
VILLAGE OF LAKE ZURICH, LLINOIS

DOWNTOWN TIF #2 REDEVELOPMENT PLAN AND PROJECT

“Redevelopment Plan” means 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” or combination thereof or “industrial park conservation area”, and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.

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I. INTRODUCTION

The Village of Lake Zurich (the "Village") is a non-home rule municipality located in Lake County, approximately thirty (30) miles northwest of Chicago. The Village lies adjacent to the municipalities of Hawthorn Woods to the north, Long Grove and Kildeer to the east, Deer Park to the south, and North Barrington to the west.

In the context of planning for the Downtown TIF #2 Redevelopment Project Area, the Village has initiated actions related to the study of an area, in the commercial/retail district of Lake Zurich, to determine whether it qualifies for consideration as a Tax Increment Financing ("TIF") District pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended (the "Act"). The Village proposes a Tax Increment Financing ("TIF") Redevelopment Plan (the "Plan") to assist an area in overcoming a number of redevelopment barriers. Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Lake Zurich to conduct an analysis of the qualification of an area that would result in the establishment of the Downtown TIF #2 Tax Increment Finance District (the "TIF District," "Redevelopment Project Area," or "RPA"), and to assist the Village in drafting this Plan. The Village is pursuing the designation of the TIF District as part of its strategy to promote the revitalization of key under-utilized properties located within the Village. The Qualification report detailing the area eligibility is attached as Exhibit E.

TIF Plan Requirements

The Village is completing this Plan as required by the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended (the "Act"). To establish the Downtown TIF District the Village must adopt the Plan and a TIF Qualification Report.

The Act enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest so as to: "promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas to be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas" (65 ILCS 5/11-74.4-2[b]).

By definition, a TIF "Redevelopment Plan" means 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 qualify the redevelopment project area as a "blighted area," "conservation area" (or combination thereof), or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act.

Community Background

The Village has a long and prosperous history dating back to the 1800s. The Village was founded and incorporated in 1896 as Lake Zurich. The Village basically surrounds Lake Zurich, formerly named Cedar Lake. The Village is intersected by Illinois State Routes 22, 12 and Rand Road. In 2013 the Village had a population of 19,984 compared with their 2000 population of 18,104.

The TIF District

The RPA is generally bordered by West Main Street on the west, Old Rand Road on the north, Route 22 on the south and various properties west of the Route 22 bypass on the east. Most of the uses within this area are retail/commercial, institutional, parking with some single family residential and residential above commercial uses. The RPA consists of approximately one hundred sixty-eight (168) tax parcels and one hundred five (105) structures. The area is approximately 58.6 acres in size including the right of ways.

The downtown area is an area of economic and cultural importance for the Village. The RPA is identified in numerous planning documents as an area for planned concentration and importance. The RPA is deemed an area that the Village should invest in and use economic development tools like TIF to encourage private investment. This Plan reflects the strategies identified in the previous Village Plans and also the importance of the downtown area for Lake Zurich. The 2003 Comprehensive Plan identifies portions of the RPA in Subarea Plan due to its importance to Village.

The downtown of Lake Zurich and the RPA has been the subject of planning and economic development efforts in the past. The Village has identified its singularity and importance in the following documents:

- 2003 Comprehensive Plan
- 2003 Land Use Plan

The confluence of the lakefront and the commercial district make the RPA a driving force in the Lake Zurich economy and identity. This Plan reflects the important nature of the RPA and will establish parameters for redevelopment under the TIF Act.

The TIF District has multiple land-uses but is mainly made up of retail/commercial, institutional, parking and some single family residential and some residential above commercial uses. The RPA has seen some investment in the recent years since the easing of the recession but these investments need to be leveraged and protected for sustainable development.

Rationale for Redevelopment

The Village recognizes the need for implementation of a strategy to stabilize and encourage more investment in the RPA due to its pivotal nature within the Village. The analysis performed by KMA in conjunction with the guidance from the Village's

Comprehensive Plan and other planning documents conclude that without further action by both public and private parties, disinvestment or under-investment is a possibility. The needed private investment to accomplish these goals may only be possible if TIF is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Existing conditions that may have precluded intensive private investment in the past may be eliminated. Ultimately, the implementation of the Plan will benefit the Village and all the taxing districts, which encompass the area in the form of a significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the Village to address area wide deficiencies. The Village can use the provisions in the TIF Act to develop actions for the redevelopment of the RPA including but not limited to the following:

- Providing viable uses/redevelopment for the properties located within the RPA;
- Establishing a pattern of land-use activities that will increase efficiency and economic relationships, especially as such uses complement adjacent commercial, retail, residential, recreational, institutional and other Village redevelopments;
- Providing infrastructure that is adequate in relation to Village redevelopment plans;
- Provision for roadway and traffic improvements within the area, including the continued review of ingress and egress requirements that satisfy area circulation, parking and connections to major arterials;
- Entering into redevelopment agreements in order to include the redevelopment of property and/or to induce new development to locate within the RPA;
- Improving area appearance through rehabilitation of structures, landscape, streetscape and signage programs; and
- Coordinating land and facilitating assembly in order to provide sites for more modern redevelopment plans.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital. This in turn will lead to the retention, expansion and attraction of commercial and other development into the Village in general and the RPA in particular.

