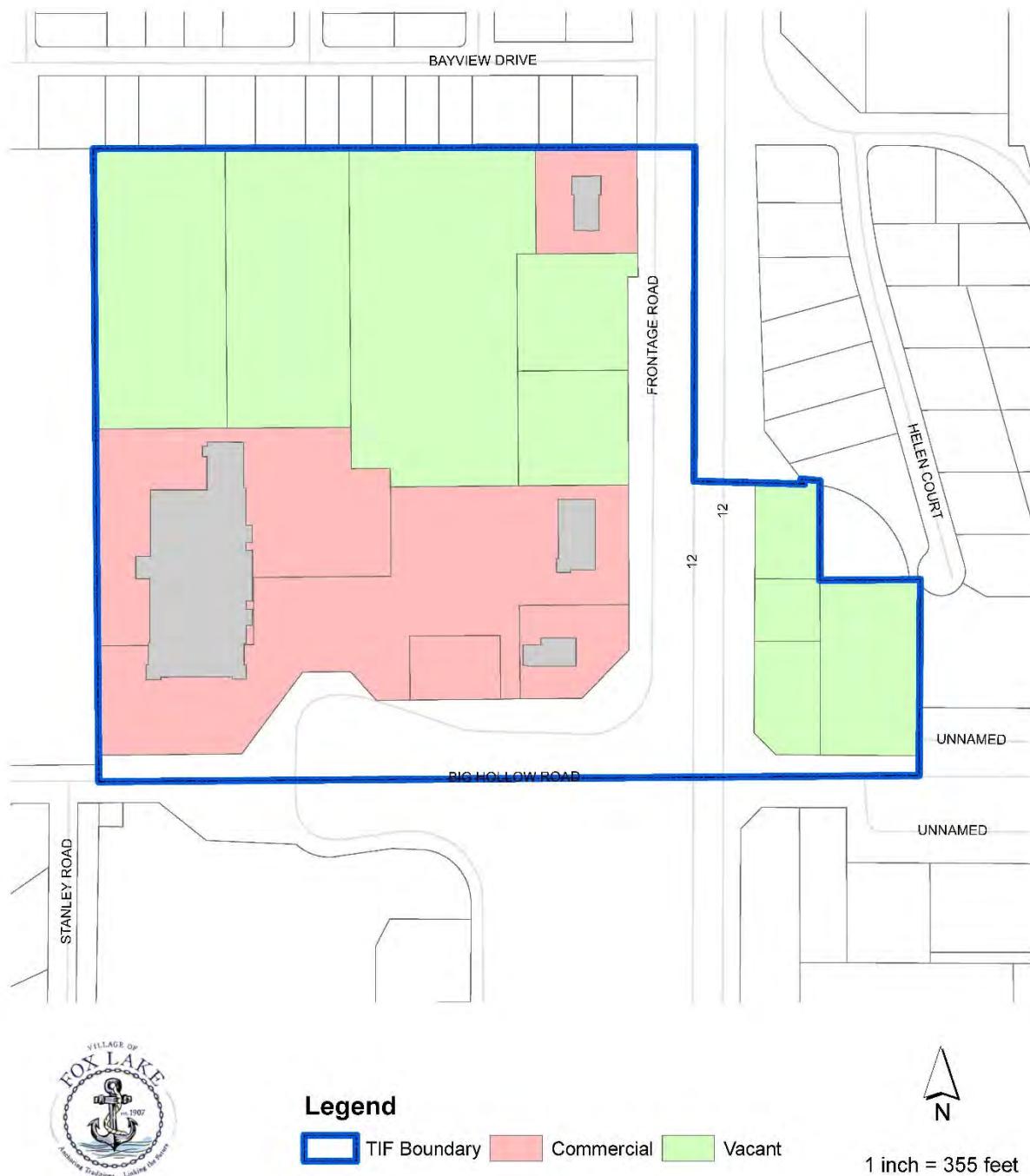
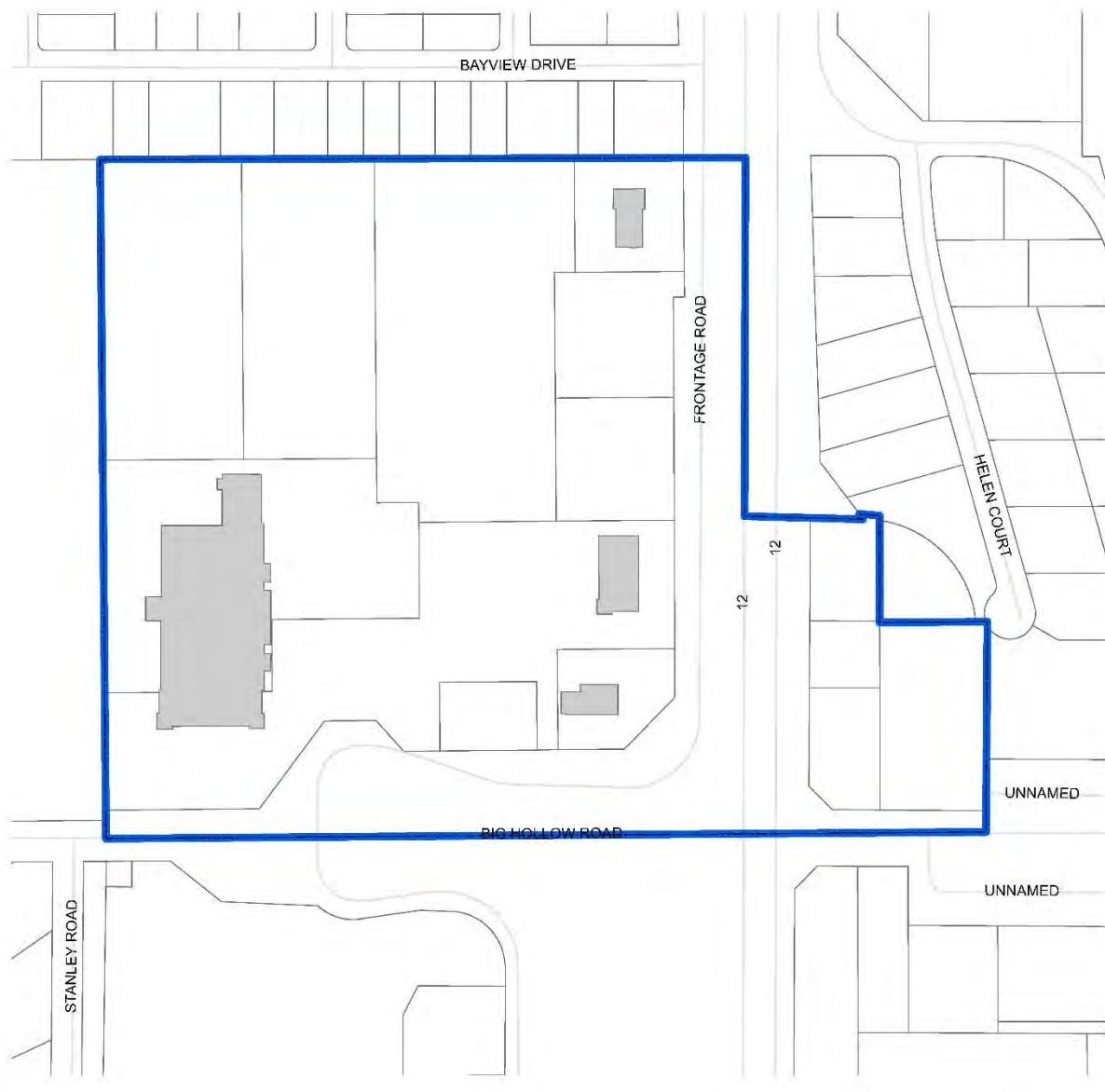


Figure C - Residential Units



Legend

TIF Boundary Residential

1 inch = 355 feet



Summary of the Eligibility of the Proposed Project Area TIF District

In May of 2020 and again in June of 2021, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the Project Area. These “Eligibility Findings” indicate that the proposed Project Area meets the statutory requirements of a “blighted area” and is therefore eligible for designation as a Redevelopment Project Area as defined in the Act.

As detailed in Appendix A – Tax Increment Financing Eligibility Report of this Redevelopment Plan, the Project Area is eligible for designation as a “blighted area” due to the predominance and extent of the following characteristics:

1. Deterioration
2. Below code standards
3. Inadequate utilities
4. Environmental remediation
5. Decline in equalized assessed value



In addition, the vacant parcels within the Project Area qualify individually under the vacant land criteria in the Act, exhibiting the following characteristics:

1. Unused mines/quarries
2. Illegal dumping

Each of these factors contributes significantly to the eligibility of the Project Area as a ‘blighted area.’ These characteristics point towards the need for designation of the Project Area as a “blighted area” to be followed by public intervention in order that redevelopment might occur.

