



REDEVELOPMENT PROJECT AREA 1:  
TRIANGLE AREA

# JOINT REVIEW BOARD MEETING



September 25, 2013

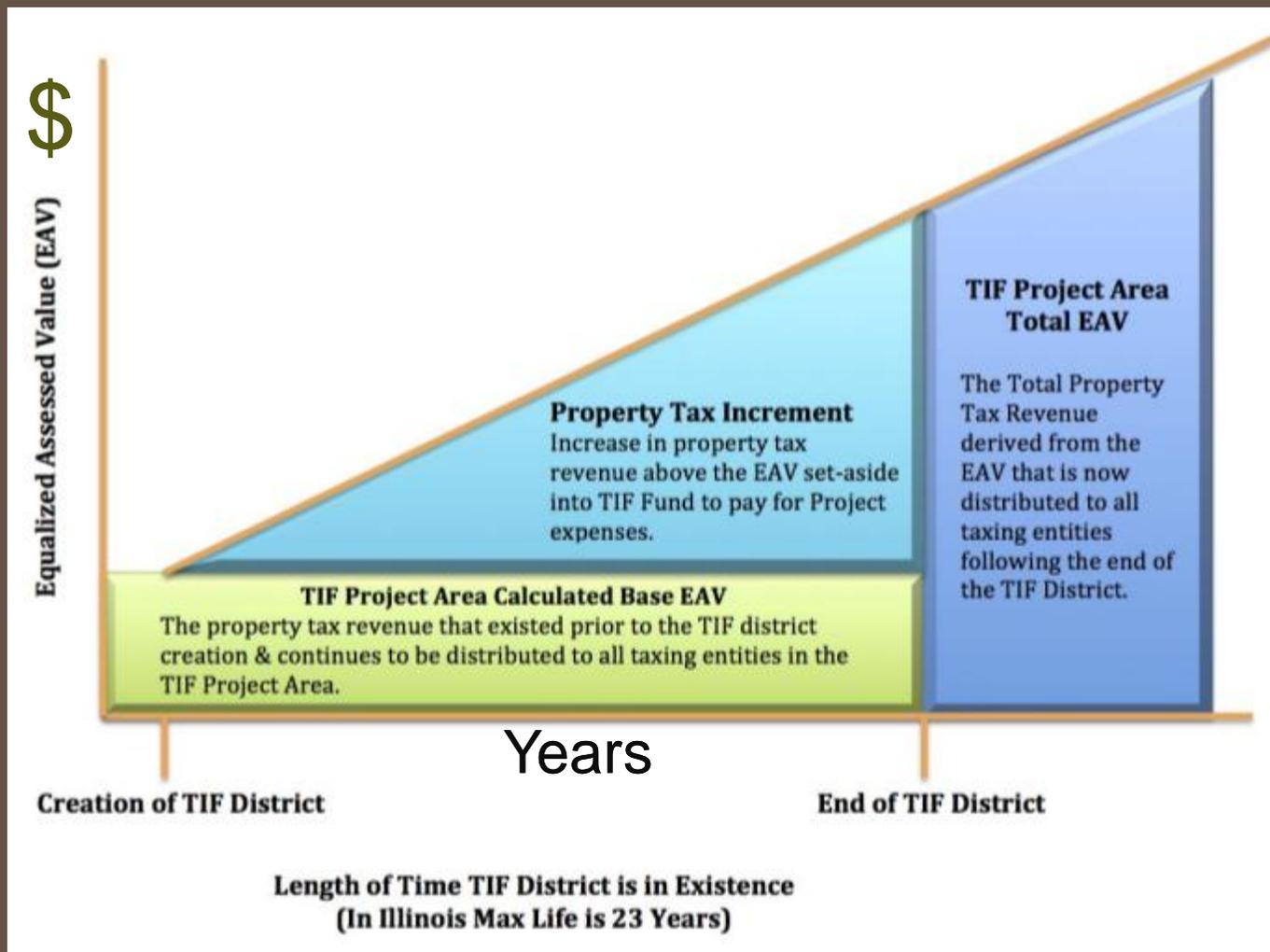
# Overview

- What is TIF?
- Proposed TIF Area
- Eligibility Study
- Housing Impact Study
- Redevelopment Plan
- Joint Review Board
- Next Steps

# What is Tax Increment Financing (TIF)?

- Tax Increment Financing (TIF) is a statutory economic development program that municipalities can enact to facilitate the continued development or redevelopment of a specific geographic area.
- The program works by capturing increases in property tax revenues (called the increment) over existing levels caused by new development.
- TIF revenues can be spent only on certain public realm investments.
- TIF does NOT add any new tax rates or levies. Existing baseline tax revenues continue to go to the taxing districts.
- TIF Districts can have a lifetime of up to 23 years (May be extended by 12 years by act of the State legislature).

# How Do TIF Funds Accrue?



# Example TIF Project Scenario 1

- A developer wishes to replace an existing 2,000 square foot building with a 10,000 square foot building, but a larger sanitary sewer pipe is needed to service any additional new development in the area. The cost of the new pipe is too high just for the one development. TIF can be used to subsidize costs of pipe oversize to aid with development.

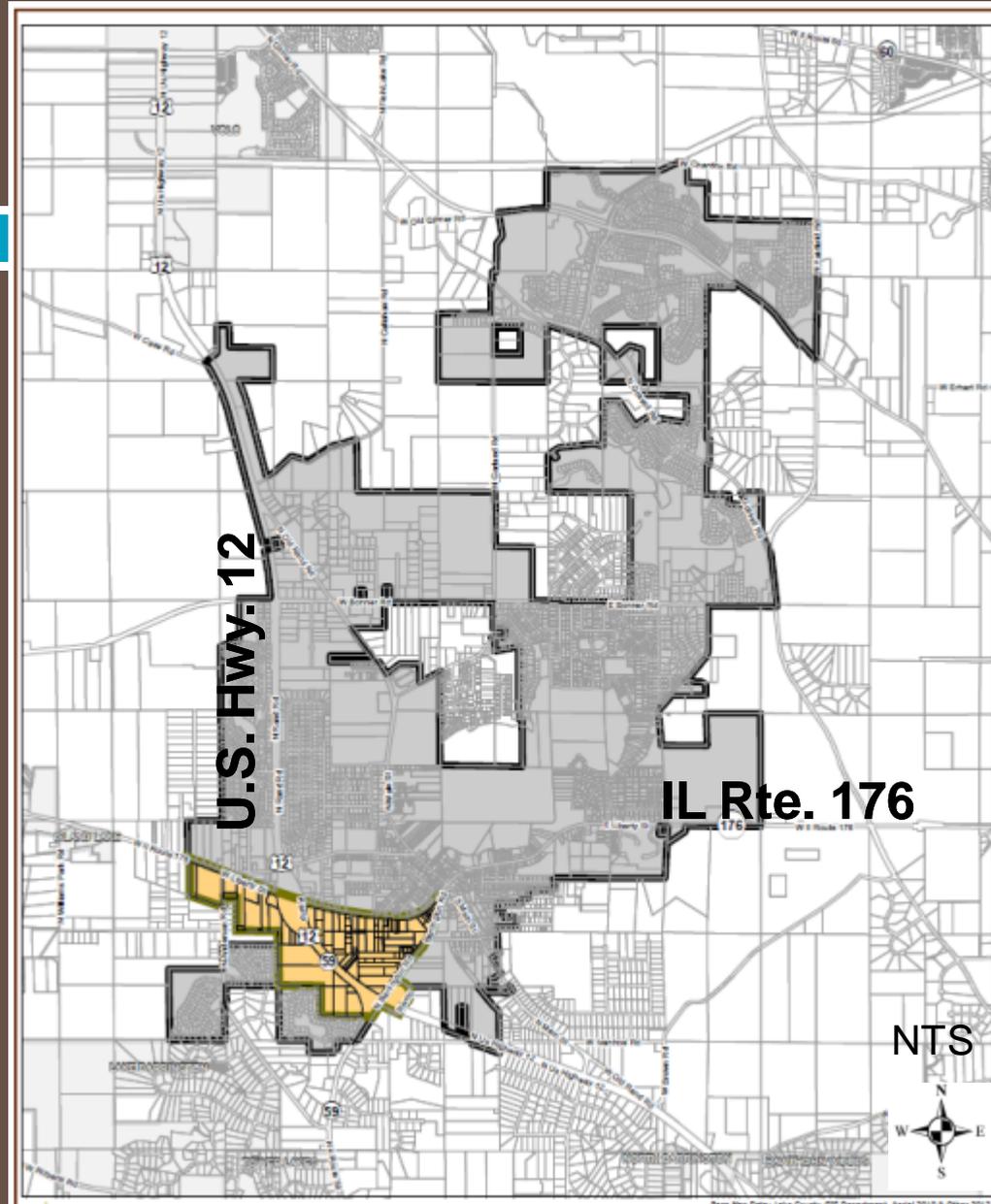
	<b>Square Feet:</b>	<b>Equalized Assessed Value (EAV):</b>	<b>Taxes Paid To:</b>
Existing Building:	2,000 sq. ft.	\$200,000	All Taxing Districts
Building Addition:	+8,000 sq. ft.	+\$800,000	TIF Fund (Spent Only in TIF District For TIF Projects)
After End of TIF District	10,000 sq. ft. (Total Building)	\$1,000,000	All Taxing Districts