The Redevelopment Plan

The Village recognizes the need for implementation of a strategy to revitalize existing properties within the boundaries of the RPA and to stimulate and enhance private development. Private investment attraction and expansion are key components of the strategy. The needed private investment may only be possible if tax increment financing (TIF) is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act (the "Act") Illinois Compiled Statutes, Chapter 65, and Section 5/11-74.4-1 et seq., as amended. Incremental property tax revenue generated by redevelopment activities will play a decisive role in encouraging private redevelopment. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts which encompass the area in the form of a significantly expanded tax base.

The area on the whole would not reasonably be anticipated to be redeveloped in a coordinated manner without the adoption of a Redevelopment Plan and Project. The Village, with the assistance of Kane, McKenna and Associates, Inc. has commissioned this Redevelopment Plan and Project to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA may become a more viable area that may attract more private investment. The public investment can set the stage for the redevelopment of the area with private capital. This in turn will lead to operation of viable mixed residential, retail, commercial and institutional uses within the area.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1½ acres.

Through this Redevelopment Plan and Project, the Village will serve as a force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts which encompass the RPA in the form of a stabilized and expanded tax base and creation of new employment and investment opportunities within the Village as a result of new private redevelopment in the area.

Housing Impact

It is further found, and certified by the Village, in connection to the process required for the adoption of this Plan and Project pursuant to 65 ILCS Section 5/11-74.4.3(n)(5) of the Act, that this Plan and Project will not result in the displacement of 10 or more inhabited residential units. Therefore, this Plan and Project does not include a housing impact study.

Summary

It is found and declared by the Village that in order to promote and protect the health, safety, and welfare of the public, that certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken; and, to alleviate the existing adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts by the development or redevelopment of certain areas. Public/private partnerships are determined to be necessary in order to achieve redevelopment goals. Without the redevelopment focus and resources provided under the Act, the redevelopment goals of the municipality would not reasonably be expected to be achieved.

It is found and declared by the Village that the use of incremental tax revenues derived from the tax rates of various taxing districts in the Redevelopment Project Area for the payment of redevelopment project costs is of benefit to said taxing districts. This is because these taxing districts whose jurisdictions are included in the Redevelopment Project Area would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA.

Redevelopment of the RPA is tenable only if a portion of the improvements and other costs are funded by TIF.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached in Exhibit A.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in conformance with the Village's Comprehensive Plan (including any amendments thereto).

General Goals of the Village

- A) Develop attractive and highly functional retail and commercial areas that are market responsive, create a diverse tax base, and serve the needs of the Village's residents, and in some areas, larger regional markets.
- B) Enhance the economic viability, productivity, appearance and function of the Village's commercial corridors.
- C) Revitalize Downtown Lake Zurich as the symbolic "heart" of the community and enhance its role as the Village's primary mixed use pedestrian environment.
- D) To strengthen the property tax base of the Village and overlapping tax districts.
- E) To create new jobs and retain existing jobs for Village and area residents.
- F) To coordinate all redevelopment within the Village in a comprehensive manner, avoiding adjacent land use conflicts and negative community impacts.
- G) To create a cooperative partnership between Village and private redevelopment entities.

Specific Objectives for the RPA

- Seek to build pedestrian character via revision of ordinances and codes;
- Implement a required "Build to" line instead of front setback line approach. This will require buildings to address the street and will therefore make the area more pedestrian friendly;
- Allow and require where feasible wider sidewalk standards;
- Require primary building entrances be oriented toward a public street;
- Support continued capital improvements throughout the Downtown area, including streetscape improvements and facade improvements;
- Consider building beyond three (3) stories that include ground floor retail uses and upper floor residential uses;

- Seek to develop guidelines that increase the availability of parking through the requirement of shared parking lots among developments;
- Establish development guidelines for the Downtown and Illinois Route 22 bypass area discouraging strip-type, automobile oriented development styles and maintains the primary focus of activity in the Downtown;
- Promote more energy efficient site designs and layouts for developments potentially utilizing higher densities in developments to encourage more pedestrian traffic;
- Integrate the Public/Quasi-Public space goals and objectives with the aesthetic aspects of the Downtown. Continue to revitalize Downtown with a mixture of uses including commercial, office, restaurant, and residential.

Redevelopment Objectives

The purpose of the RPA designation will allow the Village to:

- I. Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal;
- II. Reduce or eliminate negative factors as more fully described in the TIF Eligibility Report, present within the area. These factors include inadequate utilities, lack of community planning, deterioration, obsolescence, excessive land coverage and deleterious layout;
- III. Accomplish redevelopment over a reasonable time period;
- IV. Provide for high quality development within the RPA; and
- V. Provide for an attractive overall appearance of the area.

Measuring Results

The implementation of the Redevelopment Project will serve to improve the physical appearance of the RPA and contribute to the economic development of the area. The implementation of the RPA will provide new employment opportunities for community and Village residents.

To track success in meeting RPA-specific objectives and strategies, the Village may wish to consider establishing certain performance measures that would help the Village monitor the projects to be undertaken within the RPA.

The Government Finance Officers Association recommends that municipalities adopting TIF districts evaluate actual against projected performance (e.g., using metrics such as job creation or tax revenue generation). Table 1 below identifies the types of performance measures the Village may consider to track the performance of projects within the RPA. (Section VI of this Plan discusses the types of projects that the Village may pursue within the RPA, with the caveat that specific projects at this point are only conceptual in nature.)

