
**SOUTH GATE TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT PLAN & PROGRAM**

Village of Long Grove, Illinois



October 2020

DRAFT REPORT

Prepared by:
Teska Associates, Inc.



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INTRODUCTION

The Village of Long Grove is a community of 7,978 residents (2018 ACS), approximately thirty-five (35) miles northwest of Chicago in Lake County, Illinois. The area was first settled in the 1800s and incorporated as a Village in 1956. As the Chicago region expanded with post-war suburbanization, the area remained a bucolic setting for countryside residences, with a modest business district having a strong attraction for regional tourism. While the Village remains an attractive, very low-density residential environment, it must compete with many other communities that present a greater balance of business and employment uses which contribute to their community vitality. In pursuit of the goals for sustainability presented in its adopted Comprehensive Plan, the Village seeks to capitalize on the visibility and accessibility presented at its South Gateway near the intersection of Lake Cook Road and IL Route 53, where commercial development has struggled to thrive.

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

The Village’s recently adopted Comprehensive Plan provides an outline for the area - a balance to new development and preservation of rural character. This Redevelopment Plan is an element of the implementation of the Comprehensive Plan providing a critical blueprint towards achieving the objectives of the Village. The Village currently has one other existing Tax Increment Financing District, located northeast along IL Route 53 from the Project Area in its historic Village center. Village officials have determined that without continued involvement and financial assistance, planning objectives for the Village cannot be achieved, and continued utilization of tax increment financing within the Village is desired.

To this end, the Village retained Teska Associates, Inc. to assist with the creation of a new TIF district encompassing a small area at the southern boundary of the Village near IL Route 53 and Lake Cook Road. Teska has conducted field surveys, site evaluations, and identified key redevelopment opportunities and necessary public improvements within the Project Area. This Redevelopment Plan summarizes the analyses and findings of the consultant’s work. The Village is entitled to rely on the findings and conclusions of this Redevelopment Plan in designating the Project Area as a redevelopment project area under the State of Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 as amended, the “Act”.

Teska has prepared this Redevelopment Plan, and the related Eligibility Report, with the understanding that the Village would rely on: (a) the findings and conclusions of the Redevelopment Plan and associated Eligibility Report in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan; and (b) the fact that Teska has obtained the necessary information so that the Redevelopment Plan, and the related Eligibility Report, will comply with the provisions set forth in the Act.

TAX INCREMENT FINANCING

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

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

REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Redevelopment Project Area were carefully established in adherence to the eligibility criteria and include only those parcels within the Village boundaries which would benefit by the proposed Redevelopment Plan and Program. The Project Area includes developed and undeveloped parcels on the east and west sides of IL Route 53 at the southern boundary of the Village near Lake Cook Road. The project area also includes rights-of-way and other public property, including property acquired by the State of Illinois Department of Transportation for the purpose of future extension of Route 53 north of Lake Cook Road. The boundaries of the Project Area are illustrated in ‘Figure 1- Project Area Boundary’. The Project Area contains two (2) structures and eighteen (18) parcels. The total Project Area is approximately sixty (60) acres.

The predominant land uses within and adjacent to the Project Area are residential and commercial. Residential uses include one single-family home fronting on IL Route 53. Commercial uses include what the Village classifies as highway retail. Existing land uses within the Project Area, according to the Village’s zoning map, are illustrated in “Table 1 Existing Land Uses”.

Existing Land Use	Approximate Land Area (Acres)
Residential	2.18
Commercial	16.18
Vacant	31.84
Open Space/Recreation	8.71
TOTAL	58.91



Figure 1: Project Area Boundary Aerial View

The Project Area is described as:

THAT PART OF THE NORTHEAST AND SOUTHEAST QUARTER OF SECTION 35 AND PART OF THE NORTHWEST AND SOUTHWEST QUARTER OF SECTION 36 ALL IN TOWNSHIP 43 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS AND PART OF SECTION 1 AND SECTION 2 IN TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTH 33 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 36 WITH THE EAST LINE OF OLD HICKS ROAD; THENCE SOUTH ALONG THE EAST LINE OF OLD HICKS ROAD TO THE SOUTH LINE OF THE NORTH 33 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 36; THENCE WEST ALONG SOUTH LINE OF THE NORTH 33 FEET OF THE SOUTHWEST QUARTER OF SAID

SECTION 36 TO THE WEST LINE OF SAID SOUTHWEST QUARTER, SAID LINE BEING THE EAST RIGHT OF WAY LINE OF A TRACT OF LAND DESCRIBED IN WARRANTY DEED RECORDED AT THE RECORDER OF DEEDS FOR LAKE COUNTY, ILLINOIS, NOVEMBER 16, 1993 AS DOCUMENT NUMBER 3435170; THENCE SOUTH ALONG LAST SAID WEST LINE OF SAID SOUTHWEST QUARTER TO A POINT BEING 150.00 FEET NORTHEASTERLY OF AND PERPENDICULAR TO THE TRANSIT LINE OF FA ROUTE 61 (CENTERLINE OF FAP 432) PER DOCUMENT NUMBER 1508620; THENCE SOUTHEASTERLY ALONG LAST SAID LINE BEING 150,00 FEET NORTHEASTERLY OF AND PERPENDICULAR TO THE TRANSIT LINE OF FA ROUTE 61 TO THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 36; THENCE EAST ALONG LAST SAID SOUTH LINE, AND EXTENSION THEREOF, TO THE EAST LINE OF OLD HICKS ROAD; THENCE SOUTH ALONG THE EAST OF OLD HICKS ROAD TO THE NORTHEASTERLY EXTENSION OF THE SOUTHEASTERLY LINE OF LOT 8 IN MENARD'S SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT 6191684; THENCE SOUHWESTERLY AND SOUTHERLY ALONG LAST SAID SOUTHEASTERLY LINE OF SAID LOT 8 TO THE SOUTH LINE OF SAID LOT 8; THENCE WESTERLY TO THE SOUTHWEST CORNER OF SAID LOT 8; THENCE NORTH ALONG THE WEST LINE OF LOT 8 AND LOT 7 TO THE NORTHEAST CORNER OF LOT 6 IN SAID MENARD'S SUBDIVISION; THENCE WEST TO THE NORTHWEST CORNER OF SAID LOT 6: THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT 6 TO THE SOUTHWEST CORNER OF SAID LOT 6; THENCE SOUTHEASTERLY ALONG THE SOUTHERLY LINE OF LOT 6 BEING ALSO THE NORTH LINE OF LOTS 2, 3 AND 5 IN SAID MENARD'S SUBDIVISION TO THE NORTHEAST CORNER OF SAID LOT 5; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 5 TO THE SOUTH LINE OF SAID LOT 6; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 6 TO THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE SOUTH ALONG LAST SAID EAST LINE TO THE SOUTH LINE OF LAKE COOK ROAD; THENCE WEST ALONG THE SOUTH LINE OF LAKE COOK ROAD TO THE WEST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE NORTH ALONG LAST SAID WEST LINE TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE EAST ALONG LAST SAID SOUTH LINE TO THE WEST LINE OF ILLINOIS ROUTE 53; THENCE NORTHERLY ALONG THE WEST LINE OF SAID ILLINOIS ROUTE 53 TO THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE WEST ALONG LAST SAID SECTION LINE TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE NORTH ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35 TO NORTH LINE OF THE SOUTH 16.5 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE EAST ALONG LAST SAID NORTH LINE TO THE WEST LINE OF ILLINOIS ROUTE 53; THENCE NORTH ALONG THE WEST LINE OF ILLINOIS ROUTE 53 TO THE NORTH LINE OF THE SOUTH 33 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE EAST ALONG LAST SAID NORTH LINE TO THE EAST LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35. THENCE EAST ALONG THE NORTH LINE OF THE SOUTH 33 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 36 TO THE POINT OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

SUMMARY OF THE ELIGIBILITY OF THE PROPOSED PROJECT AREA TIF DISTRICT

In July 2020, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the Project Area. These “Eligibility Findings” indicate that the proposed Project Area meets the statutory requirements of a “conservation area” (50% or more of the buildings within the Project Area are at least 35 years or more in age and a combination of at least three blighting factors), and is therefore eligible for designation as a “Tax Increment Finance Redevelopment Project Area.”