# 20 Area Communities With Active TIF Districts



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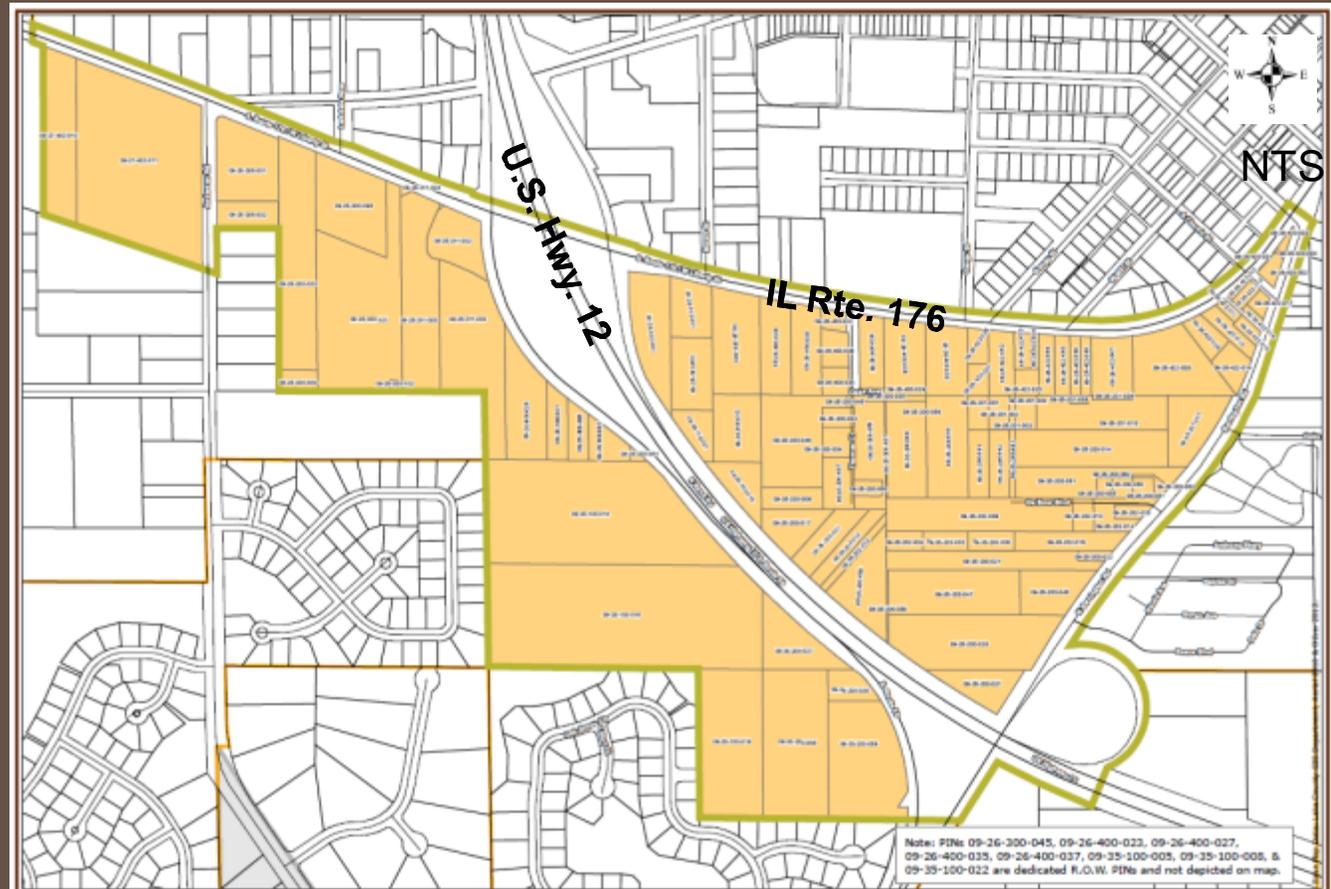
# Regional Location of Proposed TIF District



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# Project Location

- +/- 225 Acres
- 116 Tax Parcels (excluding 8 R.O.W. PINs)



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# Reasons for Choosing Study Area

- ❑ Designated as a Key Development/Redevelopment Area in the Village's Comprehensive Plan.
- ❑ Lacking in terms of efficient road access and connectivity.
- ❑ Aging infrastructure.
- ❑ Older style and pattern of development.
- ❑ Assist with attracting and bolstering investment in the area through various investment, marketing, and development actions.
- ❑ Limit and reduce continuation of blighting conditions.

# Eligibility Study (63 Pages)

- Required document outlining findings in regards to statutory blighting criteria.
- An area must exhibit:
  - Regular Area Improved Properties: 5 of 13 possible blighting factors.
  - Conservation Area Improved Properties: 3 of 13 possible blighting factors with 50% of buildings 35 years or older.
  - Unimproved Property: Either 2 of 6 multiple requirement blighting factors or 1 of 6 single requirement blighting factors.
- Criteria found to be generally evenly distributed.