REDEVELOPMENT PLAN & PROGRAM

The revitalization of the Project Area presents challenges and opportunities for the Village of Fox Lake. The success of this effort will depend upon cooperation between private investment and local government. Public and private development efforts have not yet been able to stimulate the comprehensive revitalization of the Project Area. The adoption of this Redevelopment Plan will assist with the rehabilitation of the existing shopping center and development of undeveloped commercial properties, as well as implementation of the goals and objectives of the Village's Comprehensive Plan, which otherwise could not reasonably be anticipated to occur without the adoption of this Redevelopment Plan. Through public investment, the area will become more attractive to private investment.

The Act describes the Redevelopment Plan as "*the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment project area as a blighted area or conservation area ..., and thereby serves to enhance the tax bases of the taxing districts which extend into the redevelopment project area.*"

The successful implementation of the Route 12 South Redevelopment Project Area Plan & Program requires that the Village take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Project Area will not reasonably be developed and improved without the use of such incremental revenues.

Purpose of the Redevelopment Plan

Pursuant to the Act, the purpose of a Redevelopment Plan is to promote the health, safety, morals, and welfare of the general public by:

- < Eradicating blighting conditions and instituting conservation measures;
- < Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
- < Improving existing public utilities and infrastructure within the area; and
- < Enhancing the overall quality of the business environment in the Village of Fox Lake.

Redevelopment Plan Goals and Objectives

The aim of the Redevelopment Plan is the revitalization of the Project Area as a strong and attractive commercial center, which will contribute to the health and vitality of the Village of Fox Lake. The goals and objectives of the Redevelopment Plan include those articulated in the Act, and those stated in the Village of Fox Lake Comprehensive Plan. The goals and objectives outlined in the Comprehensive Plan which relate to this Redevelopment Plan are summarized below:

Add value to properties and increase economic viability and opportunities for employment and shopping, building upon the area's unique tourism potential. (Page 25)

Recruit more year round businesses to serve residents' needs and to attract more visitors during the offseason. (Page 28)

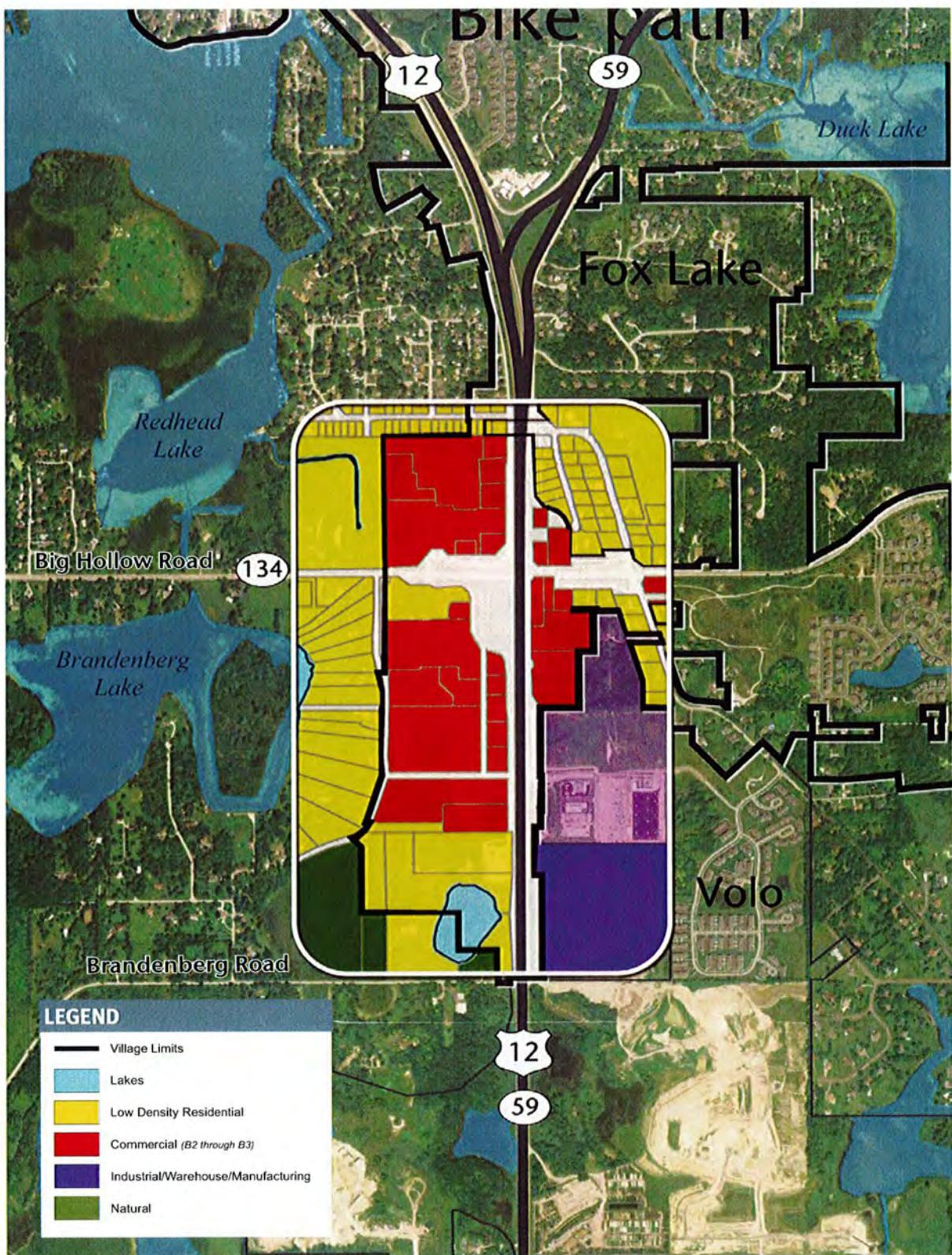
Encourage strip commercial development in centers of unified layout and design. (Page 28)

Mined land should be reclaimed to assure environmental quality and to reestablish the character of the natural landscape, or redeveloped for appropriate new uses when mining operations are completed. (Page 28)

As vacant or underutilized parcels are developed, or redeveloped, the uses, architecture and landscaping should reflect the importance of this corridor as both a gateway to the community and as Fox Lake's major opportunity to attract tourists passing through the Village to recreational destinations in the region. (Page 36)

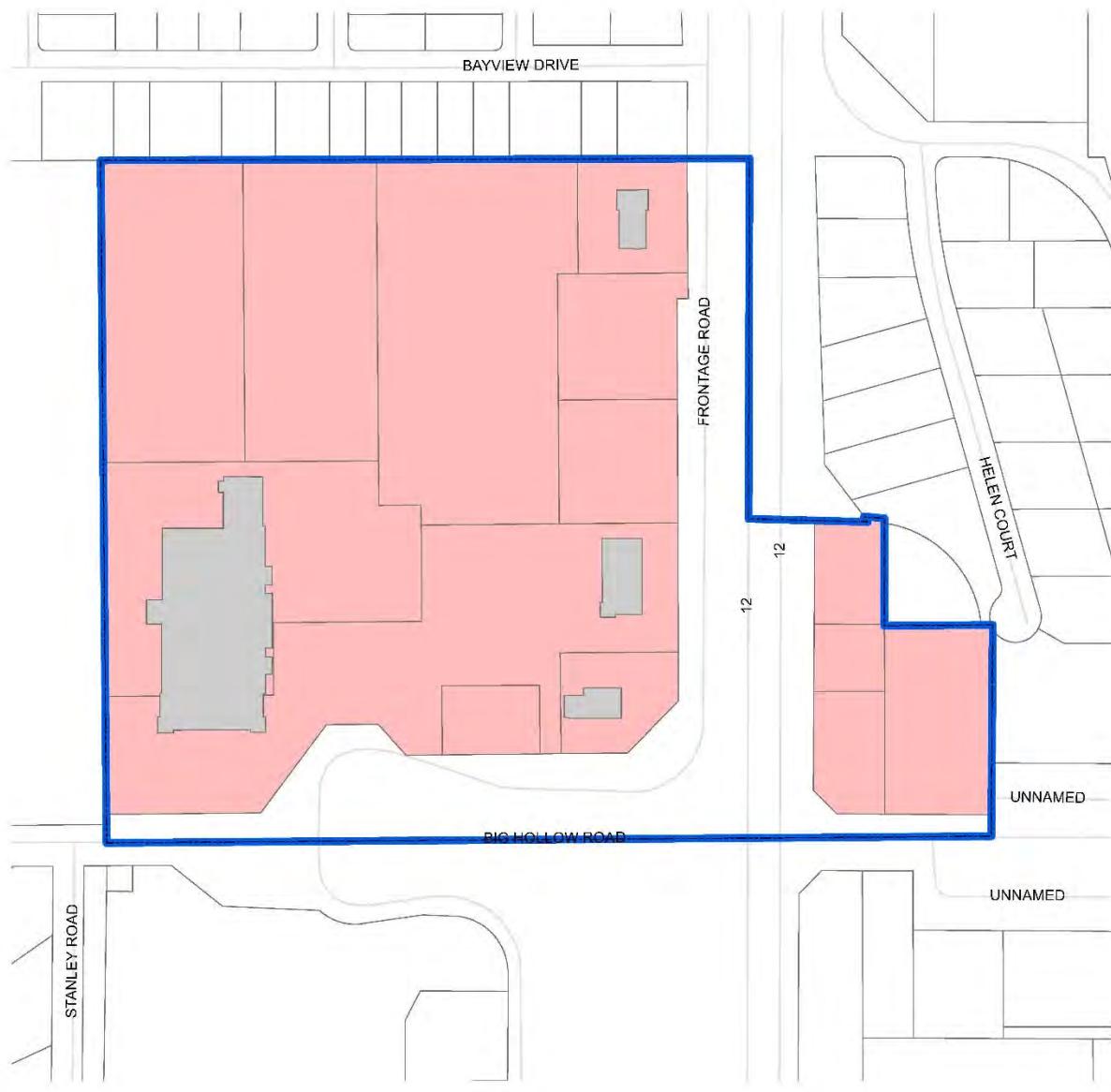
Institute special taxing districts or service areas, including tax increment financing districts. (Page 117)