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

1. Obsolescence
2. Dilapidation
3. Excessive Vacancy
4. Deterioration of Buildings and Site Improvements
5. Inadequate Utilities
6. Decline or relative decline in Equalized Assessed Value (EAV)

In addition, the following characteristics are present within the Project, although not to the degree or as widely distributed as the above qualifying factors:

1. Presence of Structures Below Minimum Code Standards and
2. Deleterious Land Use or Layout

These characteristics establish TIF eligibility and point towards the need for designation of the Project Area as a “conservation area” to be followed by public intervention in order that redevelopment might occur.

REDEVELOPMENT PLAN & PROGRAM

Revitalization of the Project Area presents challenges and opportunities for the Village. The success of this effort will depend upon cooperation between private property owners, investors and local government. Public and private development efforts have not, as yet, been able to stimulate a sustained revitalization of the Project Area. The adoption of this Redevelopment Plan and Program will assist with implementation of the goals and objectives of the Village’s Comprehensive Plan, which otherwise might not occur without the intervention of this initiative. Through public investment, the area will become attractive to private investment.

The Act describes a Redevelopment Plan as:

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

The successful implementation of the Redevelopment Project Area Plan and Program requires that the Village take full advantage of the real estate tax increment attributed to the Project Area as

provided for by the Act. The Project Area would not reasonably be developed and improved without the use of such incremental revenues.

PURPOSE OF THE REDEVELOPMENT PLAN

Pursuant to the "Tax Increment Allocation Redevelopment Act" (Chapter 65 ILCS 5/11-74.4-1, et seq.) of the Illinois Statutes as amended (hereinafter the "Act"), the purpose of a Redevelopment Plan and Program is to promote the health, safety, morals, and welfare of the general public by:

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

REDEVELOPMENT PLAN GOALS AND OBJECTIVES

The aim of the Redevelopment Plan is the revitalization of the Project Area as a strong and attractive commercial center, which will contribute to the health and vitality of the Village. The goals and objectives of this Redevelopment Plan are those articulated in the Illinois Tax Allocation Redevelopment Act and those stated in the Village's Comprehensive Plan. Specific goals and objectives outlined in these plans which relate to this Redevelopment Plan are summarized below:

- To ensure that public monies are spent to the best advantage of the community. (1979)
- Require that any new subdivision pay its fair share of the cost in the provision of services. Seek the generation of revenue through responsible impact fees, and expansion of the commercial tax base to support required infrastructure growth and municipal services (i.e., roads, open space, etc.). (1979, 1991, 2018)
- Maintain general fund minimum reserve policy of 100% of general fund operating revenues in conjunction with an annual balanced budget policy in order to ensure that the Village maintains adequate cash reserves necessary to fund the Village's normal reoccurring obligations and ability to better handle unexpected expense(s) or loss in revenue(s) (emergency). Nonbudgeted expenditures reducing the reserve below the minimum established level should be limited to emergency or crises situations. (2018.)
- Continue to ensure long-term financial viability and sustainability by promoting thoughtful, fiscally prudent and "village character" appropriate economic development. (2018)
- Explore appropriate Village-wide economic development opportunities beyond just historic district and main street subarea boundaries. (2018)

- Promote and reinforce the Village’s longstanding “destination” marketing thrust in attracting/growing sales tax driven revenue production. (2018)
- Explore additional opportunities to increase recurring village “foot traffic” through development and promotion of repetitive consumer services (i.e. educational, healthcare, personal maintenance, etc.). (2018)

FUTURE LAND USE PLAN

The recommended land uses, redevelopment opportunities, and public improvements of this Redevelopment Plan are based upon the guidelines and development opportunities presented in the Village’s Comprehensive Plan. The intent of the Future Land Use Plan is to provide a long-range guide for determining the types of future activities and functions a particular area can support, directing subsequent zoning decisions as redevelopment occurs within the Project Area.

The Future Land Use Plan which has been extracted from the Comprehensive Plan (2018) Sub Area 5 shows anticipated land uses at completion of project activities, (including properties outside of the Project Area. The Future Land Use within the Project Area includes anticipated redevelopment of Areas G, H, I and J.

Area G, the properties associated with a landscape and nursery business, is shown in the land use plan for redevelopment in specialty business/production which recognize the unique location, accessibility and property size, accommodating a range of compatible business and retail activities.

Area H includes several vacant outlot parcels that were created to take advantage of a controlled intersection visible from both Lake Cook Road and IL Route 53 and are anticipated to be redeveloped for restaurant or retail uses.

The use or development of the property presently used as recreation/soccer fields, outside the Sub Area 5 but within the Project Area, will depend on providing access which does not have a traffic impact on Old Hicks Road or Checker Road.

Significant proportions of Area I and J are outside of Village of Long Grove boundaries, but the critical access to IL Route 53 is within the project area and anticipated, once redeveloped, to support large format retail commercial uses.