Table 1
Examples of TIF Performance Measures

| Measure | Examples |
|------------------------|---|
| Input | Public investment Private investment Acres of land assembled for TIF |
| Output/Workload | Jobs created or retained Number of streetscaping fixtures installed Commercial space created (square feet) |
| Efficiency | Leverage ratio (private investment / public investment) Cost per square foot of commercial space Public subsidies per job created/retained |
| Effectiveness | Change in assessed value (AV) in TIF versus AV in rest of Village Change in AV within TIF before and after TIF creation Municipal sales taxes before and after TIF creation |
| Risk | Debt coverage ratio Credit ratings of anchor tenants Tenant diversification (e.g., percent of total TIF EAV attributable to top 10 tenants in commercial development) |

Source: *An Elected Official's Guide to Tax Increment Financing*, Government Finance Officers Association.

IV. LACK OF DEVELOPMENT, GROWTH AND FISCAL IMPACT ON TAXING DISTRICTS

Evidence of the Lack of Development and Growth within the RPA

As documented in Exhibit E of this Plan, the RPA has suffered from a lack of development and the RPA qualifies as a conservation area. In recent years, the area has not benefited from sustained private investment and/or redevelopment. Absent intervention by the Village, properties within the RPA would not be likely to increase in market value.

The RPA exhibits various conditions which, if not addressed by the Village, would eventually worsen. These various conditions discourage private sector investment in business enterprises. Consequently, the Village finds that actions taken, at least in part, through the implementation of this plan will significantly mitigate such problems.

Assessment of Fiscal Impact on Affected Taxing Districts

It is not anticipated that the implementation of this Plan will have a negative financial impact on the affected taxing districts. Instead, action taken by the Village to stabilize and cause growth of its tax base through the implementation of this Plan will have a *positive impact* on the affected taxing districts by arresting the potential decline or lag in property values, as measured by assessed valuations (AV). In short, the establishment of a TIF district would protect other taxing districts from the potential downside risk of falling AV.

Since there is the potential for new development, the Village may permit new residential development to occur within the RPA. As such, there could be an increased burden placed on the area's school districts. To the extent that such development does occur, and school age children result from new community arrivals, the elementary and high school taxing districts could potentially be affected. In addition, the library district would also be provided per the TIF Act provisions, if patrons are increased. The Village has made allowances in this plan and project for revenue distributions to such taxing districts and will follow the guidelines provided by the Act to compensate the districts at levels dictated by the precise increase in students.

Any surplus Special Tax Allocation Funds (to the extent any surplus exists) will be shared in proportion to the various tax rates imposed by the taxing districts, including the Village. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the Village – have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the Village as provided by the Act.

V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Findings

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district as a “conservation area” under Illinois law. Refer to the TIF Qualification Report, (Exhibit E) which is attached as part of this Plan.

Eligibility Survey

The RPA was evaluated beginning in September of 2014 and continuing to the date of this report by representatives of Kane, McKenna and Associates, Inc., (KMA) and Village staff. Analysis was aided by certain reports obtained from the Village and other sources. In KMA’s evaluation, only information was recorded which would directly aid in the determination of eligibility for a TIF district.

VI. REDEVELOPMENT PROJECT

Plan Objectives

As indicated in Section III of this Plan, the Village has established a planning process which guides economic development and land use activities throughout the Village. Consistent with the established planning process, the Village proposes to achieve economic development goals and objectives through the redevelopment of the Downtown RPA, pursuit of projects within the RPA, and the promotion of private investment via public financing techniques, including but not limited to tax increment financing.

The project-specific objectives envisioned for the Downtown TIF #2 RPA are as follows:

- 1) Implementing a plan that provides for the attraction of users to redevelop underutilized land and buildings that are available within the RPA.
- 2) Constructing public improvements which may include (if necessary):
 - Street and sidewalk improvements (including new street construction and widening of current streets; any street widening would conform with Village standards for context-sensitive design);
 - Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation);
 - Signalization, traffic control and lighting;
 - Off-street parking and public parking facilities; and
 - Landscaping and beautification.
- 3) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) Providing for site preparation, clearance, environmental remediation, and demolition, including grading and excavation, as provided for under the TIF Act.
- 5) By the redevelopment of certain buildings through necessary rehabilitation and improvement of structures.
- 6) Exploration and review of job training programs in coordination with any Village, federal, state, and county programs.
- 7) By entering into agreements with other public bodies for the development or construction of public facilities and infrastructure.

Redevelopment Activities

Pursuant to the project objectives cited above, the Village will implement a coordinated program of actions. These include, but are not limited to, acquisition, site preparation, clearance, and demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary. Such activities conform to the provision of the TIF Act that define the scope of permissible redevelopment activities.

Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

Land Assembly

Certain properties in the RPA may be acquired, assembled and reconfigured into appropriate redevelopment sites. Relocation may also be required and the Village would conform to the provisions of the Act.

Public Improvements

The Village may, but is not required to, provide public improvements in the RPA to enhance the immediate area and support the Plan. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems, detention facilities, roadways, and traffic-related improvements;
- Parking facilities (on grade and parking structures);
- Beautification, identification markers, landscaping, lighting, signage of public right-of-ways, and other elements of a streetscaping program; and
- Construction of new (or rehabilitation of existing) public facilities to allow for the redevelopment of the existing sites for new retail/commercial, mixed use, or light industrial uses.

Rehabilitation

The Village may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conform to Village code provisions. Improvements may include exterior and facade-related work as well as interior-related work.

Interest Subsidy-Down

The Village may enter into agreements with for-profit or non-profit owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects are paid for out of the Special Tax Allocation Fund of the RPA, in accordance with the Act.

Job Training

The Village may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs; and
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

School and Library Districts Costs

The Village may provide for payment of school and library districts costs as provided for in the Act relating to residential components assisted through TIF funding.