Recruit quality developers to implement tourism oriented commercial development and redevelopment (Page 120)



Comprehensive Plan South Central Route 12 Corridor Sub Area

Figure D - Future Land Use



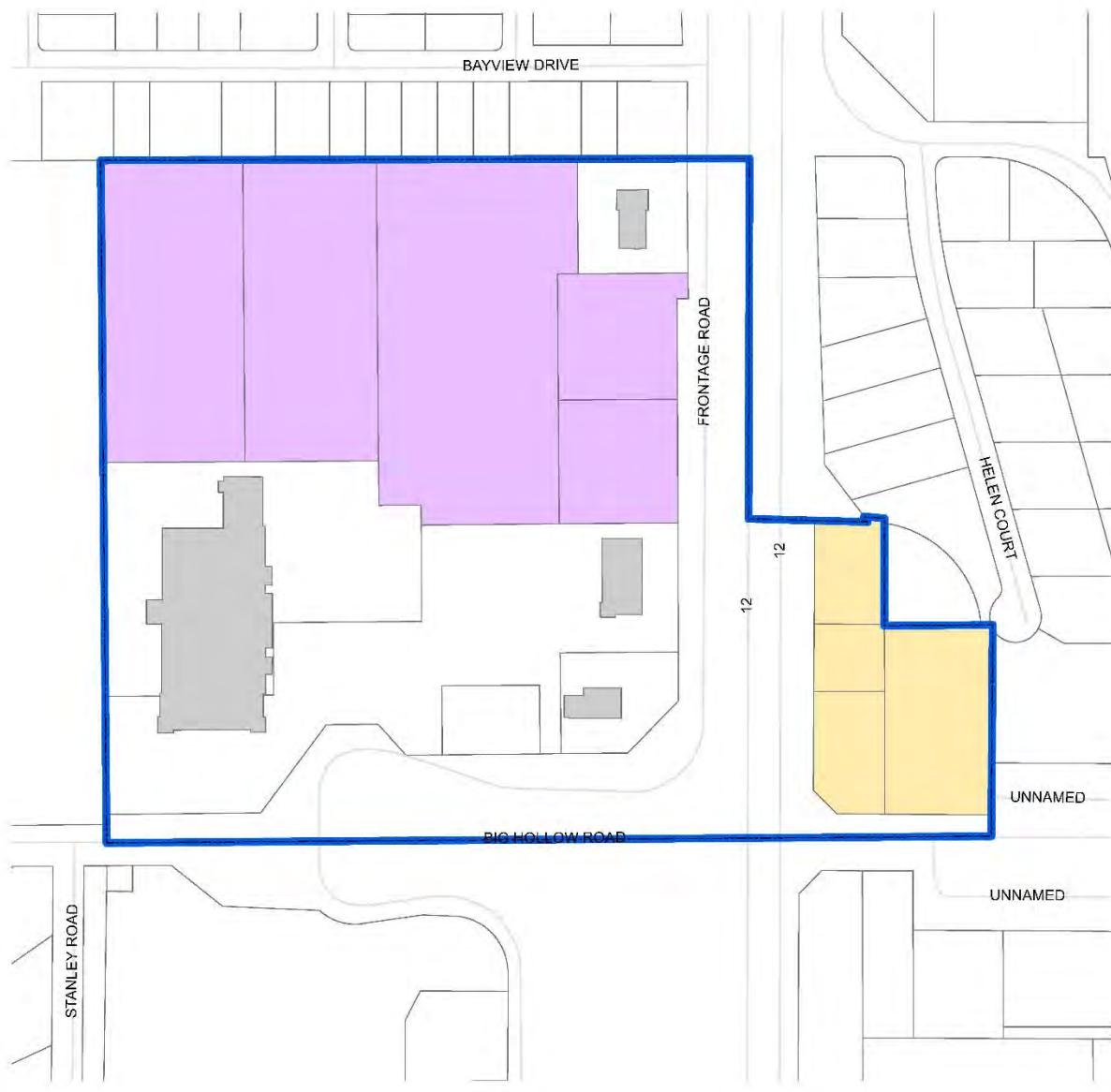
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TIF Boundary Commercial



1 inch = 355 feet

Figure E - Redevelopment Sites



Legend

TIF Boundary Site A Site B

1 inch = 355 feet

Future Land Use Plan

The recommended land uses, redevelopment opportunities, and public improvements of this Redevelopment Plan are based upon the guidelines and development opportunities presented in the Village of Fox Lake Comprehensive Plan.

The intent of the Future Land Use Plan is to provide a long-range guide for determining the uses to which the land should eventually be put, and to direct subsequent zoning decisions as redevelopment occurs within the Project Area. The designation of an existing use as a redevelopment site is not intended to suggest any immediate requirement for redevelopment. Rather, these sites are identified as a way of planning for their future redevelopment only if and when a property owner pursues a development project, or an existing business or resident vacates a property.

The Future Land Use Plan (Figure D) shows anticipated land uses at completion of project activities. The Fox Crossing shopping center site is anticipated to remain but be rehabilitated/redeveloped for further commercial development. General land use descriptions are as follows:

Commercial

The Commercial category includes commercial uses appropriate for the high-traffic Route 12 corridor, including commercial uses as permitted in the Village of Fox Lake zoning ordinance. Ancillary uses to the primary commercial use, including parking and open space, is also permitted.



Redevelopment Opportunity Sites

The Project Area includes multiple redevelopment opportunity sites, as identified in (Figure E - Redevelopment Sites). Recommendations for these sites, including land uses, design guidelines, and conceptual site designs, are derived from the Village's Comprehensive Plan, and discussions with Village staff.

Table 3 indicates the potential future opportunity sites, existing land uses, and potential future land uses. Although the first use is shown on the Future Land Use Plan described in the previous section, any land use described in Table 3 is appropriate and within the intent of this Redevelopment Plan.

The Redevelopment Plan shall serve as a guideline for the Project Area but is not intended to establish specific requirements. Adjustments may be made in response to market conditions and other key factors as long as they remain faithful to the Village's overall goals and objectives for the Project Area, and for the Route 12 corridor in general. Therefore, this Redevelopment Plan is consistent with the Village's Comprehensive Plan and is intended to be a key vehicle for implementing that plan.

<i>Table 3: Redevelopment Opportunity Sites</i>			
Site	Approx. Area (Acres)	Existing Land Use	Future Land Use
A	29	Vacant	Commercial
B	6.5	Vacant	Commercial
Total	35.5		

The Village may determine that other redevelopment opportunities, where consistent with the land use designations on the Future Land Use Plan, are within the intent of this Redevelopment Plan.

As indicated by Figure E, the vacant Project Area parcels are planned for commercial uses. In addition to these opportunity sites, the Redevelopment Plan also anticipates activities may be undertaken by the public sector, which are identified in the Public Improvements section of this report. All of these future redevelopment opportunities and public improvements should be conducted with the guidance of the Village's Comprehensive Plan.

Undertaking these redevelopment activities will generate increased tax revenues, encourage ancillary commercial opportunities, upgrade public improvements such as roadways, parking areas, sidewalks, etc., and provide a stimulus for additional development in surrounding areas. Through these improvements, the character and economic viability of the Route 12 corridor will be improved over time.

Eligible Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Program. As provided by the Act, other eligible project costs may include, without limitation, the following:

- < Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services;
- < The cost of marketing sites within the Project Area to prospective businesses, developers, and investors;
- < Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- < Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- < Costs of the construction of public works or improvements;
- < Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Project Area, and costs of advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, as provided in the Act;
- < Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;
- < To the extent the Village by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan;

- < To the extent the Village by written agreement accepts and approves the same, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units as provided in the Act;
- < Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law;
- < Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act.