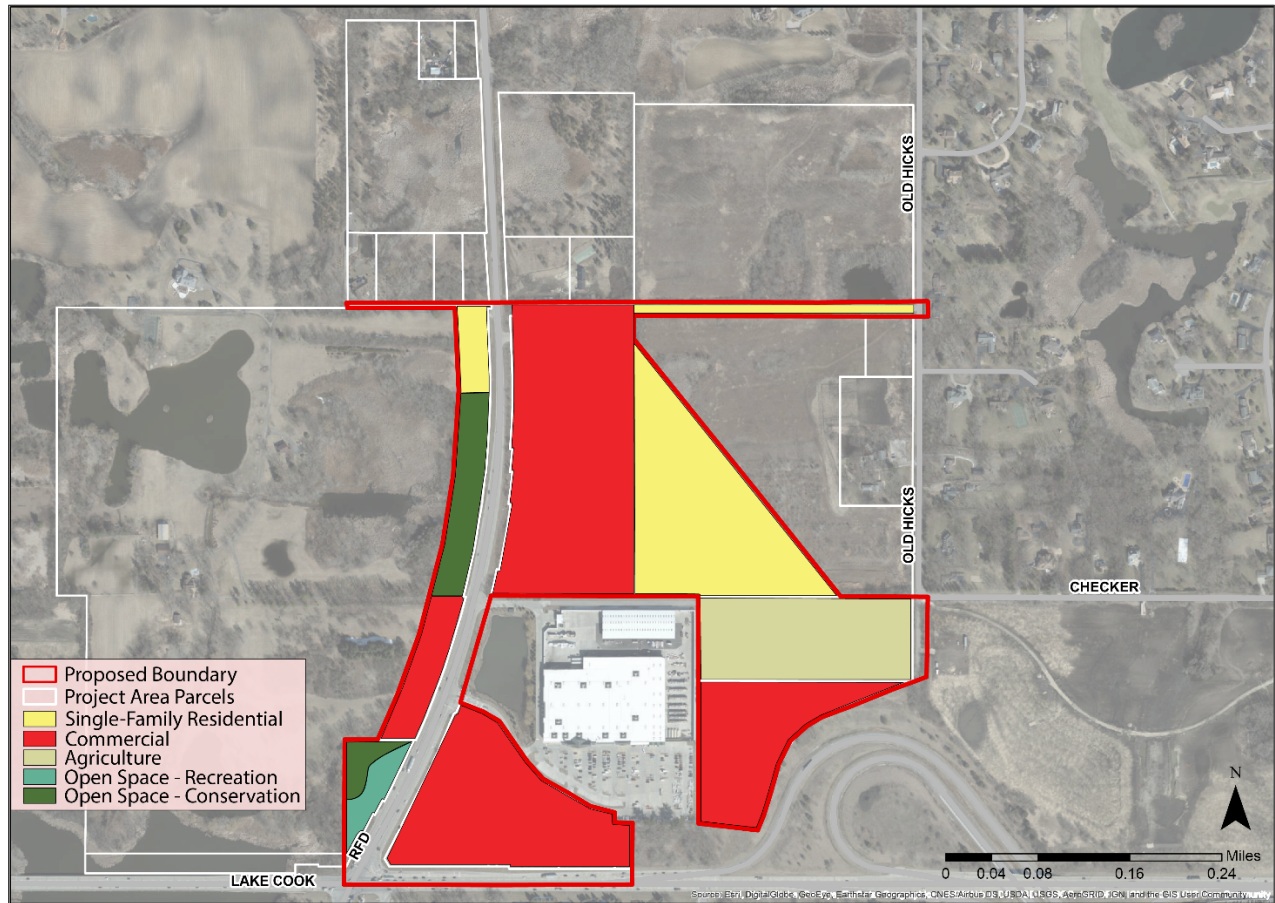


Figure 2: Future Land Use Map

As indicated by Figure 2, potential redevelopment sites are planned for primarily mixed-use commercial/retail or office uses. In addition to these opportunity sites, the Redevelopment Plan also anticipates activities to be undertaken by the public sector, which are identified in the Public Improvements section of this report. All of the redevelopment opportunities and public improvements should be conducted with the guidance of the Village's Comprehensive Plan.

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

ELIGIBLE PROJECT COSTS

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

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

redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;

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

ACQUISITION AND CLEARANCE

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

LAND DISPOSITION

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

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

PUBLIC IMPROVEMENTS

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

- Vacation, removal, resurfacing, widening, reconstruction, and other improvements to rights-of-way, streets, alleys, bridges, pedestrian ways, and pathways.

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

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

- The extension of public water, sewer and storm sewer to unserved sites, including the “Geimer” property, Site J on the land use map
- The construction of road and utility extensions and improvements in support of redevelopment.
- The demolition of obsolete structures
- Remodeling, rehabilitation or reconstruction of existing structures.
- Streetscape, lighting, signage, and landscaping along the South Gateway IL 53 corridor.
- Improvements to existing or new public open space or recreation facilities.

The costs associated with the public improvements described in this Redevelopment Plan may be shared by the Village of Long Grove, and individual developers and property owners, pursuant to an agreement between the parties. The Village may determine later that certain listed improvements are no longer needed or appropriate and may remove them from the list or may add new improvements consistent with the objectives of this Redevelopment Plan. Additions shall not require plan amendment provided they are for eligible public improvements and will not require an increase to the total estimated project costs in Table 2.

PHASING OF PROJECT

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

ESTIMATED PROJECT COSTS

Estimated public project costs are listed below in Table 2. These costs are based on current (2020) dollars and subject to inflation. Increases in estimated Total Redevelopment Project Costs of more than five percent (5%), after adjustment for inflation from the date of the Redevelopment Plan adoption, are subject to amendment procedures as provided under the Act.

Table 2: Estimated Redevelopment Project Costs	
Category	Project Cost
Studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan, and marketing of sites	\$25,000 to \$200,000
Property assembly costs, including demolition and site preparation	\$100,000 to \$2,500,000
Rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements	\$1,000 to \$500,000
Construction or improvement of public improvements (1)	\$100,000 to \$2,500,000
Financing Costs	\$1,000 to \$100,000
Taxing district’s capital costs or operating cost resulting from development receiving TIF assistance	\$1,000 to \$950,000
Relocation costs	\$1,000 to \$390,000
Payment in lieu of taxes	\$1,000 to \$4,000
Job training and retraining	\$1,000 to \$10,000
Interest Costs incurred by developers	\$1,000 to \$150,000
Total Estimated Project Costs (2) (3)	\$7,254,000

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

SOURCES OF FUNDS

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

EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in the tax increment revenue.

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

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

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

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

NATURE AND TERM OF OBLIGATIONS TO BE ISSUED

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

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

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not

required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts in the Project Area.

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

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

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

INITIAL EQUALIZED ASSESSED VALUATION

The total 2019 equalized assessed valuation of the Project Area is **\$ 2,406,752**

Table 3: Project Area Property Identification Numbers (PINs)		
1435400026	1435401007	1435401005
1435400027	1435401008	1435401012
1435400038	1435401009	1436300040
1435400042	1435401004	1436305001
1435400044	1435401010	1436305002
1435401006	1435401011	1435400031

ANTICIPATED EQUALIZED ASSESSED VALUATION

Upon the completion of anticipated redevelopment projects, it is estimated that the equalized assessed valuation of real property within the Project Area will be approximately \$18,500,000. This figure is based upon estimates of value for the anticipated rehabilitation and redevelopment projects described in this report.

PAYMENT IN LIEU OF TAXES

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

PROVISION FOR AMENDING THE REDEVELOPMENT PLAN AND PROGRAM

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

Financial Impact of Redevelopment

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

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

The following taxing districts cover the proposed Project Area:

1. College of Lake County # 532
2. County of Lake
3. Forest Preserve
4. Kildeer Countryside Consolidated School District #96
5. Long Grove Fire Protection District
6. Ela Township Road and Bridge
7. Stevenson High School District #125
8. Township of Ela
9. Vernon Area Public Library District

This Redevelopment Plan contemplates redevelopment of the Project Area primarily with commercial uses. Given the size of the Project Area (60 acres), impact on individual taxing districts and taxing districts in general will be limited, although dependent on the specific nature of any such future (re)developments.

Impact on Village of Long Grove

The Village provides a variety of services, including police and fire protection, library services, snow removal, road maintenance, water, and sewer service, and building and zoning services. The replacement of underutilized property with new (re)development may cause a minimal increase in demand for the services and programs provided by the Village. As provided in the Act, a portion of Redevelopment Project Costs may be allocated toward capital costs incurred by the Village which are made necessary by development as described in this Redevelopment Plan. The public improvements section of this plan and program highlight some of the anticipated capital costs.

College of Lake County # 532

The College of Lake County is committed to providing equitable high-quality education and training services to residents of the surrounding region. The replacement of underutilized property with new development and redevelopment will not divert funds from the college or programs due to the relatively small size of the Project Area, sixty (60 acres) in proportion to the large size of the county. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on Lake County

Lake County provides a variety of services, such as maintenance of open space and recreational activities. The replacement of underutilized property with new commercial development and redevelopment may cause a minimal increase in demand for the services and programs provided by the County. Due to the small size of the Project Area sixty (60) acres in relation to the County at large (1,368 square miles), services provided to residents will likely not be affected, and the impact is anticipated to be minimal. No specific program is set forth in this Redevelopment Plan

Impact on Forest Preserve

The Lake County Forest Preserve protects nearly thirty-one thousand (31,000) acres and are the second-largest Forest Preserve District in Illinois. Any future development that is anticipated may provide a minimal or no increase in the use of any services provided by the forest preserve. No specific program is set forth in this Redevelopment Plan.