General Land Use Plan

As noted in Section I of this Plan, the RPA currently contains primarily retail and commercial uses with some institutional and residential. Existing land uses are shown in Exhibit C attached hereto and made a part of this Plan. Exhibit D designates future land uses in the Redevelopment Project Area. Future land uses will conform to the Zoning Ordinance and the comprehensive planning process as either may be amended from time to time.

Additional Design and Control Standards

The appropriate design standards (including any Planned Unit Developments) as set forth in the Village's Zoning Ordinance and the comprehensive planning process shall apply to the RPA.

Eligible Redevelopment Project Costs

Under the Act, redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan. (Private investments, which supplement "Redevelopment Project Costs," are expected to substantially exceed such redevelopment project costs.) Eligible costs permitted by the Act and pertaining to this Plan include:

- (1) *Professional Service Costs* – 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, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;
 - The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
 - Annual administrative costs shall *not* include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;
 - In addition, redevelopment project costs shall *not* include lobbying expenses;
- (2) *Property Assembly Costs* – 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, 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;

- (3) *Improvements to Public or Private Buildings* – 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; including any direct or indirect costs relating to Green Globes¹ or LEED-certified construction elements or construction elements with an equivalent certification per the TIF Act;
- (4) *Public Works* – Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
- (5) *Job Training* – Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- (6) *Financing Costs* – 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 hereunder including (a) interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and (b) reasonable reserves related thereto;
- (7) *Capital Costs* – To the extent the municipality 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 Plan;

¹ Green Globes is an environmental assessment and certification program for commercial buildings, operated by the Green Buildings Initiative.

- (8) *School-Related Costs* – For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually.²

Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects. Certain library district costs may also be paid as provided for in the Act;

² The calculation is as follows: (A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (C) For any school district in a municipality with a population in excess of 1,000,000, additional provisions apply.

- (9) *Relocation Costs* – To the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of the Act;
- (10) *Payment in Lieu of Taxes*;
- (11) *Other Job Training* – Costs of job training, retraining, 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, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;
- (12) *Developer Interest Cost* – Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - (A) Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - (B) Such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - (C) If there are not sufficient funds available in the special tax allocation fund to make the payment then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - (D) The total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
 - (E) The cost limits set forth in subparagraphs (B) and (D) of paragraph shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D); and

(F) Instead of the eligible costs provided by subparagraphs (B) and (D), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (F) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F).³

The TIF Act prohibits certain costs. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost. In addition, the statute prohibits costs related to retail development that results in the closing of nearby facilities of the same retailers. Specifically, none of the redevelopment project costs enumerated in the Act shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.⁴

No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. "Historic Resource" means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic

³ The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

⁴ Termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Projected Redevelopment Project Costs

Estimated project costs are shown in Table 2 below. Adjustments to estimated line-item costs below are expected and may be made without amendment to the Plan. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described line-item expenditure. Adjustments may be made in line-items, either increasing or decreasing line-item costs for redevelopment. The specific items listed below are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the *total amount* of payment for eligible redevelopment project costs (the "Total Estimated TIF Budget" in Table 2) shall not exceed the amount set forth below, as adjusted pursuant to the Act. As explained in the following sub-section, incremental property tax revenues from any contiguous RPA may be used to pay eligible costs for the Downtown RPA.

| Program Actions/Improvements | Estimated Costs |
|--|------------------------|
| Land Acquisition and Relocation | \$1,750,000 |
| Site Preparation, Including Environmental Remediation, Demolition, and Site Grading | \$3,250,000 |
| Utility Improvements (Including Water, Storm, Sanitary Sewer, Service of Public Facilities, and Road Improvements) | \$13,000,000 |
| Public Improvements/Facilities and Parking Structures | \$1,000,000 |
| Rehabilitation of Existing Structures | \$3,375,000 |
| Interest Costs Pursuant to the Act | \$2,000,000 |
| Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting, and Marketing) | \$2,000,000 |
| Job Training | \$500,000 |
| Statutory School and Library District Payments | \$2,500,000 |
| TOTAL ESTIMATED TIF BUDGET | \$29,375,000 |

Notes:

(1) All project cost estimates are in 2014 dollars. Costs may be adjusted for inflation per the TIF Act.

(2) In addition to the costs identified in the exhibit above, any bonds issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, and (c) capitalized interest and reasonably required reserves.

(3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of the line-items set forth above are not intended to place a total limit on the described expenditures, as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection the redevelopment of the RPA – provided the total amount of payment for eligible redevelopment project costs shall not exceed the overall budget amount outlined above.

Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from incremental property tax revenues, proceeds from municipal obligations to be retired primarily with such revenues, and interest earned on resources available but not immediately needed for the Plan. In addition, pursuant to the TIF Act and this Plan, the Village may utilize net incremental property tax revenues received from other contiguous RPAs to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas. This would include contiguous TIFs that the Village may establish in the future. (Conversely, incremental revenues from the Downtown TIF may be allocated to any contiguous TIF Districts.)

Redevelopment project costs as identified in Table 2 specifically authorize those eligible costs set forth in the Act and do not address the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed. TIF or other public sources are to be used, subject to approval by the Village Board, only to leverage and commit private redevelopment activity.

The incremental tax revenues which will be used to pay debt service on the municipal obligations (if any) and to directly pay redevelopment project costs shall be the incremental increase in property taxes. The property tax increment would be attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA – over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2013 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the Village may from time to time deem appropriate.