Acquisition and Clearance

In order to facilitate coordinated redevelopment and meet redevelopment objectives, it may be necessary for the Village to assemble individual properties into unified sites which can be developed in their entirety. Any clearance of existing structures will be scheduled to minimize the adverse effects of rehabilitation or clearance activities.

Land Disposition

Property which may be acquired by the Village may be assembled into appropriate redevelopment sites. These properties may be sold or leased by the Village to other public bodies or to private developers, in whole or in part. The Village may in the future modify this disposition plan in accordance with the objectives of this Redevelopment Plan and Program, without amending the Plan. Terms of conveyance may be incorporated into appropriate disposition documents or agreements and may include more specific restrictions than contained in this Redevelopment Plan or in other municipal codes and ordinances governing the use of the land.

No conveyance, lease, mortgage, disposition of land or other property, or agreement relating to the development of property will be made except upon the adoption of an ordinance by the Village.

Public Improvements

The Village of Fox Lake will continue to provide public improvements in the Project Area to stimulate development and redevelopment in a manner consistent with this Redevelopment Plan. Some public improvements may be provided in partnership with the Illinois Department of Transportation, or other governmental agencies as applicable. Public improvements may include, but are not limited to, the following:

- < Vacation, removal, resurfacing, widening, reconstruction, and other improvements to rights-of-way, streets, alleys, bridges, pedestrian ways, and pathways.
- < Development of or improvements to public open space.
- < Construction of off-street parking facilities and structures.

- < Improvement of public utilities such as sewer and water lines, electric lines, sidewalks, curbs and gutters, storm water detention facilities. Such improvement may include relocation and/or burial of existing overhead lines.
- < Demolition and rehabilitation of obsolete structures.
- < Beautification and safety improvements, including streetscape, lighting, signage, and landscaping of public properties.

Public improvement activities which are planned as part of this Redevelopment Plan are based upon recommendations contained in the Comprehensive Plan and through meetings and conversations with the Village staff. A summary of recommended public improvements includes the following:

- < Access improvements (defining access points and consolidating points of access) and parkway enhancements;
- < Right-of-way improvements on Route 12;
- < Improvements to landscaping and landscape buffers;
- < Parking lot improvements;
- < Install/improve/upgrade sidewalks on both sides of Route 12; and
- < Bury above-ground utilities.

The costs associated with the public improvements described in this Redevelopment Plan may be shared by the Village of Fox Lake, other governmental agencies, and individual developers and property owners, pursuant to an agreement between the parties. The Village may determine in the future that certain listed improvements are no longer needed or appropriate and may remove them from the list or may add new improvements to the list which are consistent with the objectives of this Redevelopment Plan. Such additions shall not require plan amendment provided they are for eligible public improvements and will not require an increase to the total estimated project costs in Table 4.

Phasing of Project

Redevelopment projects anticipated in this Plan may commence immediately. Most of the development and redevelopment projects are anticipated to be completed within twenty-three (23) years. Facade improvements, building rehabilitations, and other activities on individual properties will be encouraged throughout the life of the TIF. The Village may undertake additional public improvements or development projects as appropriate throughout the life of the Redevelopment Plan and Program.

Estimated Project Costs

Estimated public project costs are listed in Table 4. These costs are based on 2020 dollars and are therefore subject to inflation. Increases in estimated Total Redevelopment Project Costs of more than five percent (5%), after adjustment for inflation from the date of the Redevelopment Plan adoption, are subject to amendment procedures as provided under the Act.

Table 4: Estimated Redevelopment Project Costs

Category	Cost
Property Assembly including Acquisition, Site Preparation and Demolition, Environmental Remediation	\$1,500,000
Environmental, market and planning studies, surveys, development of engineering and architectural plans, specifications, implementation and administration fees	\$500,000
Rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and fixtures	\$3,000,000
Construction or improvement of public improvements (1)	\$1,750,000
Job training/retraining and relocation costs	\$100,000
Developer Interest Costs, taxing districts eligible reimbursement and capital costs	\$150,000
Total Estimated Project Costs (2) (3)	\$7,000,000

- (1) *Public improvements may also include capital costs of taxing districts and other costs allowable under the Act. Specifically, public improvements as identified in the Redevelopment Plan and as allowable under the Act may be made to property and facilities owned or operated by the Village or other public entities. As provided in the Act, Redevelopment Project Costs may include, to the extent the Village by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.*
- (2) *Actual costs for each category identified above may vary provided that the total estimated project costs may not be exceeded by more than 5%, after adjustment for inflation, without amendment to this Redevelopment Plan.*
- (3) *This table does not include costs associated with the issuance of municipal obligations, capitalized interest, reimbursement for a portion of privately issued obligations, financing costs during construction (not to exceed 36 months), or other eligible project costs. Such additional costs may or may not be incurred and cannot be estimated at this time.*

Sources of Funds

The Act provides a way for municipalities to finance public redevelopment costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (EAV) of real property within the Project Area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in the tax increment revenue.

Funds necessary to pay redevelopment project costs may be derived from a number of authorized sources. These may include, but are not limited to, the following:

- < Real property tax increment revenues from the Project Area;
- < Tax revenues resulting from the establishment of any Special Service Area districts within the Project Area;
- < Interest earned on temporary investments;
- < Gifts, grants, and contributions;
- < Sale or lease of land proceeds;
- < User fees;
- < Transfer from a contiguous redevelopment project area created under the Act.

The principal source of funds to undertake redevelopment activities will be the incremental increase in real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the Project Area over the initial equalized assessed value of each such lot, block, tract or parcel. There may also be other eligible local sources of revenue, such as the sale or lease of Village owned property, that the Village determines are appropriate to allocate to the payment of redevelopment project costs.

The Village may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs with the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in the Plan.

Nature and Term of Obligations to be Issued

The financial plan of this Redevelopment Plan is intended to establish a conservative public expenditure approach. Revenues will be accumulated in the special tax allocation fund to pay for public purpose expenditures identified in this Redevelopment Plan, and whenever practical, expenditures will be made on a cash basis. This method of financing shall not preclude the Village from undertaking initiatives designed to stimulate appropriate private investment within the Project Area.

Certain redevelopment projects may be of such a scale or on such a time-table as to preclude financing on a cash basis. These projects may be funded by the use of tax increment revenue obligations issued pursuant to the Act for a term not to exceed twenty (20) years. Consistent with the conservative nature of the financial plan for this Redevelopment Program, the highest priority for the issuance of tax increment revenue obligations shall occur when the commitment is in place for private sector investment necessary to fund the amortization of such obligations.

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts within the Project Area.

One or more issues of obligations may be sold at one or more times in order to implement this plan, as now or hereafter amended, in accordance with law.

The Village may, by ordinance, in addition to obligations secured by the special tax allocation fund provided by law, pledge for a period not greater than the term of the obligations any part or any combination of the following:

- < Net revenues of all or part of a Redevelopment Project,
- < The full faith and credit of the municipality.
- < A mortgage on part or all of a Redevelopment Project.
- < Any other taxes or anticipated receipts that the municipality may lawfully pledge.

Initial Equalized Assessed Valuation

Table 5 lists the equalized assessed valuation of properties in the Project Area. The total 2020 equalized assessed valuation of the Project Area is **\$3,022,969**.

Table 5: Project Area Equalized Assessed Valuation (2020)

PIN	VALUE
05-22-102-004	\$32,742
05-22-102-010	\$41,880
05-22-102-011	\$44,416
05-22-102-012	\$74,384
05-22-102-013	\$903,820
05-22-102-003	\$261,186
05-22-200-060	\$32,002
05-22-200-061	\$38,234
05-22-102-014	\$1,063,832
05-22-102-005	\$63,229
05-22-102-006	\$91,998
05-22-102-007	\$342,117
05-22-201-026	\$20,385
05-22-200-062	\$12,744
TOTAL	\$3,022,969

Anticipated Equalized Assessed Valuation

Upon the completion of anticipated redevelopment projects, it is estimated that the equalized assessed valuation of real property within the Project Area will be approximately **\$5,471,909**. This figure is based upon estimates of value for the anticipated rehabilitation and redevelopment projects described in this report.

Payment in Lieu of Taxes

No payments in lieu of taxes are anticipated as part of the Redevelopment Plan and Program.

Provision for Amending the Redevelopment Plan and Program

The Redevelopment Plan and Program may be amended pursuant to provisions of the Act.



FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan, development and redevelopment projects within the Project Area are not reasonably expected to be undertaken by private enterprise. In the absence of Village-sponsored redevelopment, there is a prospect that blighting factors will continue to exist and spread, and the Project Area on the whole, as well as adjacent properties, will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in the Project Area has already occurred and could lead to further reductions of real estate tax revenue to all taxing districts.