Impact on Kildeer Countryside Cons School District #96

It is not anticipated that new development and/or redevelopment resulting from this Redevelopment Plan will generate school age children or have any significant impact on the *Kildeer Countryside Cons School District*. Therefore, no specific program is set forth in this Redevelopment Plan, however the Act defines a clear formula for repayment of fees to the district for students directly generated by TIF supported projects.

Impact on Long Grove Fire Protection District

It is not anticipated that new development and/or redevelopment resulting from the Redevelopment Plan will have any significant impact on the Long Grove Fire Department. New development would be required to meet current fire protection and building codes requirements and would likely be

served by public water supplied fire suppression systems. Therefore, no specific program is set forth in this Redevelopment Plan.

Impact on Stevenson High School District # 125

Stevenson High School District # 125 serves Long Grove and fifteen (15) neighboring communities with its forty-two (42)-square-mile district: Lincolnshire and Prairie View, and portions of Buffalo Grove, Deerfield, Hawthorn Woods, Indian Creek, Kildeer, Lake Forest, Lake Zurich, Mettawa, Mundelein, Palatine, Riverwoods, Vernon Hills and Wheeling.. The replacement of underutilized property with development and redevelopment is not anticipated to generate school age children and will not impact demand for the services and programs provided by the school district. No specific program is set forth in this Redevelopment Plan, however the Act defines a clear formula for repayment of fees to the district for students directly generated by TIF supported projects.

Impact on Township of Ela

Ela Township provides a variety of services, including road maintenance and property assessments. The replacement of underutilized property with new commercial development and redevelopment may cause a minimal increase in demand for the services and programs provided by Ela Township, although the impact is not anticipated to be significant. All roads and bridges within the Project Area are controlled by the Village. No specific program is set forth in this Redevelopment Plan.

Impact on Vernon Area Public Library District

The development and redevelopment of underutilized property will not impact demand for the services and programs provided by the library district. No specific program is set forth in this Redevelopment Plan, however the Act defines a clear formula for repayment of fees to the district for residents directly generated by TIF supported projects.

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

On the basis of the findings of this Redevelopment Plan and Program, the Village President and the Village Board of Trustees of Long Grove, Illinois, adopt the following findings pursuant to Section 11-74.4-3(n) of the Act.

Project Area Not Subject to Growth

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

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

1. Obsolescence
2. Dilapidation
3. Excessive Vacancy

4. Deterioration
5. Inadequate Utilities
6. Decline or relative decline in Equalized Assessed Value (EAV)

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

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

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

Conformance with Comprehensive Plan

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

Date of Completion

The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the municipal treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this Project Area is adopted (by December 31, 2043).

APPENDIX "A"

South Gateway Tax Increment Financing District
Eligibility Report

Village of Long Grove, Illinois



October, 2020

DRAFT REPORT

Prepared by:
Teska Associates, Inc.



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Introduction

The Village of Long Grove (the “Village”) is pursuing strategies for economic investment to occur within certain properties at the southern gateway into the Village near the intersection of IL 53 and Lake Cook Road. The Village is considering the creation of a new South Gateway Tax Increment Financing (TIF) District. The purpose of this Eligibility Report is to document the eligibility criteria as required by the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 - 74.4 - 1, et seq., as amended (the “Act”). The following study documents the presence of eligibility criteria necessary for designation as a TIF District, as required in the Act.

The Village Board has concluded municipal and financial assistance is required for the selected target area to maximize its full potential in a manner that benefits the Village, businesses, and surrounding residents. Village Board and Economic Development Commission members agree that a TIF district can be used as an incentive tool to attract investment, and achieve their economic goals, as cited in the Village’s recently adopted Comprehensive Plan.

South Gateway, Long Grove (Aerial View)



Tax Increment Financing

The Act stipulates specific procedures, which must be adhered to in designating a Redevelopment Project Area and amendments thereto. A Redevelopment Project Area is defined as:

“..an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas” (65 ILCS 5/11-74.4-3(p)).

Section 5/11-74.4-3(a) defines a “conservation area” as:

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

This report summarizes the analyses and findings of the Village’s planning consultant, Teska Associates, Inc. (“Teska”). Teska has prepared this report with the understanding that the Village would rely on: (1) the findings and conclusions of this report in proceeding with the designation of the Project Area as a Redevelopment Project Area under the Act; and (2) Teska has obtained essential information to conclude the Project Area can be designated as a Redevelopment Project Area in compliance with the Act.

The South Gateway TIF District Project Area (the “Project Area”) is eligible for designation as a “conservation area” based on the predominance and extent of parcels exhibiting the following primary characteristics:

- Obsolescence
- Dilapidation
- Excessive Vacancy
- Deterioration
- Inadequate Utilities
- Decline or relative decline in Equalized Assessed Value (EAV)

In addition, the following secondary characteristics contribute, to a lesser degree: presence of vacancy, an aged residential structure and commercial property that shows a presence of below minimum code standards. Each of these factors contributes sufficiently towards the eligibility of the Project Area as a whole.

Description of the Redevelopment Project Area

The Project Area includes developed and undeveloped parcels on the east and west sides of IL Route 53 at the southern boundary of the Village (Lake Cook Road). The Project Area also includes rights-of-way and other public property, including property acquired by the State of Illinois Department of Transportation for the purpose of future extension of Rt. 53 north of Lake Cook Road (see "Figure 1"). The Project Area contains two (2) structures and eighteen (18) parcels. The Project Area is approximately sixty (60) acres. The map below illustrates the exact boundaries of the Project Area.

The Project Areas is described as:

THAT PART OF THE NORTHEAST AND SOUTHEAST QUARTER OF SECTION 35 AND PART OF THE NORTHWEST AND SOUTHWEST QUARTER OF SECTION 36 ALL IN TOWNSHIP 43 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS AND PART OF SECTION 1 AND SECTION 2 IN TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTH 33 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 36 WITH THE EAST LINE OF OLD HICKS ROAD; THENCE SOUTH ALONG THE EAST LINE OF OLD HICKS ROAD TO THE SOUTH LINE OF THE NORTH 33 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 36; THENCE WEST ALONG SOUTH LINE OF THE NORTH 33 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 36 TO THE WEST LINE OF SAID SOUTHWEST QUARTER, SAID LINE BEING THE EAST RIGHT OF WAY LINE OF A TRACT OF LAND DESCRIBED IN WARRANTY DEED RECORDED AT THE RECORDER OF DEEDS FOR LAKE COUNTY, ILLINOIS, NOVEMBER 16, 1993 AS DOCUMENT NUMBER 3435170; THENCE SOUTH ALONG LAST SAID WEST LINE OF SAID SOUTHWEST QUARTER TO A POINT BEING 150.00 FEET NORTHEASTERLY OF AND PERPENDICULAR TO THE TRANSIT LINE OF FA ROUTE 61 (CENTERLINE OF FAP 432) PER DOCUMENT NUMBER 1508620; THENCE SOUTHEASTERLY ALONG LAST SAID LINE BEING 150,00 FEET NORTHEASTERLY OF AND PERPENDICULAR TO THE TRANSIT LINE OF FA ROUTE 61 TO THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 36; THENCE EAST ALONG LAST SAID SOUTH LINE, AND EXTENSION THEREOF, TO THE EAST LINE OF OLD HICKS ROAD; THENCE SOUTH ALONG THE EAST OF OLD HICKS ROAD TO THE NORTHEASTERLY EXTENSION OF THE SOUTHEASTERLY LINE OF LOT 8 IN MENARD'S SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT 6191684; THENCE SOUHWESTERLY AND SOUTHERLY ALONG LAST SAID SOUTHEASTERLY LINE OF SAID LOT 8 TO THE SOUTH LINE OF SAID LOT 8; THENCE WESTERLY TO THE SOUTHWEST CORNER OF SAID LOT 8; THENCE NORTH ALONG THE WEST LINE OF LOT 8 AND LOT 7 TO THE NORTHEAST CORNER OF LOT 6 IN SAID MENARD'S SUBDIVISION; THENCE WEST TO THE NORTHWEST CORNER OF SAID LOT 6: THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT 6 TO THE SOUTHWEST CORNER OF SAID LOT 6; THENCE SOUTHEASTERLY ALONG THE SOUTHERLY LINE OF LOT 6 BEING ALSO THE NORTH LINE OF LOTS 2, 3 AND 5 IN SAID MENARD'S SUBDIVISION TO THE NORTHEAST CORNER OF SAID LOT 5; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 5 TO THE SOUTH LINE OF SAID LOT 6; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 6 TO THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE SOUTH ALONG LAST SAID EAST LINE TO THE SOUTH LINE OF LAKE COOK ROAD; THENCE WEST ALONG THE SOUTH LINE OF LAKE COOK ROAD TO THE WEST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE NORTH ALONG LAST SAID WEST LINE TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHEAST

QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE EAST ALONG LAST SAID SOUTH LINE TO THE WEST LINE OF ILLINOIS ROUTE 53; THENCE NORTHERLY ALONG THE WEST LINE OF SAID ILLINOIS ROUTE 53 TO THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE WEST ALONG LAST SAID SECTION LINE TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE NORTH ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35 TO NORTH LINE OF THE SOUTH 16.5 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE EAST ALONG LAST SAID NORTH LINE TO THE WEST LINE OF ILLINOIS ROUTE 53; THENCE NORTH ALONG THE WEST LINE OF ILLINOIS ROUTE 53 TO THE NORTH LINE OF THE SOUTH 33 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE EAST ALONG LAST SAID NORTH LINE TO THE EAST LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35. THENCE EAST ALONG THE NORTH LINE OF THE SOUTH 33 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 36 TO THE POINT OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

Figure 1 - Project Area Aerial View



Eligibility Findings

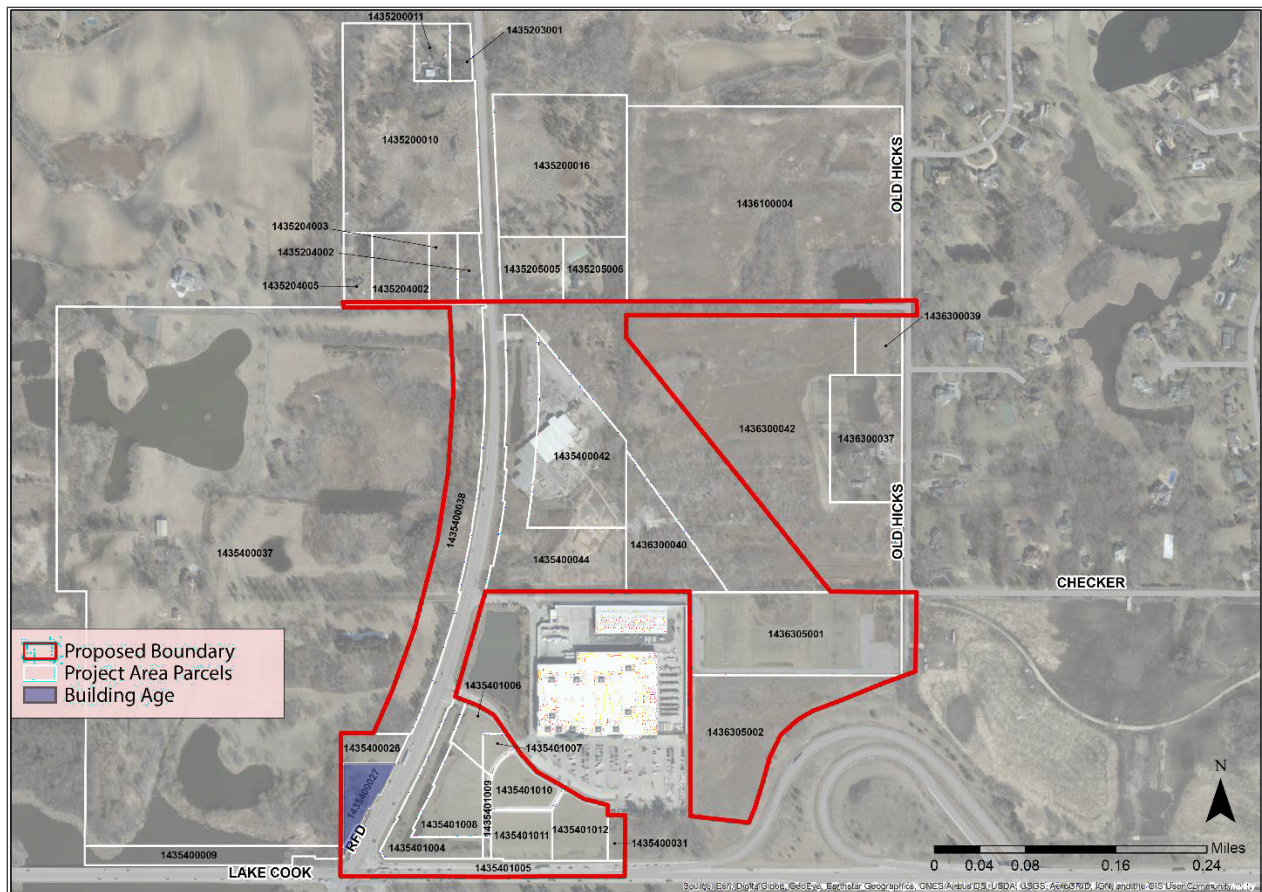
Teska conducted a field survey of every property within the Project Area. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. This survey occurred on **July 22, 2020**. Photographs further document the observed conditions. Field observations were supplemented with information provided by Village officials.

To be designated as a conservation area, at least 50% of the structures must be 35 years or more in age. Additionally, a combination of at least three of the other blighting factors outlined in the Act must be present to a meaningful extent and reasonably distributed throughout the Project Area.

Age of Buildings

Based on field analysis and historical records provided by the Village and the Lake County Assessor's Office, 1 of 2 (50%) buildings within the Project Area is more than 35 years old (see "Figure 2"). This meets the statutory requirement that 50% or more of the buildings in a 'conservation area' be 35 years of age or older.

Figure 2 - Building Age



Dilapidation

Dilapidation refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

One structure (50%) in the Project Area displays this extreme physical state of disrepair. The complex at 2727 Old Route 53 was originally constructed as a greenhouse and garden supply show room. The original use was closed, and subsequent tenants have neither used nor maintained the greenhouses, which are no longer suitable for use. One of the greenhouses has been removed, while another evidences wall, floor, and structural dilapidation.

Dilapidation is present within the Project Area and does contribute towards the designation of the Project Area as a 'conservation area.'

Obsolescence

Obsolescence is the condition or process of falling into disuse. Obsolete structures have become ill-suited for the original use. With respect to properties and buildings, the nature of obsolescence may be functional or economic, or a combination of both. Generally, functional obsolescence relates to the physical utility of a property or structure, and economic obsolescence relates to the ability of a property or building to compete in the marketplace.

a) Functional obsolescence

The design and spatial layout of buildings and site improvements and their geographical location respond to market needs for specific uses at the time those buildings and improvements are constructed. Additionally, buildings and improvements are designed within the technological constraints of the time. Design and spatial layout characteristics of buildings and site improvements include, but are not limited to, floor area, height, column spacing, loading and service areas, building orientation, on-site parking and storage areas, and vehicular circulation.