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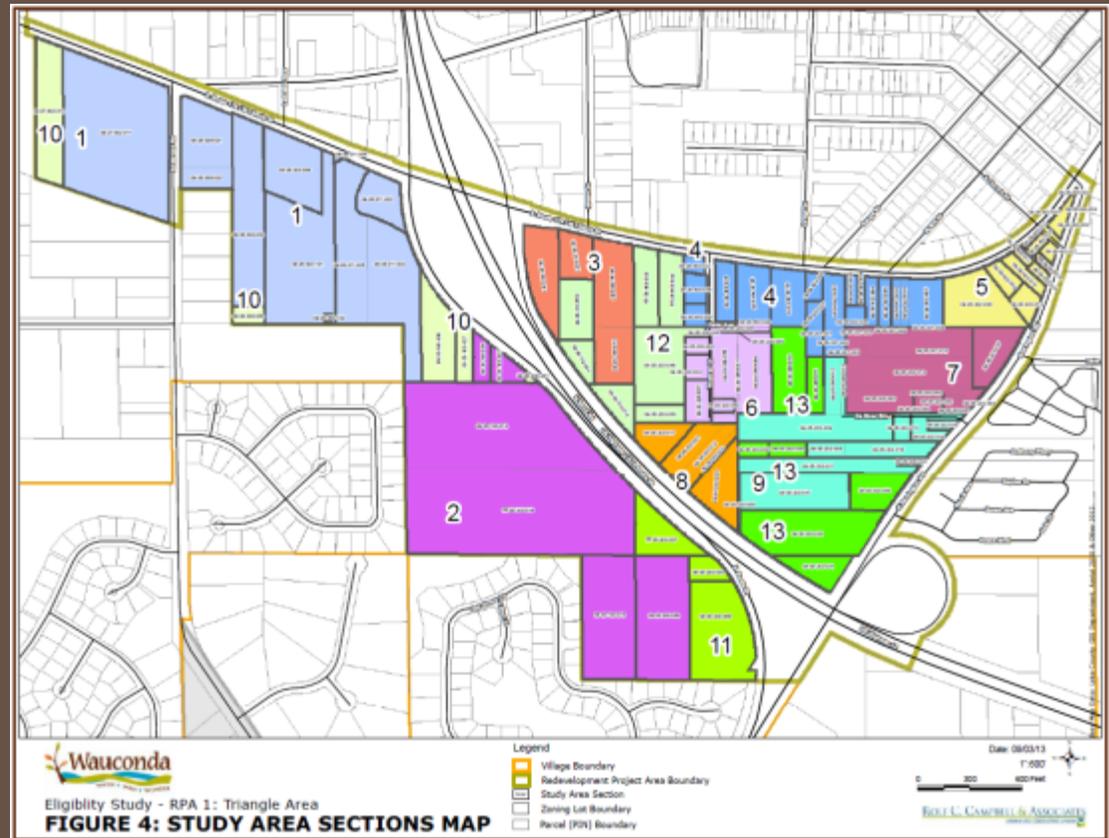
# Blighting Criteria List

Improved Blighting Criteria – Regular & Conservation Areas	Unimproved Blighting Criteria- Multiple Requirement	Unimproved Blighting Criteria- Single Requirement
<ol style="list-style-type: none"> <li>1. Dilapidation</li> <li>2. Obsolescence</li> <li>3. Deterioration</li> <li>4. Presence of structures below minimum code standards</li> <li>5. Illegal use of individual structures</li> <li>6. Excessive vacancies</li> <li>7. Lack of ventilation, light, or sanitary facilities</li> <li>8. Inadequate utilities</li> <li>9. Excessive land coverage &amp; overcrowding of structures &amp; community facilities</li> <li>10. Deleterious land use or layout</li> <li>11. Environmental clean-up needs</li> <li>12. Lack of community planning</li> <li>13. Lag in EAV</li> </ol>	<ol style="list-style-type: none"> <li>1. Obsolete platting of vacant land</li> <li>2. Diversity of ownership</li> <li>3. Tax delinquencies</li> <li>4. Deterioration of adjacent structures or site improvements</li> <li>5. Environmental hazard costs</li> <li>6. Lag in EAV</li> </ol>	<ol style="list-style-type: none"> <li>1. Unused quarries and mines</li> <li>2. Unused rail structures</li> <li>3. Flooding</li> <li>4. Disposal sites</li> <li>5. Undeveloped town or village center designation</li> <li>6. Previously qualifying as blighted improved</li> </ol> <p data-bbox="1381 1419 1528 1455">09/25/13</p>

# Study Area Sections

- 13 Study Area Sections:
  - 9 Improved Sections: 94 Tax Parcels & 63 Zoning Lots
  - 4 Unimproved Sections:  
23 Tax Parcels &  
23 Zoning Lots

(Note Tax Parcel 09-26-300-081 treated as 2 separate parcels and 2 separate zoning lots since it is split by Hwy. 12)



**FIGURE 4: STUDY AREA SECTIONS MAP**

# Improved Blighting Criteria

- Conservation Area: 52% (42 of 81) of principal structures were at least 35 years or older (built before 1978).
- 11 of 13 Blighting Criteria present in Study Area:
  - Dilapidation
  - Obsolescence
  - Deterioration
  - Presence of Structures below Minimum Code Standards
  - Excessive Vacancies
  - Inadequate Utilities
  - Excessive Land Coverage and Overcrowding of Structures and Community Facilities
  - Deleterious Land Use or Layout
  - Lack of Community Planning
  - Environmental Clean Up
  - Lag in EAV

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# Deterioration 1

## □ Zoning Lots Needing At Least Minor Repairs

Study Area Section	Improved Zoning Lots in Section	Building Rating		Site Improvement Rating		Public Improvement Rating	
		Count	Percent	Count	Percent	Count	Percent
1	9	1	11.1%	4	44.4%	0	0.0%
2	5	1	20.0%	4	80.0%	0	0.0%
3	3	0	0.0%	1	33.3%	1	33.3%
4	15	3	20.0%	6	40.0%	6	40.0%
5	11	8	72.7%	9	81.8%	6	54.5%
6	6	0	0.0%	2	33.3%	1	16.7%
7	3	0	0.0%	2	66.7%	2	66.7%
8	3	1	33.3%	3	100.0%	0	0.0%
9	8	5	62.5%	5	62.5%	1	12.5%
<b>Percent of Improved Area (63 Zoning Lots)</b>	<b>63</b>	<b>19</b>	<b>30.2%</b>	<b>36</b>	<b>57.1%</b>	<b>17</b>	<b>27.0%</b>

Sources: RCCA Field review 03/08/13 & 06/17/13.

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# Deterioration 2



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# Presence of Structures below Minimum Code Standards 1

## □ Setback & Lot Coverage Non-Conformances by Zoning Lot

Study Area Section	Improved Zoning Lots in Section	Non-Conforming Minimum Front Yard		Non-Conforming Minimum Rear Yard		Non-Conforming Minimum Side Yard		Non-Conforming Minimum Street Yard		Non-Conforming Lot Coverage	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
1	9	0	0.0%	0	0.0%	1	11.1%	1	11.1%	3	33.3%
2	5	2	40.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	3	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	15	11	73.3%	1	6.7%	9	60.0%	2	13.3%	7	46.7%
5	11	9	81.8%	0	0.0%	1	9.1%	3	27.3%	4	36.4%
6	6	1	16.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	3	1	33.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8	3	1	33.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9	8	1	12.5%	2	25.0%	1	12.5%	0	0.0%	0	0.0%
<b>Percent of Improved Area (63 Zoning Lots)</b>	<b>63</b>	<b>26</b>	<b>41.3%</b>	<b>3</b>	<b>4.8%</b>	<b>12</b>	<b>19.0%</b>	<b>6</b>	<b>9.5%</b>	<b>14</b>	<b>22.2%</b>

Sources: RCCA. Measurements with respect to Lake County GIS Data and Aerial Photography, 2010.