Implementation of the Redevelopment Plan is expected to have significant short and long term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the Village's effective use of tax increment financing can be expected to arrest the ongoing decline of existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the completion of all redevelopment improvements and activities, and the payment of all redevelopment project costs and municipal obligations, the taxing districts will benefit from the enhanced tax base which results from the increase in equalized assessed valuation caused by the Redevelopment Plan and Program.

The following taxing districts cover the proposed Project Area:

1. Village of Fox Lake
2. Grant Township
3. Lake County
4. Lake County Forest Preserve
5. Fox Lake Fire Protection
6. Fox Lake Public Library
7. Fox Lake School District #114
8. Grant Community High School District #124
9. College of Lake County #532

This Redevelopment Plan contemplates rehabilitation and/or redevelopment of specific opportunity sites primarily with commercial uses. Given the small size of the study area (roughly 41 acres), impact on individual taxing districts and taxing districts in general, will be limited but also dependent on the specific nature of any future (re)developments.

Impact on Village of Fox Lake

Fox Lake provides a variety of services, including planning and zoning, building, water, and sanitation. The replacement of underutilized property with new development and redevelopment may cause a minimal increase in demand for the services and programs provided by the Village. Due to the small size of the Project Area in relation to the Village, services provided to residents will likely not be affected, and the impact is anticipated to be minimal. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on Grant Township

Grant Township provides a variety of services, including the Township Assessor and road maintenance. The replacement of underutilized commercial property with new development and redevelopment should have no impact on the demand for the services and programs provided by the Township. No Township roads are included within the Project Area. Due to the small size of the Project Area in relation to the Township, services provided to residents will not be affected, and any impact is anticipated to be minimal. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on Lake County

Lake County provides a variety of services, including the County Court system, health services and maintenance of open space and recreational activities. The replacement of underutilized property with new development and redevelopment may cause a minimal increase in demand for the services and programs provided by the County. Due to the small size of the Project Area in relation to the County, services provided to residents will likely not be affected, and the impact is anticipated to be minimal. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on Lake County Forest Preserve

The Lake County Forest Preserve District manages natural areas, open spaces, and provides educational and recreational opportunities for residents of Lake County. The replacement of underutilized commercial property with new commercial development and redevelopment should have no impact on demand for the services and programs provided by the forest preserve. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on Fox Lake Fire Protection

The Oswego Fire Protection District serves Fox Lake and surrounding communities. The replacement of underutilized property with new commercial development and redevelopment may cause a minimal increased demand for the services and programs provided by the fire district, however any impact is anticipated to be minimal. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on Fox Lake Library District

The Fox Lake Library District is located on Grand Avenue and provides library and related services to the residents of Fox Lake. The replacement of underutilized commercial property with new development and redevelopment will have no impact on demand for the services and programs provided by the library district. Therefore, no specific program is set forth in this Redevelopment Plan. In addition, the Act defines a clear formula for repayment of fees to the district for any documented increased demand for services directly generated by TIF supported projects. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on Fox Lake School District #114

Fox Lake School District #114 provides elementary school services to the residents of Fox Lake. The replacement of underutilized commercial property with new development and redevelopment should have little impact on the demand for the services and programs provided by the school district, aside from potential programs such as training programs to serve new businesses and educational services for new employees. However, any impact is anticipated to be minimal given the commercial nature of anticipated future development. In addition, the Act defines a clear formula for repayment of fees to the district for any documented increased demand for services directly generated by TIF supported projects. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on Grant Community High School District #124

Grant Community High School District #124 provides elementary school services to the residents of Fox Lake, Ingleside, Lake Villa, Round Lake, Round Lake Heights, Round Lake Beach, Volo, Lakemoor, and Spring Grove. The replacement of underutilized commercial property with new development and redevelopment should have little impact on the demand for the services and programs provided by the school district, aside from potential programs such as training programs to serve new businesses and educational services for new employees. However, any impact is anticipated to be minimal given the commercial nature of anticipated future development. In addition, the Act defines a clear formula for repayment of fees to the district for any documented increased demand for services directly generated by TIF supported projects. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on College of Lake County #532

The College of Lake County has campuses in Grayslake, Lakeshore and Southlake. The college offers educational and community programs for residents of the district. The replacement of underutilized commercial property with new commercial development and redevelopment may cause a small increase to demand for the services and programs provided by the college, including training programs to serve new businesses and educational services for new employees. However, any impact is anticipated to be minimal given the commercial nature of anticipated future development, and the small size of the Project Area in comparison to the size of the district. Therefore, no specific program is set forth in this Redevelopment Plan.

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

Based on the findings of this Redevelopment Plan and Program, the Village President and the Village Board of Fox Lake, Illinois, adopt the following findings pursuant to **Section 11-74.4-3(n)** of the Act.

Project Area Not Subject to Growth

The Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without adoption of this Redevelopment Plan. Substantial evidence supports this conclusion.

First, the Village finds that the Project Area on the whole has not been subject to growth and redevelopment through investment by private enterprise, based on the following evidence as outlined in the Eligibility Findings Report in Appendix A:

1. Obsolescence
2. Deterioration
3. Below Code Standards
4. Inadequate Utilities
5. Lack of planning

In addition, the vacant parcels within the Project Area qualify individually under the vacant land criteria in the Act, exhibiting the following characteristics:

1. Unused mines/quarries
2. Illegal dumping



Secondly, the Village finds that the Project Area would not reasonably be anticipated to be developed without adoption of this Redevelopment Plan. This conclusion is based upon the findings of this report and the Village of Fox Lake Comprehensive Plan:

1. Extraordinary development costs related to poor soil quality;
2. Proposed redevelopment sites indicate a financial gap without public resources, grants or other incentives to promote redevelopment;
3. The need for public – private partnerships to support future redevelopment; and
4. The need for future infrastructure improvements to support future redevelopment.

Therefore, the Village of Fox Lake finds that the Project Area is not subject to appropriate growth and development and is not anticipated to be developed without adoption of this Redevelopment Plan.

Conformance with Comprehensive Plan

This Redevelopment Plan conforms to and is based upon the recommendations of the Village of Fox Lake Comprehensive Plan, including the goals and objectives therein, as well as future land uses and anticipated redevelopment activities.

Date of Completion

The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the municipal treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year following the year in which the ordinance approving this Project Area is adopted (December 31, 2045).

**ROUTE 12 SOUTH
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA
ELIGIBILITY REPORT**



REPORT
September 2021

Prepared by:
Teska Associates, Inc.



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INTRODUCTION

In order to encourage redevelopment, the Village of Fox Lake (the “Village”) is investigating the creation of a Redevelopment Project Area (the “Project Area”) for property located on IL Route 12. The Project Area is located at the northwest corner of IL Route 12 and Big Hollow Road and includes the Fox Lake Crossing shopping center.

The purpose of this Eligibility Report is to document the eligibility criteria as required by the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11 - 74.4 - 1, et seq.) as amended (the “Act”). The following analysis documents the presence of eligibility criteria necessary for designation as a TIF District, as required in the Act.



Tax increment financing can be used to make the designated Project Area more attractive for redevelopment by eliminating the conditions which inhibit private investment, weaken the Village’s tax base, affect the safety of community residents, and hinder the Village’s ability to promote cohesive development of compatible land uses as articulated in the Village’s Comprehensive Plan. In accordance with the TIF Act, public improvements may be constructed, and incentives provided to encourage the type of private investment that will allow the Village to achieve its vision and goals.

Establishing the Route 12 South Redevelopment Project Area can help the Village to meet these goals by facilitating physical improvements, removing blighting conditions, and providing funding sources for improvement projects within the Project Area. These improvements will not only help improve the physical conditions and economic development of the Project Area, but also enhance the quality of life of adjacent properties and neighborhoods, and for all residents of the Village of Fox Lake as a whole.

TAX INCREMENT FINANCING

The Act stipulates specific procedures which must be adhered to in designating a Redevelopment Project Area, as well as amendments thereto. The following terms referenced in this Eligibility Report are defined in the Act as follows:

A “Redevelopment Project Area” is defined as:

“...an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

A “Blighted Area” is defined as:

“...any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

1. *If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonable distributed throughout the improved part of the redevelopment project area:*
 - A. *Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.*
 - B. *Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.*
 - C. *Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.*
 - D. *Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.*
 - E. *Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.*
 - F. *Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.*
 - G. *Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and*

amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

- H. Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.
- I. Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.
- J. Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.
- K. Environmental clean-up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.
- L. Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.
- M. The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

2. If vacant, the sound growth of the redevelopment project area is impaired by a combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

- A. *Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.*
- B. *Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.*
- C. *Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.*
- D. *Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.*
- E. *The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.*
- F. *The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.*

3. *If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:*

- A. *The area consists of one or more unused quarries, mines, or strip mine ponds.*
- B. *The area consists of unused rail yards, rail tracks, or railroad rights-of-way.*
- C. *The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.*
- D. *The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.*
- E. *The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area."*

A “Conservation Area” is defined as:

“...any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of 3 or more of the following factors: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; environmental remediation costs impede development; decline or minimal marginal increase in equalized assessed valuation; is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area:

- A. *Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.*
- B. *Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.*
- C. *Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.*
- D. *Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.*
- E. *Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.*
- F. *Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.*
- G. *Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.*
- H. *Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.*

- I. *Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.*
- J. *Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.*
- K. *Environmental clean-up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.*
- L. *Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.*
- M. *The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.”*

This Eligibility Report summarizes the analyses and findings of the Village's planning consultant, Teska Associates, Inc. ("Teska"). Determination of eligibility of the proposed Project Area is based on a comparison of data gathered through field observations by Teska Associates, Inc., document and archival research, and information obtained from the Village of Fox Lake and Lake County, Illinois against the eligibility criteria set forth in the Act.