Over time, geographical and structural changes occur within industries and real estate markets causing properties to become ill-suited for their original use, resulting in deficiencies in those buildings that limit their ability to function for their original purpose. This loss in functionality and overall usefulness or desirability of a property, diminishes the value of the property and the building.

b) Economic obsolescence

Economic obsolescence is generally a result of building or site improvements that cause some degree of market rejection, resulting in a diminished market value of the property for its original intended use. Symptoms of economic obsolescence include excessive vacancies, lack of maintenance, deterioration, and dilapidation of buildings and site improvements.

Site improvements, including sewer and water lines, public utility lines (gas, electric, and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this type of obsolescence may include inadequate

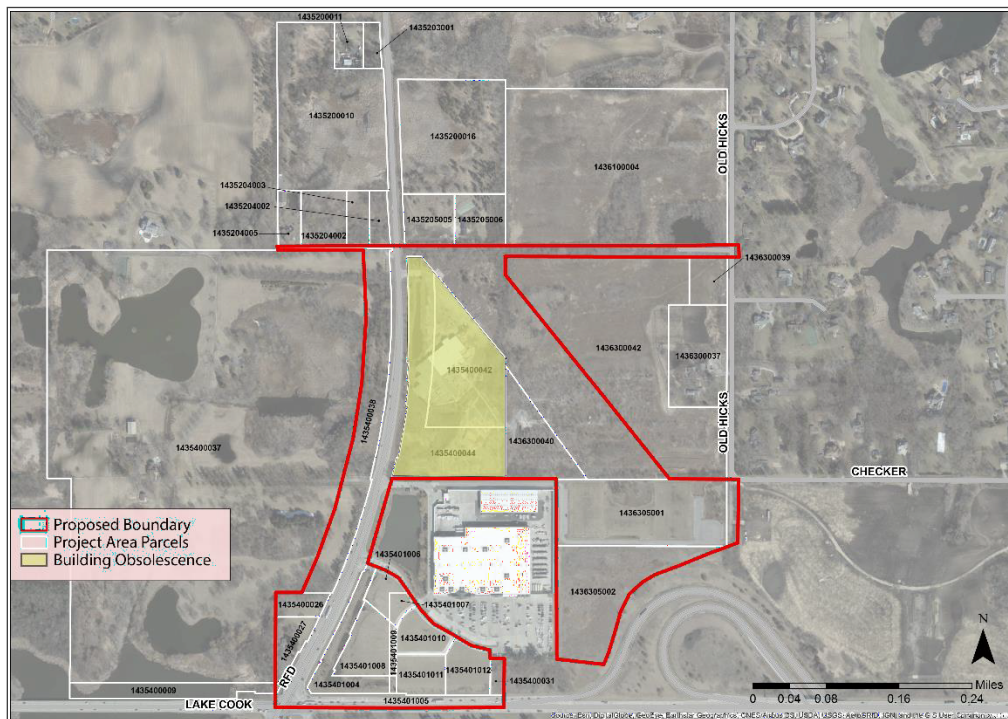
utility capacities, outdated designs, etc.

Buildings with excessive vacancies or those classified as deteriorating or dilapidated often contain undesirable building or site improvement conditions that may be infeasible to cure, resulting in an accelerated decline in market value. When not corrected, these building and site improvement deficiencies adversely impact neighboring areas, thereby detracting from the physical, functional, and economic vitality of the overall area.

Obsolescence, both economic and functional, is present for two properties (see “Figure 3”). Obsolescence occurs on multiple attached buildings in a single building complex (that extends over two parcels). The building complex was built in 2001 and was supported by site improvements necessary to grow, store, and display plants, trees, landscaping, and other garden materials. Such a use does not require public water or sanitary sewer facilities to function. The original business, for which the building complex was built to suit, discontinued business operations prior to 2008. Several of the spaces originally constructed for retail or wholesale landscaping and garden sales have been modified to accommodate limited office uses, and have been partially occupied, but the majority of the floor area has been vacant or used only for the storage of equipment or vehicles. The property has been actively listed but unable to attract a buyer or tenant for the entire property. The lack of public sewer and water utilities limits the utility and capacity for occupancy, and very significant utility extensions, site and building alterations are necessary to support any non-nursery use. The building also displays a deterioration and dilapidation that contribute to the obsolescence of the structures on the site. Although this commercial property is not isolated, it remains underutilized and therefore showing evidence of both economic and functional obsolescence.

Both functional and economic obsolescence of building improvements is present within the Project Area. The presence of obsolescence significantly contributes towards designation of the Project Area as a ‘conservation area’.

Figure 3 - Building Obsolescence







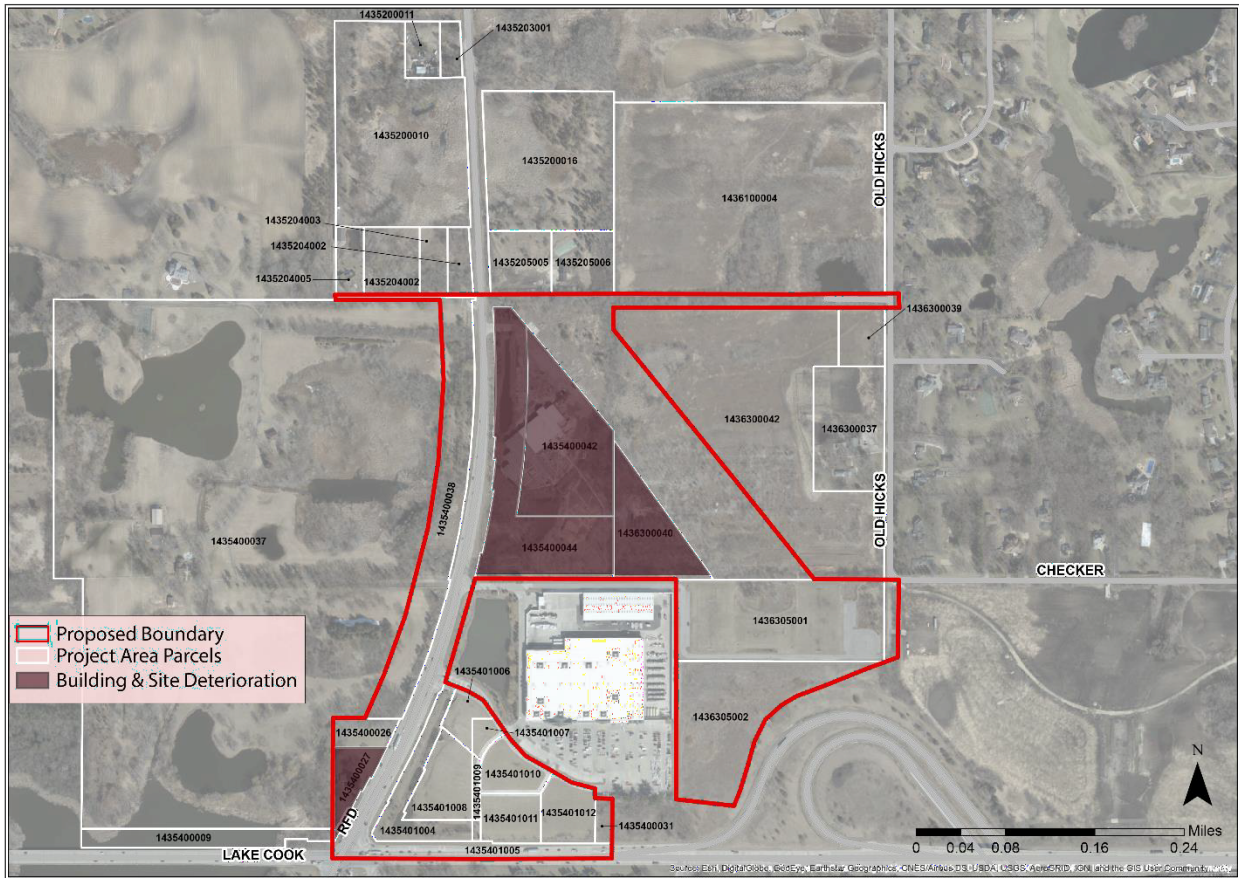
Deterioration

With respect to buildings, deterioration refers to defects, including without limitation secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. The field survey found that 2 out of 2 buildings (100%) exhibit some level of these types of deteriorating characteristics. Although most instances of such deterioration are not severe, clear evidence of building deterioration can be seen from rights-of-way or adjoining properties. These deteriorating effects include siding becoming undone, potentially exhibiting cracks in masonry walls and foundations, and overall aging of windows and doors.