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# Presence of Structures below Minimum Code Standards 2

## □ Parking Non-Conformances by Zoning Lot

Study Area Section	Improved Zoning Lots in Section	Non-Conforming Minimum Total Parking Spaces		Non-Conforming Minimum Accessible Parking Spaces	
		Count	Percent	Count	Percent
1	9	5	55.6%	5	55.6%
2	5	1	20.0%	3	60.0%
3	3	3	100.0%	2	66.7%
4	15	11	73.3%	8	53.3%
5	11	6	54.5%	6	54.5%
6	6	0	0.0%	0	0.0%
7	3	0	0.0%	0	0.0%
8	3	3	100.0%	3	100.0%
9	8	1	12.5%	1	12.5%
<b>Percent of Improved Area (63 Zoning Lots)</b>	<b>63</b>	<b>30</b>	<b>47.6%</b>	<b>28</b>	<b>44.4%</b>

Sources: RCCA. Measurements with respect to Lake County GIS Data and Aerial Photography, 2010.

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# Inadequate Utilities

- Per Village Engineer's Report, 20 of the 94 (21%) Study Area parcels suffered from a lack of adequate storm water utility facilities.
- The Study Area as a whole was developed incrementally since the Village's inception without the benefit of a comprehensive utility system master plan to efficiently and effectively serve both current and future development.

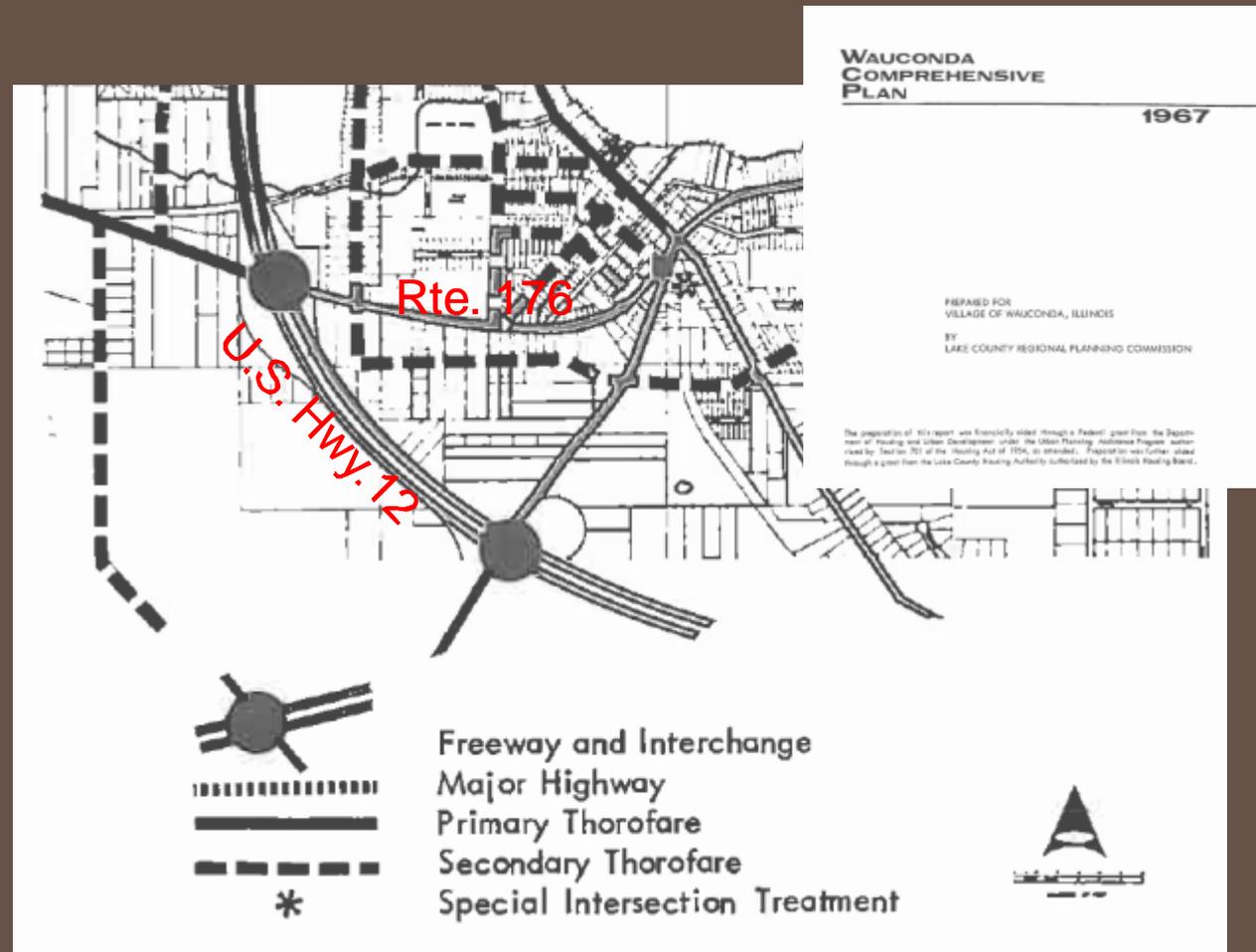
# Lack of Community Planning 1

- The area has developed incrementally on an infill basis under a variety of development patterns without a consistent comprehensive development scheme.
- 34 of 94 parcels (36%) lack access to a publically dedicated R.O.W. & 9 parcels only accessible via one-way direction roadway off Hwy. 12.
- Lack of east-west access road north of Hwy. 12 & south of Route 176 in eastern Study Area.
- Other land use and transportation issues.

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# Lack of Community Planning 2

1967  
Comprehensive  
Plan Excerpt  
Fig. 5 Plan of the  
Desirable Wauconda  
Thorofare (sic.)  
System,  
1975 & 1985.



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# Lag in EAV – Improved Property

- EAV must either have decreased for 3 out of the last 5 years and/or lagged behind the CPI for 3 out of the last 5 years.
- Study Area lagged for 4 out of last 5 years.
- Comparison of Change in Improved Portion of the RPA's Equalized Assessed Value (EAV) & the Consumer Price Index (CPI).

Year	Improved TIF EAV	Improved EAV Percent Change	CPI (Avg. Annual)	CPI (Avg. Annual) Percent Change
2007	\$ 17,249,743		207.342	
2008	\$ 18,486,487	7.17%	215.303	3.84%
2009	\$ 18,076,202	-2.22%	214.537	-0.36%
2010	\$ 17,169,714	-5.01%	218.056	1.64%
2011	\$ 16,488,772	-3.97%	224.939	3.16%
2012	\$ 16,239,513	-1.51%	229.594	2.07%

Sources: Wauconda Township Assessor, February & June 2013;

Consumer Price Index (CPI) for All Urban Consumers (Annual Average) U.S. Department of Labor, Bureau of Labor and Statistics.

Note: The improved portions include: 1) Eight previous PINs which were changed due to resubdivision/consolidation (09-26-300-058, 09-26-300-059, 09-35-100-003, 09-35-100-004, 09-26-422-001, 09-26-300-061, 09-26-300-062, & 09-35-100-023). 2) Four parcels which had improvements through 2012, but that will be rated as vacant in 2013 assessments (09-27-402-010, 09-26-400-038, 09-26-200-039, & 09-35-200-048). 3) One parcel that was previously improved through 2010 (09-35-200-027).

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# Unimproved Blighting Criteria

Multiple Requirement Criteria  
present  
4 of 6 (2 of 6 Required)

1. Obsolete Platting of Vacant Land
2. Diversity of Ownership
3. Deterioration of Adjacent Structures or Site Improvements
4. Lag in EAV

Single Requirement Criteria  
present  
1 of Possible 6  
(Only 1 Required)

1. Flooding

# Obsolete Platting of Vacant Land

- 17 of 23 parcels (74%) lack adequate access to a publically dedicated R.O.W. and/or are only accessible via one-way direction roadway.
- 5 of 23 (22%) were substandard with respect to underlying zoning district standards (Minimum Lot Area).