Teska has prepared this report with the understanding that the Village would rely on:

1. The findings and conclusions of this report in proceeding with the designation of the Project Area as a Redevelopment Project Area under the requirements of the Act; and
2. The fact that Teska has obtained the necessary information to conclude that the Project Area can be designated as a Redevelopment Project Area in compliance with the Act.

The Route 12 South Project Area is eligible for designation as a Redevelopment Project Area based on the predominance and extent of parcels exhibiting the following primary characteristics:

1. Deterioration
2. Below code standards
3. Inadequate utilities
4. Environmental remediation
5. Decline in equalized assessed value

In addition, the vacant parcels within the Project Area qualify individually under the vacant land criteria in the Act, exhibiting the following characteristics:

1. Unused mines/quarries
2. Illegal dumping

Each of these factors contributes significantly towards the eligibility of the Project Area as a whole.

DESCRIPTION OF THE PROJECT AREA

The Project Area contains four (4) buildings on fourteen (14) parcels, consisting of approximately eighty (80) acres. Existing structures within the Project Area include Fox Lake Crossing shopping center, Bank of America, Dollar Tree and Merlin Complete Auto Care. The remaining ten (10) parcels are vacant and/or undeveloped land. The Project Area meets the minimum area requirement of one and a half (1.5) acres. "Figure 1" illustrates the exact boundaries of the Project Area.

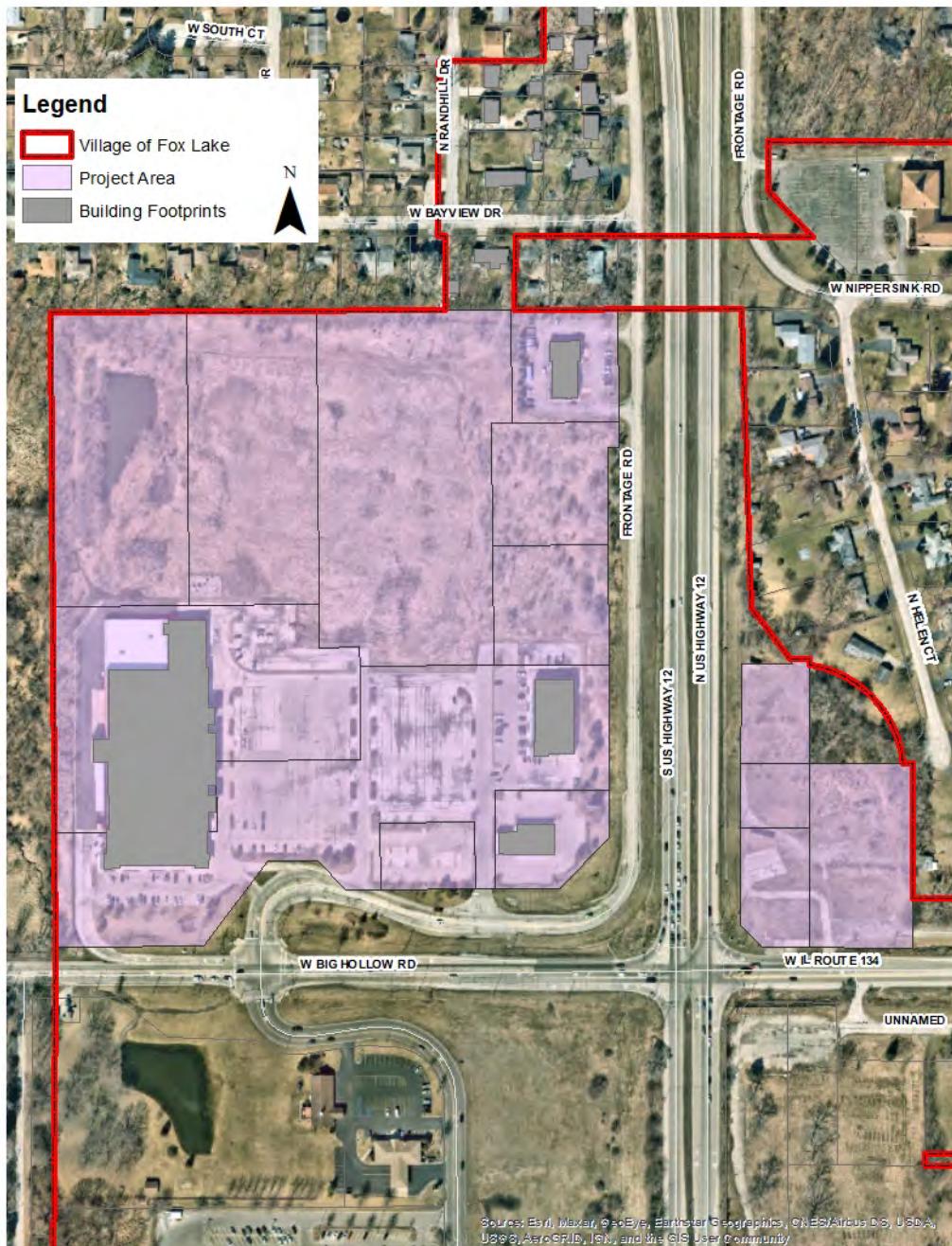


Figure 1 - Boundary Map



Legend

TIF Boundary TIF Parcels

1 inch = 355 feet

PROJECT AREA CLASSIFICATION

Teska conducted a field survey of every property located within the Project Area. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each building and parcel. This survey originally occurred in May 2020 and was confirmed again in June 2021. Photographs further document the observed conditions. Field observations were supplemented with information provided by Village of Fox Lake and Lake County officials.

In order to be designated as a 'blighted area,' a combination of at least five (5) blighting factors outlined in the Act must be present to a meaningful extent and reasonably distributed throughout the Project Area. In order to be designated as a 'conservation area,' at least 50% of the structures must be 35 years or more in age and a combination of at least three (3) of the blighting factors must be present. Vacant land is evaluated under separate criteria for unimproved property.