With respect to surface improvements or site conditions, properties on which machinery equipment are stored, some of which is actively in use and in disrepair, disconnected, uneven, deteriorating pavement, concrete blocks, barriers, and hills, litter, gravel, and other types of debris are evident. Site access and parking areas are unpaved with evidence of pockets of gravel, dirt, cracks, and weeds. Deterioration of surface improvements was found on each of the properties that were improved with buildings.

The distribution of deterioration, both of buildings and surface improvements, is distributed throughout the entirety of the Project Area (see “Figure 4”). The presence of deterioration of buildings and surface improvements is a significant contributing factor towards the designation of the Project Area as a ‘conservation area.’

Figure 4 - Building and Site Deterioration









Illegal Use of Individual Structures

Illegal use of individual structures refers to the use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

The exterior field survey conducted by Teska found no obvious instances of illegal uses of structures within the Project Area, and research with the Village's Community Development Department indicated the same. There was ample evidence of filling of wetlands with construction debris, and other fill. Such filling is likely a violation of State and federal environmental laws but does not constitute an illegal use of a structure.

Illegal Use of Individual Structures does not contribute to the designation of the Project Area as a 'conservation area.'

Presence of Structures Below Minimum Code Standards

Structures below minimum code standards include all structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes. The residential structure at 2798 IL Route 53 does not meet the minimum front yard setback of 75 feet nor the rear yard setback of 40 feet and is legally non-conforming.

Structures Below Minimum Code Standards are present within the Project Area but not to the extent that they significantly contribute towards the designation of the Project Area as a 'conservation area'.

Excessive Vacancies

Excessive vacancies refer to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

The majority of the floor area of one (1) of the two (2) buildings in the Project Area (50%) is vacant (see “Figure 5”). This building complex is the most significant improved feature of the Project Area, and along with vacant or underutilized site improvements occupies approximately 50 percent of the buildable area within the Project Area. In addition to excessive vacancies among the buildings in the Project Area, a significant portion of the Project Area includes subdivided land that has remained vacant and undeveloped, and the vacancies of these parcels have adversely influenced development opportunities within the Project Area. These properties are located at the intersection of IL Route 53 and Lake Cook Road (see “Figure 6”).

Excessive Vacancies affecting the buildings in the Project Area does significantly contribute towards the designation of the Project Area as a ‘conservation area,’ which is exacerbated by the excessive vacancies in the adjacent developable land within the Project Area.

Figure 5 – Vacancies

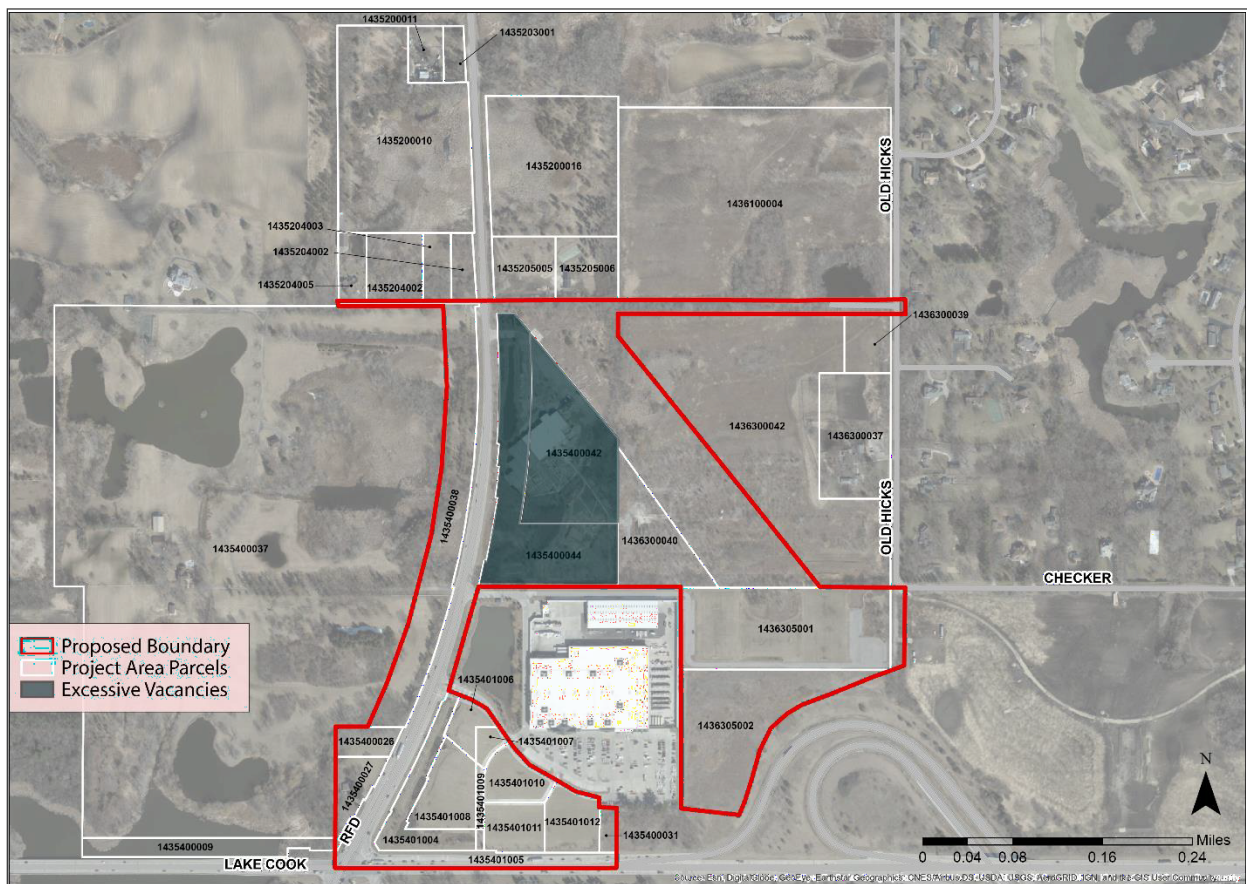
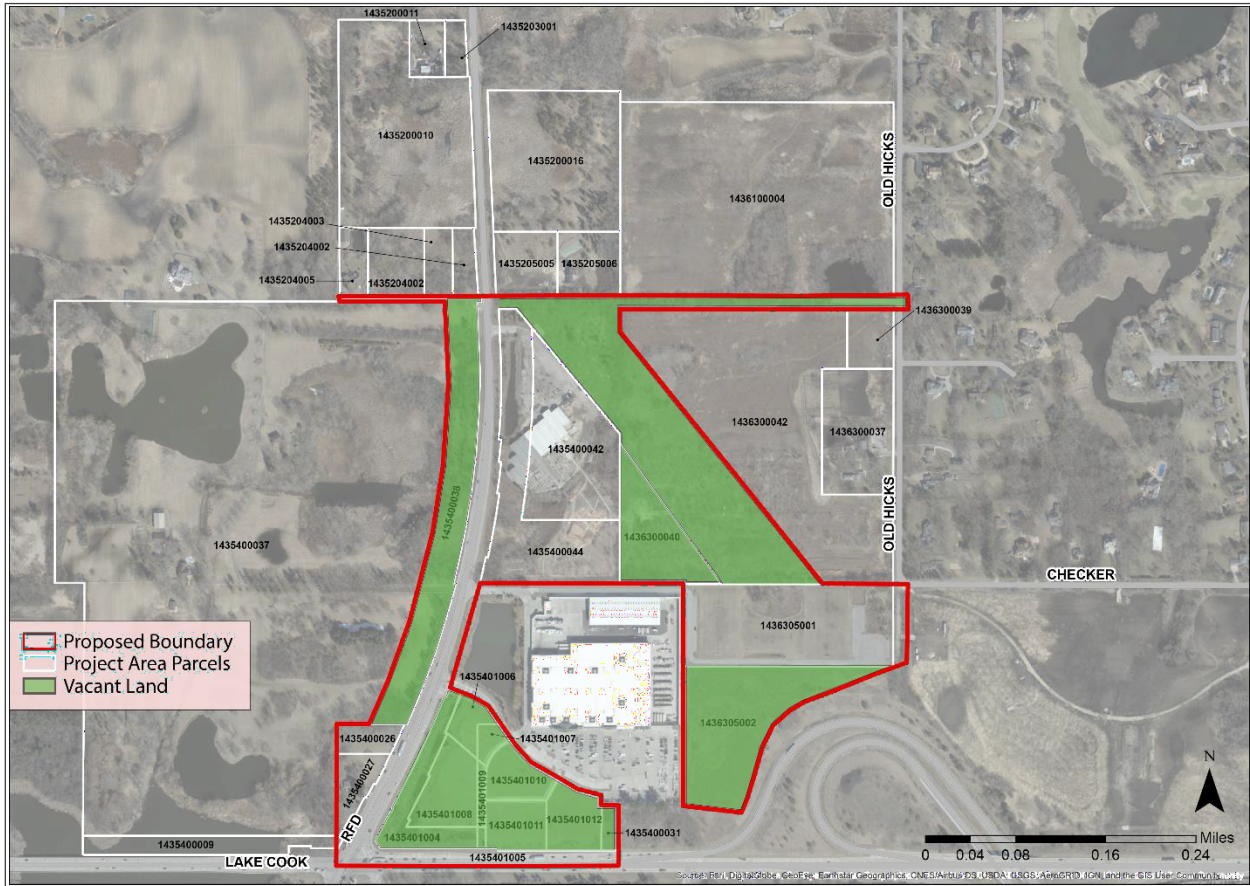