# Lag in EAV – Vacant Property

- EAV must either have decreased for 3 out of the last 5 years and/or lagged behind the CPI for 3 out of the last 5 years.
- Study Area lagged for 4 out of last 5 years.
- Comparison of Change in Unimproved Portion of the RPA's Equalized Assessed Value (EAV) & the Consumer Price Index (CPI)

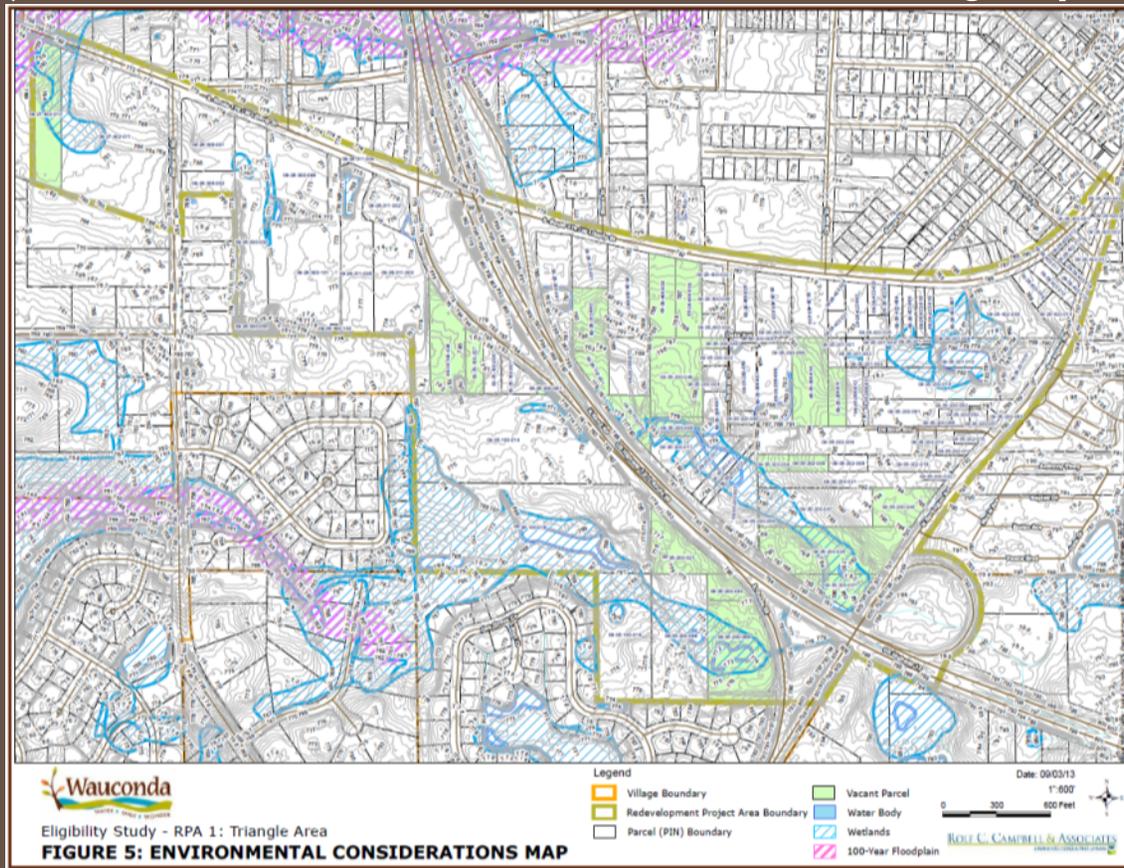
Year	Unimproved EAV	Unimproved EAV Percent Change	CPI (Avg. Annual)	CPI (Avg. Annual) Percent Change
2007	\$554,596		207.342	
2008	\$548,416	-1.11%	215.303	3.84%
2009	\$732,014	33.48%	214.537	-0.36%
2010	\$672,384	-8.15%	218.056	1.64%
2011	\$652,867	-2.90%	224.939	3.16%
2012	\$644,136	-1.34%	229.594	2.07%

Sources: Wauconda Township Assessor, February & June 2013;

Consumer Price Index (CPI) for All Urban Consumers (Annual Average) U.S. Department of Labor, Bureau of Labor and Statistics.

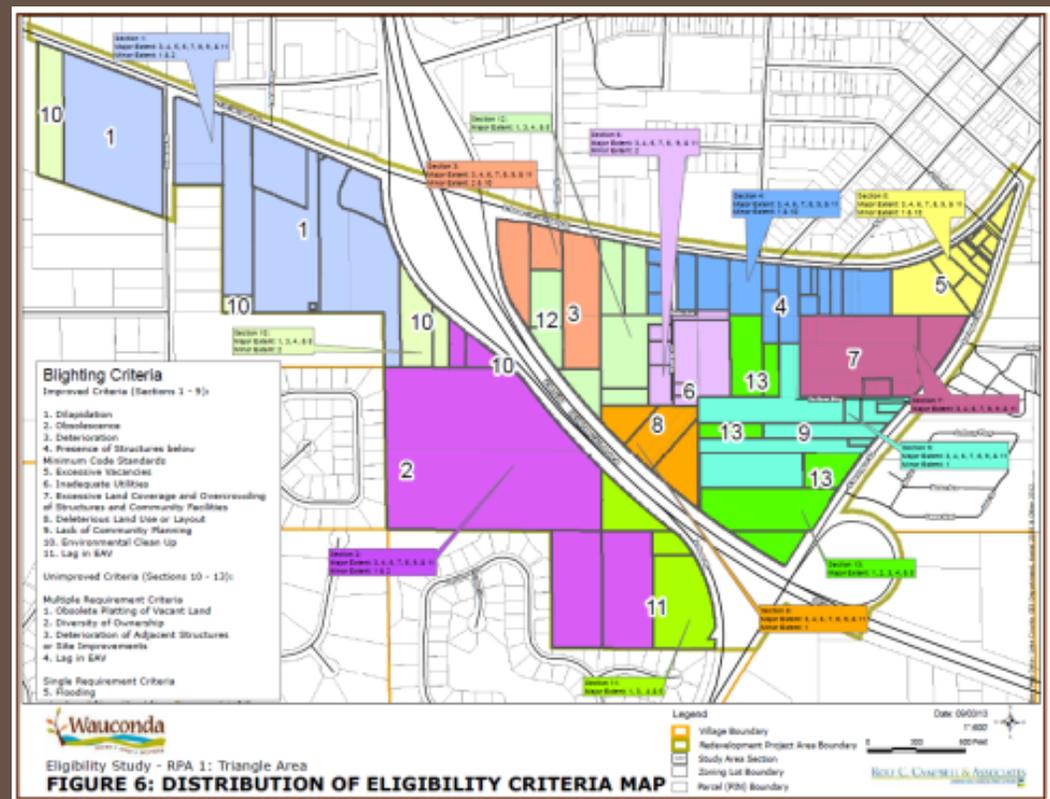
# Flooding

- Per Village Engineer's Report, 10 of 23 parcels (43%) suffered from adverse drainage patterns.



# Blighting Criteria Findings

- Improved - 11 of 13 Criteria present (RA: 5 of 13 or CA: 3 of 5 required). Minimum present: 7 in 1 Section.
- Unimproved Multiple Requirement - 4 of 6 Criteria present (2 of 6 Required) > Minimum present: 4 in 1 Section.
- Unimproved Single Requirement - 1 of Possible 6 Criteria present (Only 1 required). Present in each section.