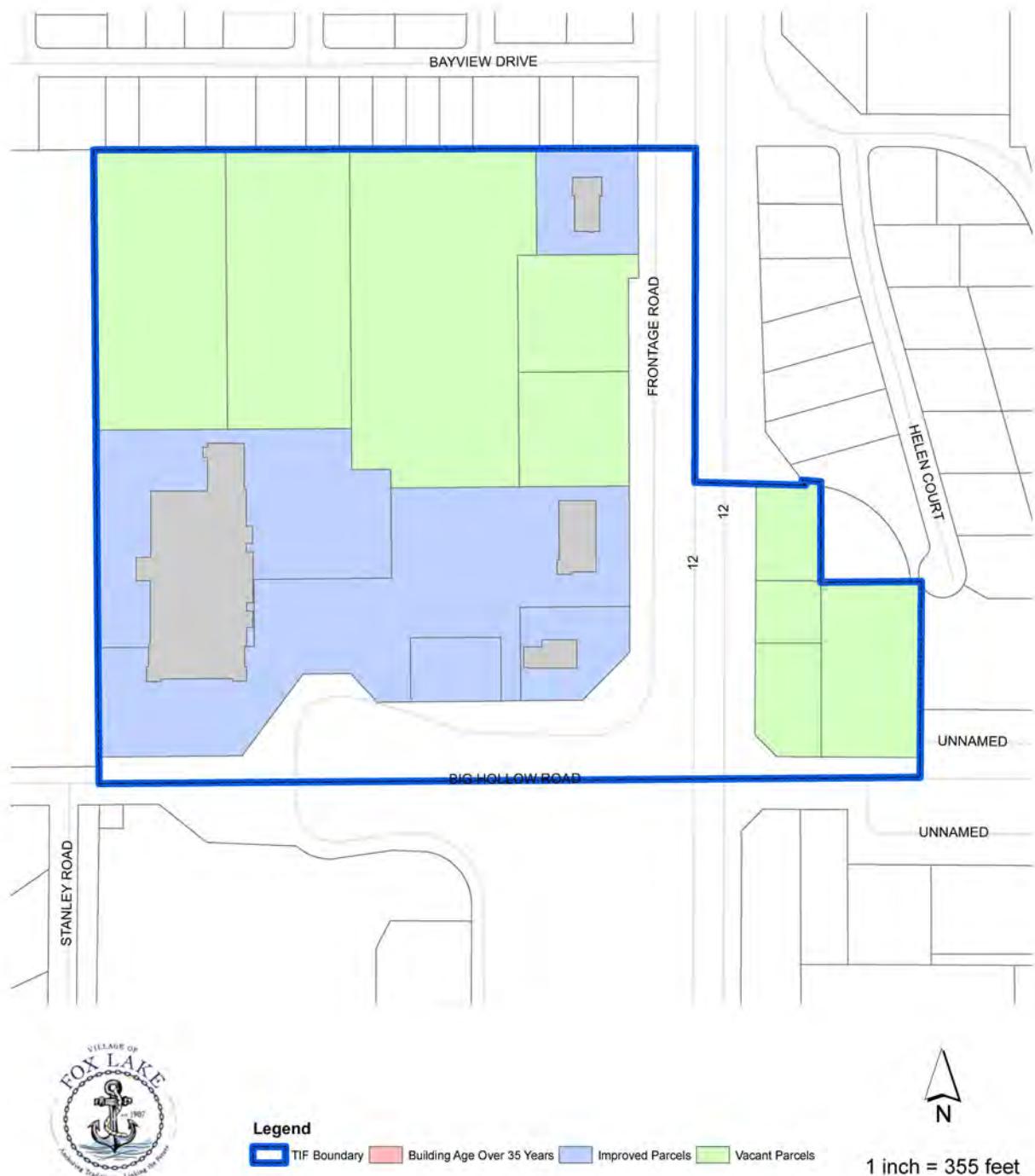
Age of Buildings

Based on field analysis and historical records provided by the Village of Fox Lake and Lake County, the Project Area does not meet the threshold for a 'conservation area' as 50% or more of the structures within these areas are not 35 years in age or older. Building age was determined by field observations of building construction methods and confirmed (where available) through the Lake County Assessor website (<https://www.lakecountyil.gov/>). The Project Area does not meet the statutory requirement that at least 50% of the buildings in a 'conservation area' be 35 years of age or older.

# Structures	# Over 35 Years	% Over 35 Years
4	0	0%



Figure 2 - Building Age & Vacant Land



ELIGIBILITY FINDINGS

The Project Area contains the Ben Watts Marina and nearby commercial properties. A majority of the structures are over 35 years in age, as shown on Figure 2 – Age of Buildings. The Project Area meets the age qualification for a “conservation area” as defined in the Act. In addition to building age, the presence of three (3) eligibility factors are required for designation as a conservation area and five (5) eligibility factors are required for designation as a blighted area. Relevant eligibility criteria within the Project Area include the following:

Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

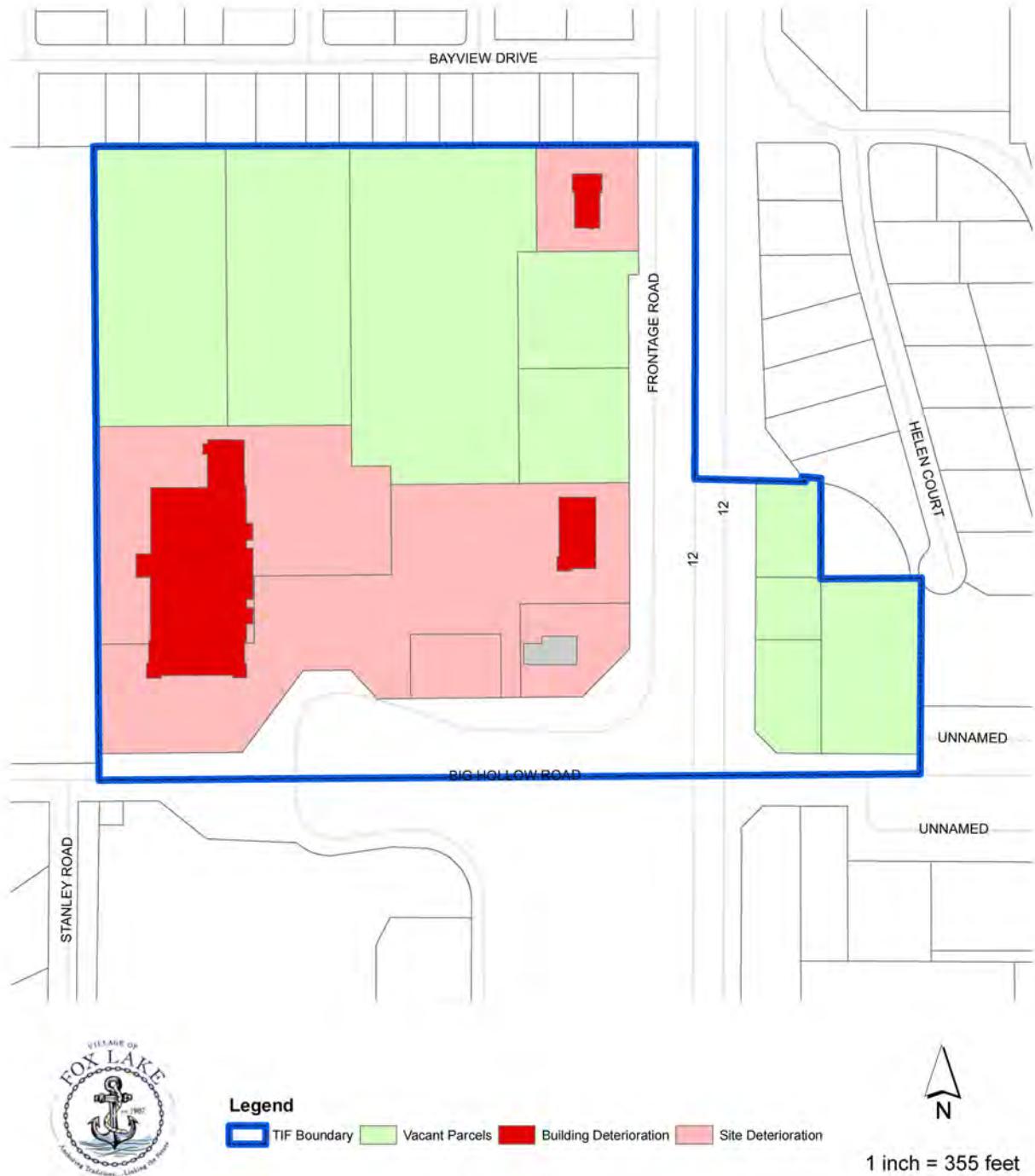
Deterioration of buildings and surface improvements is present throughout the study area. All improved properties exhibit some level of deterioration in surface improvements. In particular, the shared parking lot is in poor condition with numerous cracks and broken asphalt, faded striping, and landscaped medians are overgrown with weeds. Additionally, the retaining wall and garbage enclosure shows signs of wear and lack of maintenance near the Dollar Tree/LA Tan, and damage to signs and broken light fixtures are common.

The Project Area exhibits significant evidence of deterioration of both structures and surface improvements, and such deterioration is widely distributed. Deterioration of both buildings and site improvements is a significant factor towards designation of the Project Area as a ‘blighted area.’





Figure 3 - Building & Site Deterioration



Presence of Structures Below Minimum Code Standards. Structures below minimum code standards include all structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property (but not including housing and property maintenance codes).