Nature and Term of Obligations to Be Issued

The Village may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its power pursuant to the Illinois State Constitution.

Any and all obligations issued by the Village pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-third year of the TIF, with taxes collected in the twenty-fourth year. However, the final maturity date of any obligations issued

pursuant to the Act may not be later than twenty (20) years from their respective date of issuance.

One or more series of obligations may be issued from time to time in order to implement this Plan. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year. The total principal and interest may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Certain revenues may be declared as surplus funds if not required for: principal and interest payments, required reserves, bond sinking funds, redevelopment project costs, early retirement of outstanding securities, or facilitating the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan. Such surplus funds shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds. Further, the securities may be offered on such terms as the Village may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions. Additionally, such securities may be issued with either fixed rate or floating interest rates.

Most Recent Equalized Assessed Valuation for the RPA

The most recent equalized assessed valuation for the RPA is based on the 2013 EAV, and is estimated to be approximately \$8,550,934 million.

Anticipated Equalized Assessed Valuation for the RPA

Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the RPA would increase to between approximately \$30,000,000 million depending upon market conditions and the scope of the redevelopment projects.

VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

Potential Redevelopment Project Actions

The Village will implement a strategy with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses conform to Village zoning and planning requirements, or if the Village undertakes redevelopment activities pursuant to this Plan. Depending upon the scope of the development as well as the actual uses, the following activities may be undertaken by the Village:

Land Assembly and Relocation: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site, with relocation costs undertaken as provided by the Act. It is expected that the Village would facilitate private acquisition through reimbursement or write-down of related costs, including the acquisition of land needed for construction of public improvements.

Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements including environmental remediation necessary to prepare the site for desired redevelopment projects.

Rehabilitation: The Village may assist in the rehabilitation of buildings or site improvements located within the RPA.

Landscaping/Buffering/Streetscaping: The Village may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The Village may also undertake the provision/upgrade of necessary detention or retention ponds.

Roadway/Street/Parking Improvements: The Village may widen and/or vacate existing roads. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate redevelopment activities.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

Public Facility-Related Infrastructure: Certain public facilities (including public safety and other taxing districts) improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

School District and Library Costs: Provide for the payment of such costs pursuant to the requirements of the TIF Act.

Interest Costs Coverage: The Village may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

Professional Services: The Village may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The Village may reimburse itself from annual tax increment revenue if available.

Commitment to Fair Employment Practices and Affirmative Action

As part of any Redevelopment Agreement entered into by the Village and any private developers, both parties will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the Village. The program will conform to the most recent Village policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs, and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and compliance with applicable state and federal regulations.

The Village and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) years after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the ordinance approving the RPA is adopted.

VII. PROVISIONS FOR AMENDING THE TIF PLAN AND PROJECT

This Plan may be amended pursuant to the provisions of the Act.

EXHIBIT A
LEGAL DESCRIPTION

LEGAL DESCRIPTION (TIF AREA 2)

ALL THAT PART OF SECTION 20 AND THE SOUTH HALF OF THE SOUTH HALF OF SECTION 17, ALL IN TOWNSHIP 43 NORTH, RANGE 10 EAST OF THE HTIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF 14-20-100-068 IN THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 20; THENCE NORTH ALONG THE WEST LINE OF SAID 14-20-100-068 EXTENDED NORTHERLY TO THE SOUTH LINE OF W.L. LERSSSEN'S SUBDIVISION; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID SUBDIVISION, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF 14-20-100-028; THENCE NORTH ALONG THE WEST LINE OF SAID 14-20-100-028 TO THE NORTHWEST CORNER THEREOF; THENCE EASTERLY ALONG THE NORTH LINE OF SAID PROPERTY EXTENDED WESTERLY TO THE SOUTHWEST CORNER OF 14-20-100-019; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID 14-20-100-019 TO THE NORTHERLY CORNER THEREOF; THENCE SOUTH ALONG THE EAST LINE OF SAID PROPERTY TO THE NORTHWESTERLY LINE OF MAIN STREET; THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF MAIN STREET TO THE SOUTH CORNER OF LOT 12 IN E.R. CLARK'S EAST SHORE SUBDIVISION; THENCE NORTHEASTERLY ALONG THE SOUTHEAST LINE OF SAID LOT 12 TO THE NORTHEAST CORNER THEREOF; THENCE NORTH ALONG THE EASTERLY LINE OF LOTS 10 AND 11 OF SAID SUBDIVISION TO THE INTERSECTION OF THE SOUTHEAST LINE OF SOMERSET SUBDIVISION EXTENDED SOUTHWESTERLY; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID SUBDIVISION TO THE SOUTHEAST CORNER THEREOF; THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF SAID SUBDIVISION EXTENDED NORTHEASTERLY TO THE NORTHEASTERLY LINE OF RAND ROAD; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE TO THE INTERSECTION WITH THE SOUTHEASTERLY LINE OF OAK STREET; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE TO THE NORTHEAST CORNER OF LOT 10 IN ROBERTSON'S 2ND SUBDIVISION; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE TO THE SOUTHEAST CORNER OF SAID LOT 10; THENCE NORTHEASTERLY ALONG THE SOUTH LINE OF SAID SUBDIVISION TO THE SOUTHEAST CORNER OF LOT 1 IN SAID SUBDIVISION, SAID POINT ALSO BEING ON

LEGAL DESCRIPTION (TIF AREA 2)