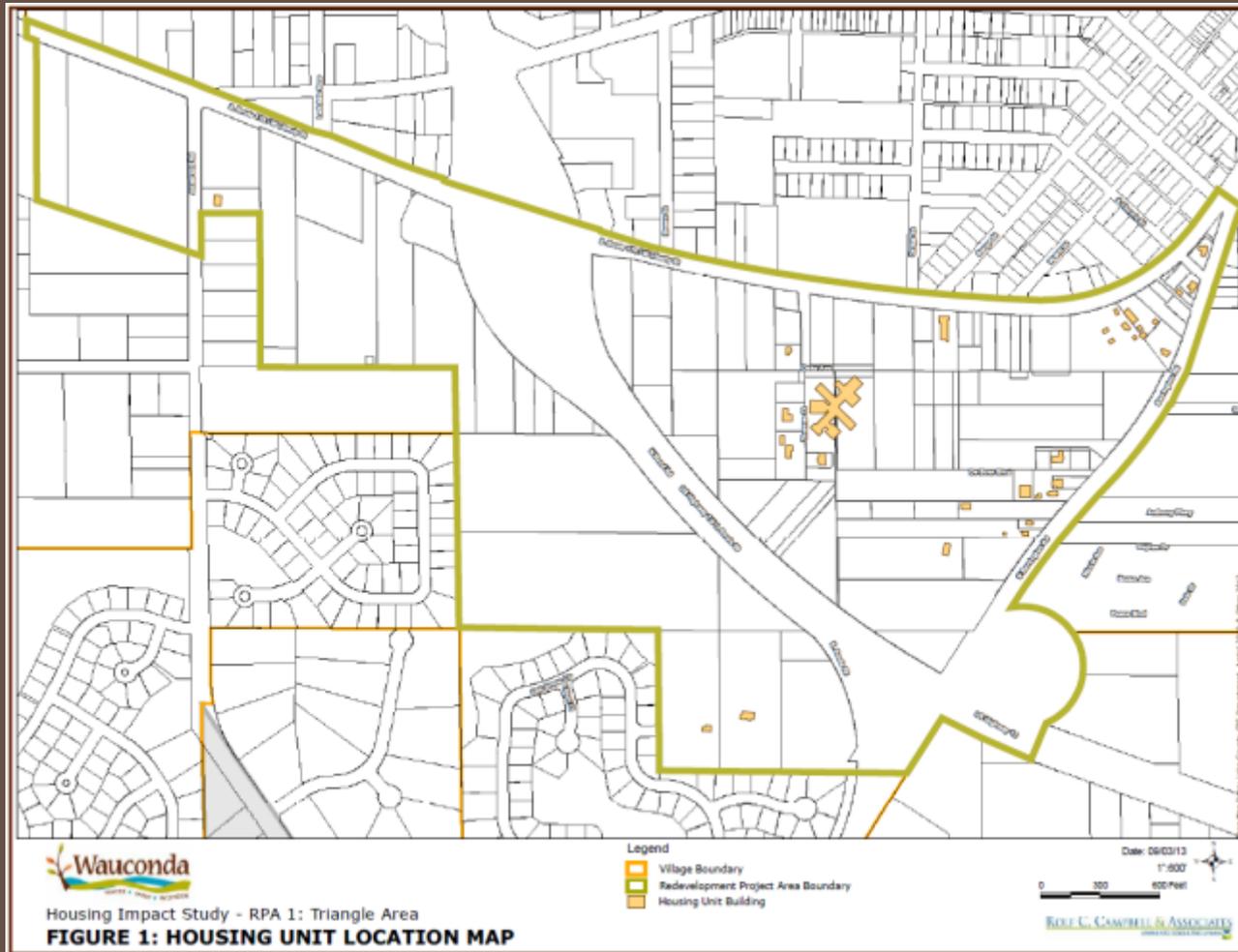


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# Housing Impact Study (13 Pages)

- Required if 10 or more housing units may possibly be impacted by the TIF District (or the area contains 75 or more housing units).
- Provides outline of existing housing conditions.
- Outlines commitment of the Village to providing relocation assistance per Statutory requirements as may be required.

# Housing Unit Location



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# Existing Housing Conditions

- Per review of Study Area, 37 housing units present: 28 permanent units and 9 non-permanent units (Health Care & Rehabilitation Centre & Motel)
- Unit types include single-family homes (22), apartments (3), accessory dwelling units (3), & non-permanent units (9).
- Per 2010 Census, Study Area had 163 residents.

# Housing Relocation Assistance

- As related in the Study, it is not the Village's intention to actively relocate housing units. Any purchase of property is expected to be conducted between private parties on their respective terms.
- If ever required, the Village commits to providing housing relocation assistance per the terms of the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act.

# Redevelopment Plan (33 Pages)

- Designed to meet statutory requirements set forth in the Tax Increment Allocation Redevelopment Act (65 ILCS Section 5/11-74.4-3, et. Seq., as amended)
- Plan Components:
  - ▣ Redevelopment Goals
  - ▣ Redevelopment Program and Plan
  - ▣ Costs & Financing of the Redevelopment Project Area
  - ▣ Impact on Affected Taxing Districts
  - ▣ Phasing & Scheduling
  - ▣ Commitment to Fair Employment Practices & Affirmative Action
  - ▣ Provisions for Amending Redevelopment Plan
  - ▣ List of Most Recent EAV of the Redevelopment Project Area (RPA)

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# 'But For' Statement

- In order to approve the Redevelopment Plan, the Village must find that but for approving the TIF District the Redevelopment Project Area (RPA) would not reasonable expect to be redeveloped.
- The Village finds that:
  - The area has experienced limited development over the past 10 years which is exhibited by the RPA having negative EAV growth for the past 4 out of 5 years and lagging behind the CPI for the last 4 out of 5 years.
  - The blighting characteristics are present to such an extent in the RPA that they cannot be addressed through traditional governmental programs or private market investment alone.
  - If not addressed, the blighting characteristics will worsen and hinder further redevelopment of the RPA.