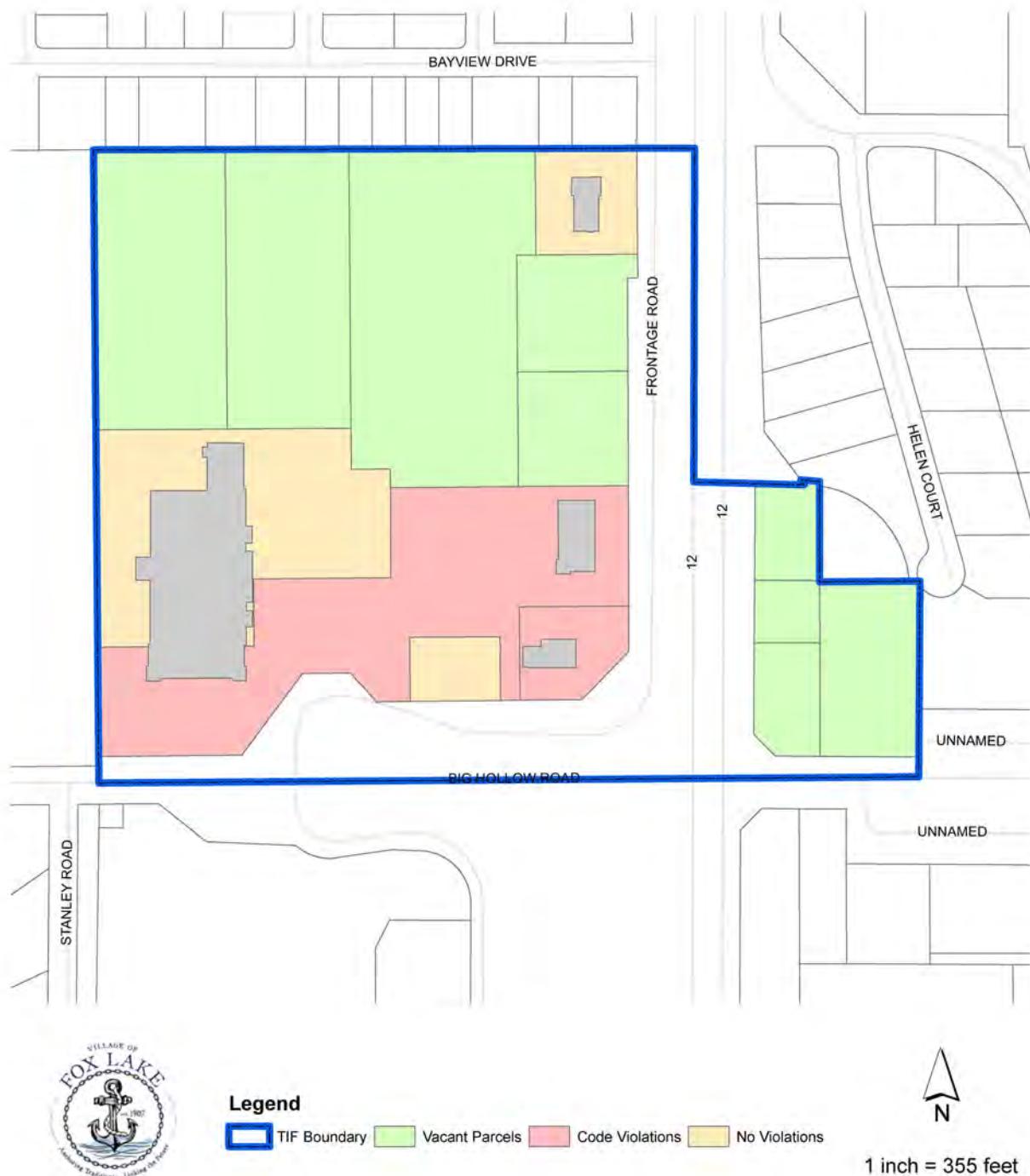
Documentation for the Project Area revealed a total of six (6) code violations on two (2) properties (14% of parcels) within the past five (5) years. Violations include collection bin, sanitation, sign, inoperable vehicle, WDO, safety, permit, erosion, business license and illegal fill violations. (Additional code violations are documented in the targeted Project Area relating to minor property maintenance issues but have not been included in this analysis).

# Parcels	# Violations
2	6

The presence of a significant number of structures below minimum code standards is therefore a contributing factor towards designation of the Project Area as a 'blighted area.'



Figure 4 - Code Violations



Inadequate Utilities. This factor relates to all underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

Numerous infrastructure issues were identified in the Village's Comprehensive Development Plan and Policies Update, adopted in 2012. These infrastructure issues have not yet been addressed and are present throughout the Route 12 corridor, and significantly impact the Project Area. These documented infrastructure issues include:

- a) Access improvements (defining access points and consolidating points of access) and parkway enhancements;
- b) Right-of-way improvements on Route 12;
- c) Improvements to landscaping and landscape buffers;
- d) Parking lot improvements;
- e) Install/improve/upgrade sidewalks on both sides of Route 12; and
- f) Bury above-ground utilities.

Therefore, Inadequate Utilities is a contributing factor towards the designation of the Project Area as a 'blighted area.'

Lack of Community Planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

The majority of the Highway 12 corridor was developed prior to the Village's first comprehensive plan (Fox Lake Master Plan adopted in 2000). Although there is little evidence of incompatible land use relationships, there are deleterious results of this lack of planning.

The current 2012 Comprehensive Plan establishes key objectives for the Highway 12 Corridor, including:

- a) Consolidation and definition of driveways and access points to adjacent properties, taking advantage of secondary roads to minimize interruptions to through traffic;
- b) Incorporate setbacks to provide room for consistent landscape treatments, buffering parking and storage areas and a sidewalk along the west side;
- c) Buffer outdoor storage and utilitarian areas with landscaping, fencing and berms;
- d) Adopt an overlay corridor design standard for signs;
- e) Uses, architecture and landscaping upon development and redevelopment should be reflective of the importance of the corridor as a gateway to the community and as the major opportunity to attract tourists.

Within the Project Area, the Fox Lake Crossing Shopping Center was developed after the Village's first comprehensive plan (2000). It was developed in 2002 and renovated in 2019. The comprehensive plan identifies this area in particular as a commercial hub at the intersection of Highway 12 and Route 134.

Therefore, Lack of Planning is a contributing factor towards designation of the Project Area as a 'blighted area.'



Environmental Remediation. The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

One official report documenting environmental issues relating to the Project Area was located (Pioneer Engineering & Environmental Services, July 31, 2019). The properties located at the northwest quadrant of Highway 12 and Route 134 was previously mined for gravel in the 1950s through the 1970s. It was filled in some time between 1973 and 1983. However, the condition of the soil in the area is insufficient to support anything more than a lightly loaded one-story structure, and any development of more intensive improvement(s) will require significant underground engineering to support it, which will add excessive costs to future development of this site.

Environmental Remediation Impeding Development is a contributing factor to designation of the Project Area as a 'blighted area.'

Decline in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

CATEGORY	2015	2016	2017	2018	2019	2020
Total EAV of Project Area	\$888,270	\$882,765	\$887,455	\$881,499	\$2,863,453	\$3,022,969
Percent Change in EAV	n/a	-0.62%	0.53%	-0.67%	224.84%	5.57%
EAV of Village (excluding Project Area)						
Percent Change in EAV						
CPI for All Urban Consumers	237.017	240.007	245.120	251.107	255.657	258.811
Percent Change in CPI		1.25%	2.09%	2.38%	1.78%	1.23%

The equalized assessed valuation of all properties within the Project Area has declined or increased at a lesser rate than the CPI in three (3) of the previous five (5) years. Therefore, decline in EAV is a contributing factor to designation of the Project Area as a 'blighted area.'

VACANT (UNIMPROVED) LAND

Vacant land is subject to specific eligibility criteria separate from the eligibility criteria for developed land. The vacant land within the Project Area qualifies under the following criteria, as established in the Act:

If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

1. The area consists of one or more unused quarries, mines, or strip mine ponds.
2. The area consists of unused rail yards, rail tracks, or railroad rights-of-way.
3. The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.
4. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.
5. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.
6. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.



The vacant parcels west of Route 12 and within the Fox Lake Crossing shopping center, were previously the site of a gravel quarry operation. The site was previously filled, but as documented by a registered environmental engineer (Pioneer Engineering & Environmental Services, July 31, 2019), the soils are insufficient for future development without incurring significant additional engineering related costs.

The presence of an unused quarry is a significant qualifying factor towards designation of the vacant land within the Project Area as a 'blighted area.'

In addition, the vacant parcels to the east of Route 12 contain a gravel road and the various remains of previously installed, and currently deteriorating, infrastructure. The site contains scattered debris including concrete, old telephone poles, and various other materials deposited on the site. This illegal dumping on these parcels is a significant qualifying factor towards designation of the vacant land within the Project Area as a 'blighted area.'



SUMMARY FINDINGS

Based on the findings contained within this Eligibility Report, both the improved parcels and the unimproved (vacant) parcels within the Project Area qualify as a 'blighted area' in accordance with the eligibility criteria as established in the Act.

As shown in the summary below, the improved area within the Project Area qualifies as a "blighted area" meeting five (5) of the eligibility criteria, and the unimproved area within the Project Area qualifies as a 'blighted area' meeting two (2) of the vacant land eligibility criteria.

Each of the following factors contributes significantly towards the eligibility of the Project Area. All of these characteristics point to the need for designation as a Redevelopment Project Area, to be followed by public intervention in order that redevelopment might occur.

Eligibility Criterion (improved)	Qualifying Factor
Dilapidation	No
Obsolescence	YES
Deterioration	YES
Illegal Uses	No
Below Code Standards	YES
Excessive Vacancies	No
Lack of Ventilation	No
Inadequate Utilities	YES
Excessive Land Coverage	No
Deleterious Land Use	No
Lack of Planning	YES
Environmental	No
Decline in EAV	No
Total	5

Eligibility Criterion (unimproved)	Qualifying Factor
Unused Mines/Quarries	YES
Unused Rail Yards	No
Chronic Flooding	No
Illegal Dumping	YES
Town Center	No
Blighted Area (before becoming vacant)	No
Total	2