THE WESTERLY LINE OF LIONS DRIVE; THENCE SOUTHERLY ALONG SAID WESTERLY LINE TO THE INTERSECTION WITH THE SOUTHERLY LINE OF ROBERTSON AVENUE/MAIN STREET; THENCE SOUTHWEST ALONG SAID SOUTHERLY LINE TO THE NORTHEAST CORNER OF LOT 3 IN OAK PARK SUBDIVISION; THENCE SOUTHEASTERLY ALONG THE EASTERLY LINE OF SAID SUBDIVISION TO THE INTERSECTION WITH 14-20-201-010; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID 14-20-200-025 TO THE NORTHEAST CORNER THEREOF; THENCE SOUTHEASTERLY ALONG THE WEST LINE OF SAID 14-20-200-025 TO THE SOUTHEAST CORNER THEREOF, SAID POINT BEING ON THE NORTH LINE OF 14-20-200-025; THENCE NORTHEAST ALONG SAID NORTH LINE OF 14-20-200-025 TO THE NORTHEAST CORNER THEREOF; THENCE SOUTHEASTERLY ALONG THE EASTERLY LINE OF SAID 14-20-200-025 TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTHWESTERLY ALONG THE SOUTHERLY LINE OF SAID 14-20-200-025 TO THE SOUTHWEST CORNER THEREOF; THENCE SOUTHWESTERLY TO THE SOUTHEAST CORNER OF 14-20-200-017; THENCE SOUTHWESTERLY ALONG THE SOUTHERLY LINES OF 14-20-200-017 AND 14-20-100-053 TO THE SOUTHWESTERLY CORNER OF 14-20-100-053; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID 14-20-100-053 TO THE EASTERLY CORNER OF LOT 21 IN MIONSKE'S SECOND SUBDIVISION; THENCE SOUTHWESTERLY ALONG THE SOUTH LINE OF SAID SUBDIVISION TO THE SOUTHWEST CORNER OF LOT 17 THEREOF; THENCE ALONG THE SOUTHERLY LINE OF 14-20-100-063 TO THE SOUTHWEST CORNER THEREOF; THENCE SOUTHWESTERLY TO THE SOUTHEAST CORNER OF 14-20-100-068; THENCE ALONG THE SOUTHERLY LINE OF SAID 14-20-100-068 TO THE POINT OF BEGINNING, ALL IN THE VILLAGE OF LAKE ZURICH, LAKE COUNTY, ILLINOIS.