# Redevelopment Goals 1

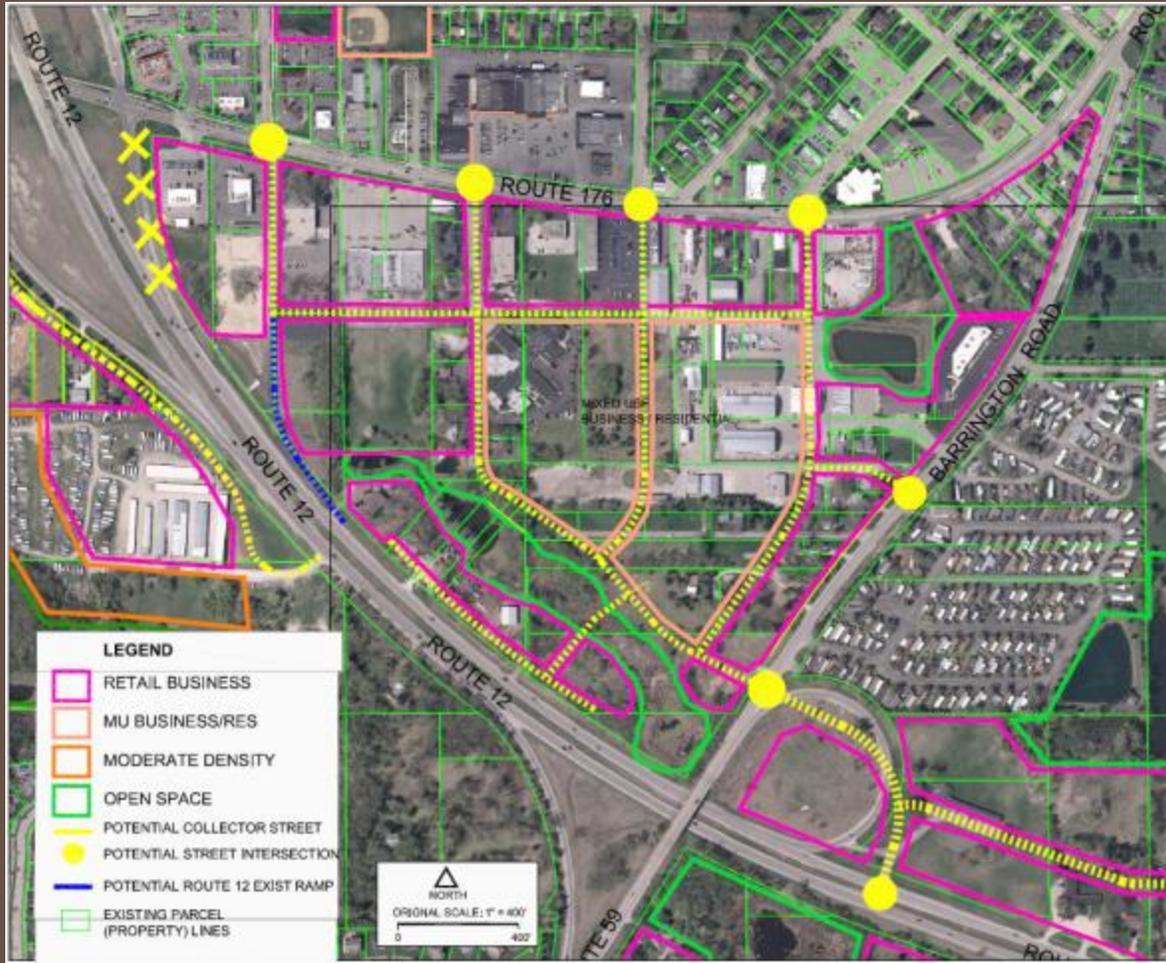
- 1) Seek to encourage new development/redevelopment of underutilized parcels.
- 2) Encourage development that will increase the tax base of the Village and other governmental bodies.
- 3) Remove the conditions of blight outlined in the Eligibility Study through encouraging and supporting the private market to make the necessary improvements to existing developments and site conditions.
- 4) Provide the financial means to assist the Village with improving public infrastructure and facilities. These investments could account for both current and future demands within the RPA.
- 5) Coordinate development/redevelopment efforts between numerous public and private interests to attempt to create an appropriate level of improvements that will support the functionality and longevity of both public and private investments and infrastructure in the area.

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# Redevelopment Goals 2

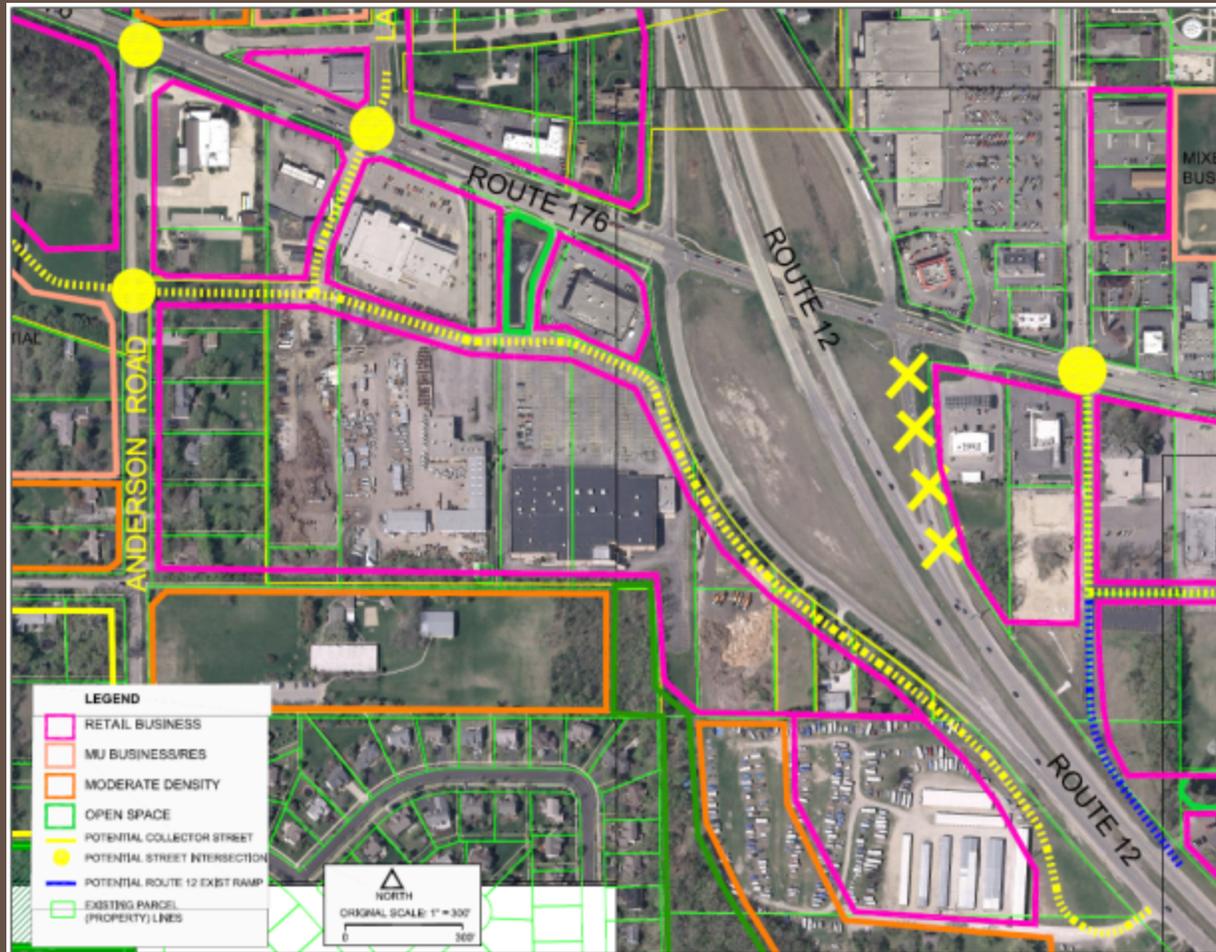
- 6) Seek to improve the aesthetic character of the Village, especially the enhancement of the commercial corridors and areas along Illinois Route 176, Barrington Road, U.S. Hwy. 12 and other roadways, through the addition of streetscape improvements, such as landscaping, decorative streetlights, street furniture, removal/relocation of unsightly overhead utility poles and wires, and other similar improvements.
- 7) Improve the safe and efficient access to and within the RPA through the realignment and/or reduction of curb cuts, planning and development for new roadways, additions of sidewalks and paths, and other similar improvements and actions.
- 8) Provide any housing, job training assistance, and other such services and programs required under the Act.