EXHIBIT B
BOUNDARY MAP

Downtown TIF #2 Boundary Map

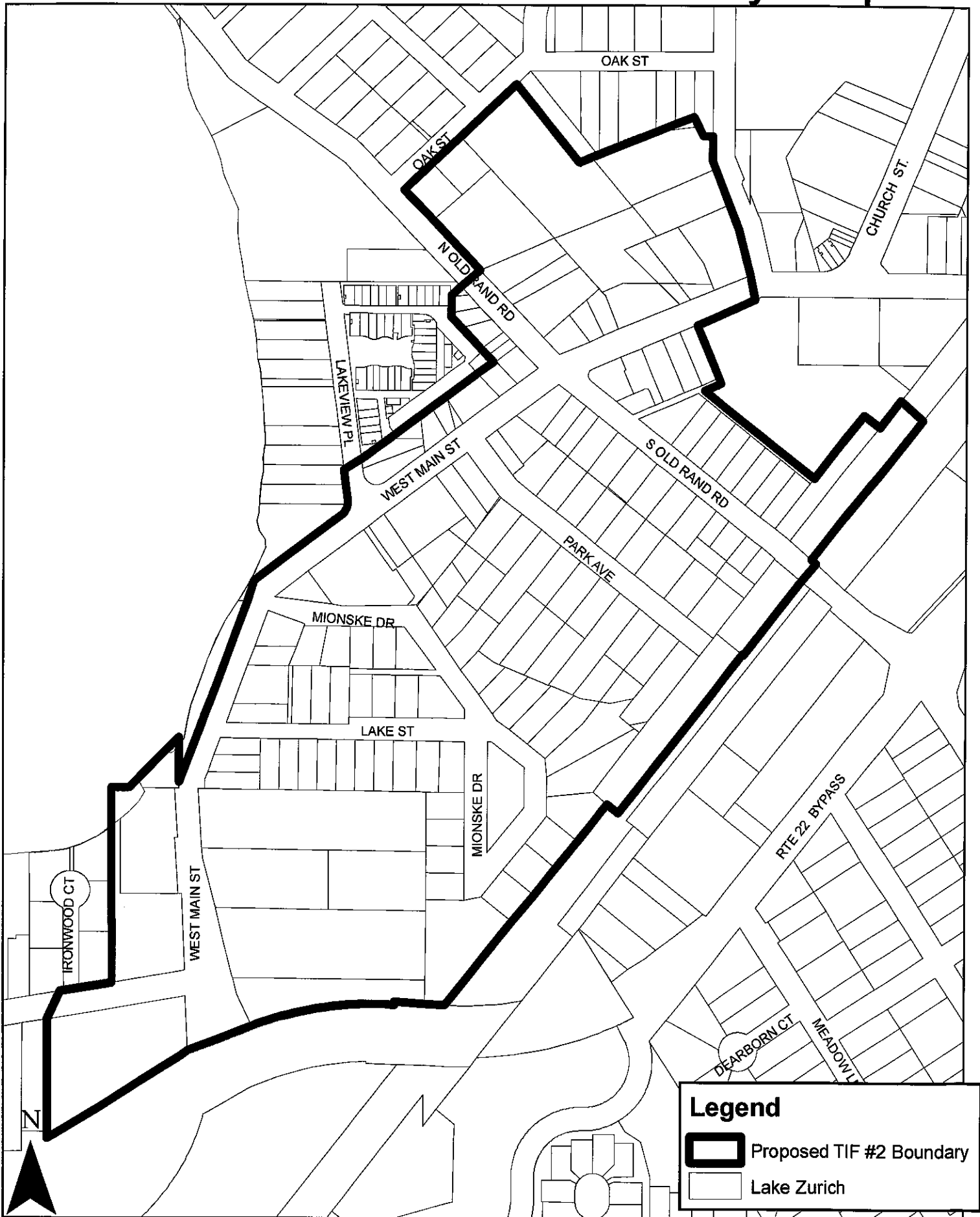


EXHIBIT C
EXISTING LAND USE MAP

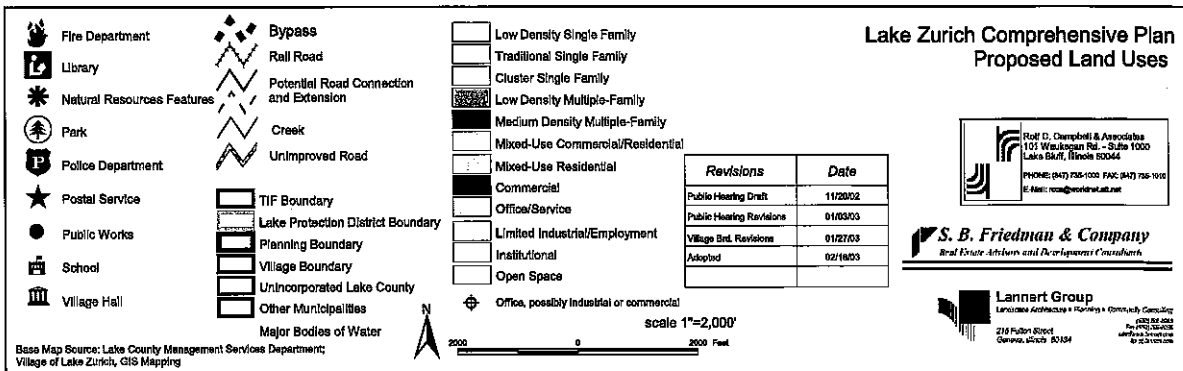
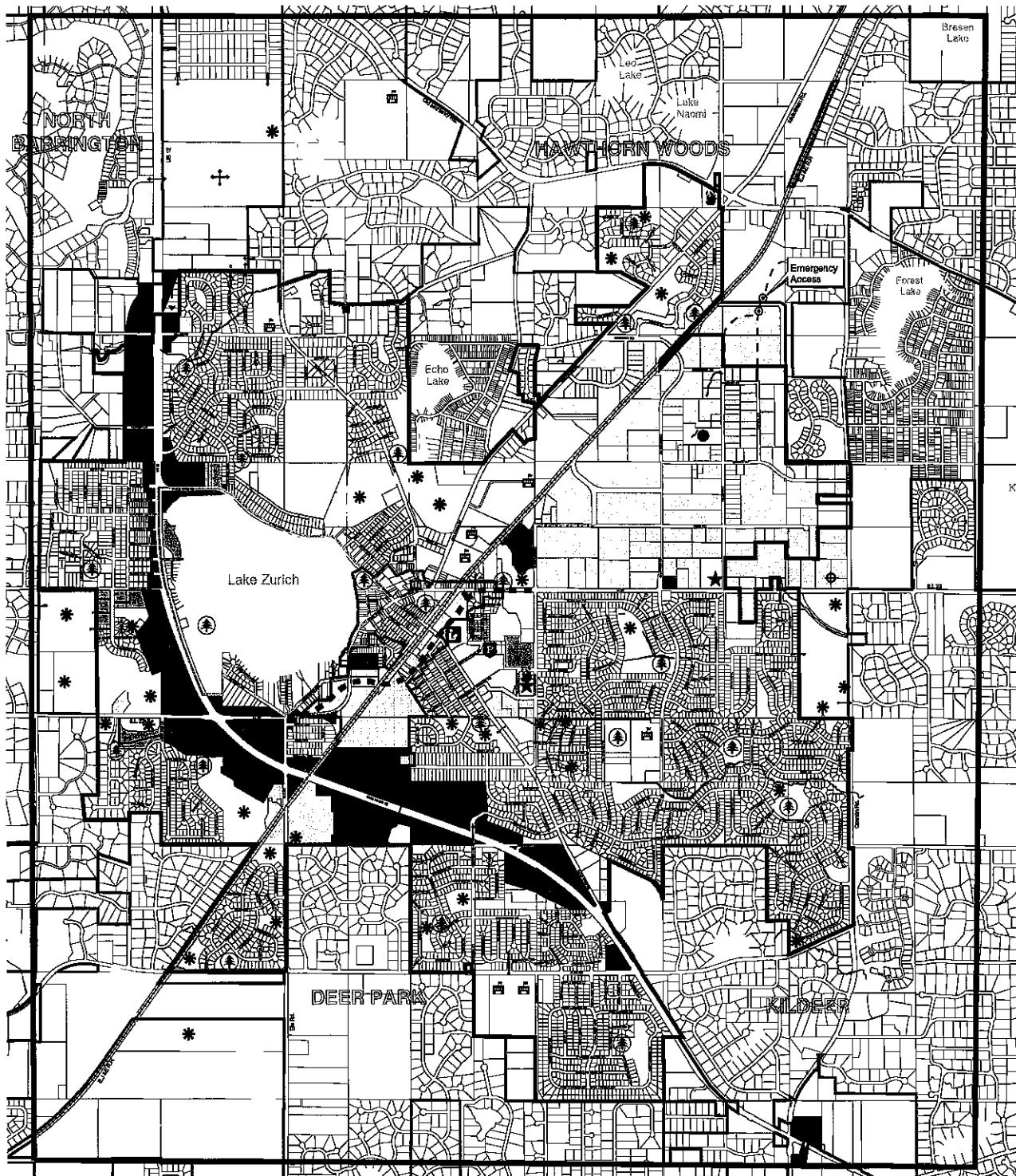
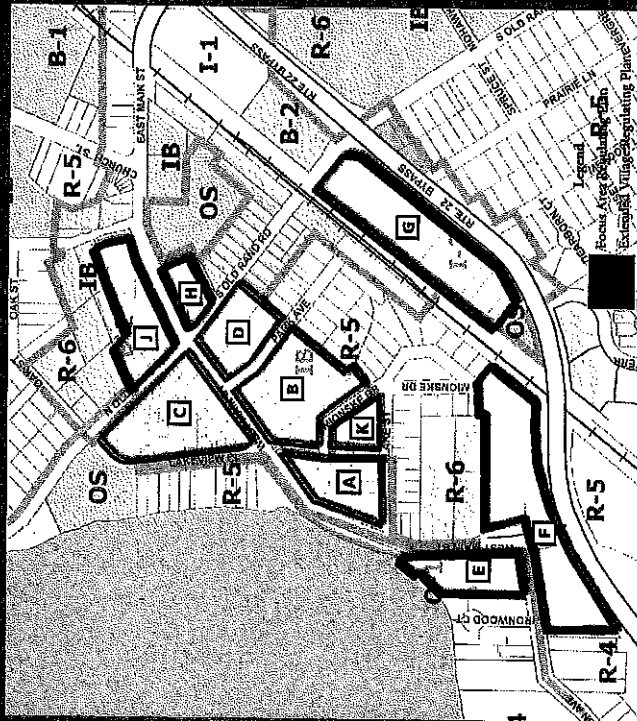


EXHIBIT D
PROPOSED LAND USE MAP
BASED UPON THE VILLAGE'S 2008 FORM BASED REGULATIONS PLAN



Blocks Overlaid onto Existing Zoning Map

The Regulating Plan

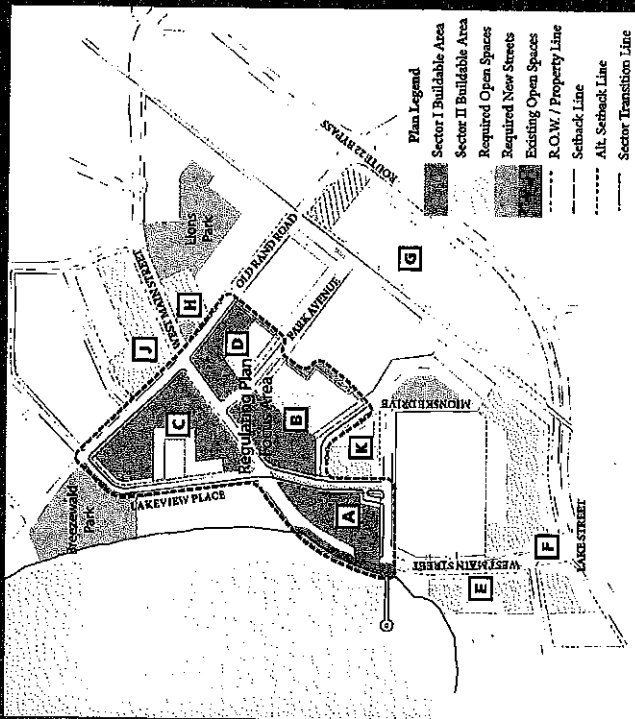
The Regulating Plan establishes the basic framework for the downtown core of the Village by locating streets and civic/public spaces (such as plazas, greens, parks, etc.), defining setbacks and Build-to-Lines, and specifying street frontage requirements and allowable building heights.

The Regulating Plan is divided into two sub-sections to address two aspects of the Vision Plan for Lake Zurich. The Focus Area Regulating Plan provides guidance for the primary land area that is the heart of the redevelopment effort, and is divided into four blocks A, B, C, and D. Additional areas were

identified and studied during the community charrette resulting in additionally proposed design ideas. These key parcels are identified as the Extended Area Regulating Plan, and are divided into six blocks E, F, G, H, I, and K.

Each of the blocks is provided a detailed regulating plan on a page describing use, form and plan frontage requirements. With the exception of the new segment of West Main Street, all street right-of-way widths are already established within existing property lines, and are not changed by this plan.

Because each block represents a unique infill/redevelopment opportunity, the regulations



Village Regulating Plan

General Development Standards, becomes the complete framework for building public open space within the downtown.

for each block have been tailored to reflect both the existing conditions and context of that block as well as the intent of the Vision Plan for that block. Some blocks are divided into Sector areas. Generally the Sector area regulations seek to create a greater vitality along the primary street frontages, and to provide for an appropriate transition through to existing, developed areas, which are mainly residential and generally less intense areas.

The Regulating Plan is the basic framework, and combined with the additional standards in the Thoroughfare and Frontage Standards, Open Space and Landscape Standards, and

EXHIBIT E
TIF QUALIFICATION REPORT