# 2012 Comprehensive Plan Excerpt 1



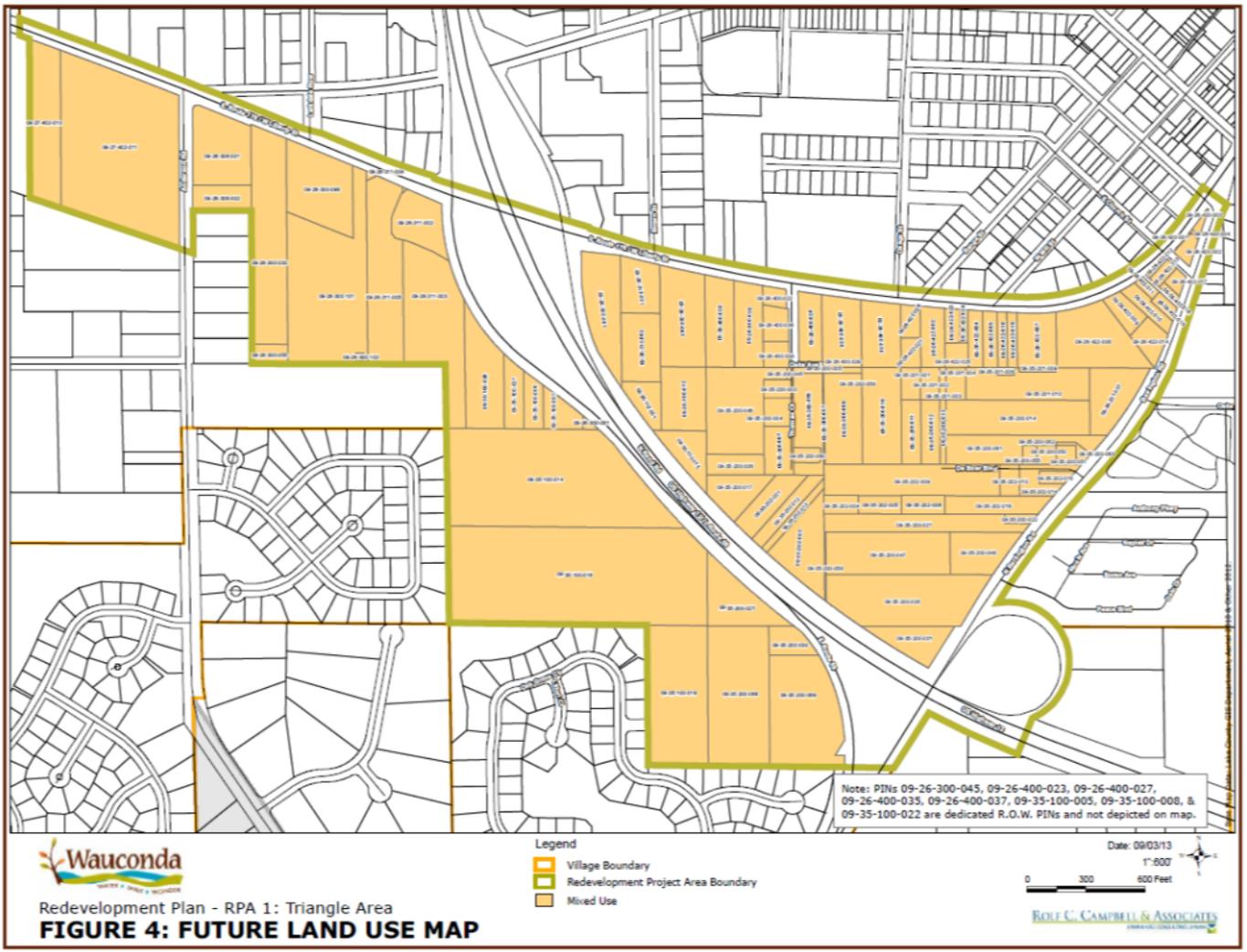
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# 2012 Comprehensive Plan Excerpt 2



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# Conformance with Comprehensive Plan



# Projected EAV Growth of RPA over 23 Years

- NOTE: EAV Growth projections are estimates and actual EAV Growth will be incremental based on new projects as they are developed.
  - ▣ Current Total Property Tax Rate: 10.482
  - ▣ Present Total EAV of the RPA (2013/4):  
+/- \$17 Million (\$1.8 MM in annual taxes)
  - ▣ Future Total EAV of the RPA (2036):  
+/- \$40 – 50 Million (\$4.2 - \$5.2 MM in annual taxes)
  - ▣ EAV Leveraged Increment Growth (2013/4-2036) :  
+/- \$23 to \$33 Million (\$2.4 - \$3.4 MM in annual taxes)

# Redevelopment Project Categories & Range of Estimated Costs

<b>Redevelopment Project Category</b>	<b>Low End Estimate</b>	<b>High End Estimate</b>
<b>1. Site Preparation, Clearance, Demolition, &amp; Acquisition</b>	\$5,000,000	\$8,000,000
<b>2. Rehabilitation of Buildings &amp; Structures</b>	\$500,000	\$1,000,000
<b>3. Electric &amp; Related Utilities</b>	\$4,500,000	\$6,000,000
<b>4. Water System</b>	\$2,500,000	\$3,000,000
<b>5. Sanitary Sewer System</b>	\$800,000	\$1,000,000
<b>6. Storm Sewer System</b>	\$6,500,000	\$8,000,000
<b>7. Roadway &amp; Streetscape</b>	\$12,000,000	\$14,000,000
<b>8. Other Infrastructure Projects</b>	\$300,000	\$400,000
<b>9. Housing Relocation &amp; Job Training Assistance</b>	\$10,000	\$20,000
<b>10. Master Planning, Economic Development &amp; Marketing</b>	\$300,000	\$600,000
<b>11. Other Projects &amp; Programs</b>	\$2,000,000	\$3,000,000
<b>Total Estimated Redevelopment Costs</b>	<b>\$34,410,000</b>	<b>\$45,020,000</b>

Note: Professional service costs and administration costs are generally included in the estimated project category costs. Estimates are in constant 2013 dollars.

# Funding Sources

- The Village plans to operate on a “Pay for Pay” system whereby any private developer will only receive TIF Funds for public improvements based on the amount of tax increment they generate.
- The Village will consider all possible funding sources available under the TIF Act on a case by case basis.
- Bonds and other such security obligations are only expected to be used when a full commitment of investment dollars or actual development is completed by the private developer.
- Any security obligations will be retired by the end of the 23 lifetime period of the TIF District.

# Effects on Taxing Districts

- The Tax Districts will continue to receive their existing tax revenues based on the current total EAV.
- The Village intends to make conscientious investments to increase the EAV through leveraging private market investments for commercial, industrial, and mixed use development.
- Redevelopment project agreements are negotiated party to party contracts which allow for the inclusion of provisions to account for unique impacts on governmental services by a particular development.
- As outlined, redevelopment investments are intended to eliminate blight criteria and raise the overall EAV level.

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# Joint Review Board Review

- JRB is here to discuss and provide recommendations concerning the provided documents and plan.
- At its discretion, JRB may receive questions and comments from the public.
- JRB may elect to recommend approval or disapproval of the documents and plan or call for additional meetings.
- JRB must present a written report of possible revisions and findings within 30 days of this meeting (October 25<sup>th</sup>).
- If the JRB recommends disapproval, the Village within 30 days may revise the document and bring it back for further inspection by the JRB.
- If the JRB does not provide a report within 30 days, it is deemed the RPA meets qualifying requirements and the Village may proceed.
- If a TIF District is enacted, the JRB will conduct an annual audit meeting of the TIF District program and expenditures.

# Next Steps

- Additional JRB Meetings (As needed)
- Village Revisions of Documents & Reports (As needed)
- Additional Noticing
- Public Hearing Scheduled for November 20 (To Be Continued as needed)
- Village Board Review 14 - 90 days of Public Hearing
- Transmission of documents to County Clerk and Certification of base line EAV by County Assessor