Figure 6 - Vacant Land







Lack of Ventilation, Light, or Sanitary Facilities

Inadequate ventilation is characterized by the absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

None of the buildings (0%) in the Project Area are known to exhibit this characteristic of lack of ventilation, light or sanitary facilities.

Lack of ventilation, light, or sanitary facilities does not contribute to the designation of the Project Area as a 'conservation area.'

Inadequate Utilities

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

The majority of the Project Area is not served by public water or wastewater (sewerage) utilities. The two existing building complexes have private well and septic systems. Attempts to redevelop the property at 2727 IL Rt. 53 have failed due to the lack of these public utilities. Five undeveloped properties at the southern end of the Project Area are served by public utilities and are subject to recapture agreements that increase the cost of acquisition or property development. The entire Project Area lacks sidewalks, and street lighting.

The documented infrastructure issues are significant and distributed throughout the Project Area. Therefore, Inadequate Utilities does significantly contribute toward the designation of the Project Area as a ‘conservation area.’

Excessive Land Coverage and Overcrowding of Structures and Community Facilities

This factor relates to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape, in relation to present-day standards of development for health and safety, and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

Therefore, Excessive Land Coverage and Overcrowding of Structures and Community Facilities has not been included as a contributing factor toward the designation of the Project Area as a ‘conservation area.’

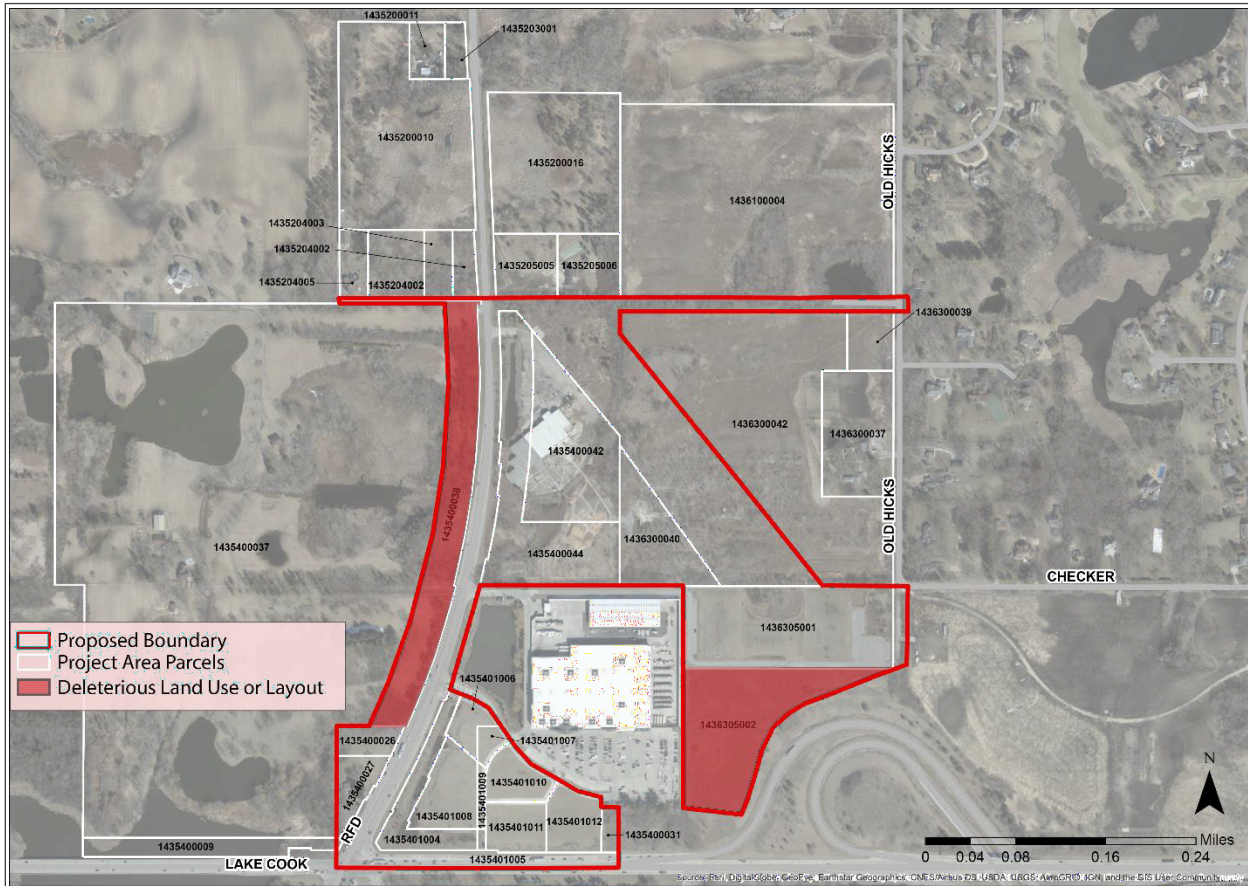
Deleterious Land Use or Layout

Deleterious land uses include the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered noxious, offensive, or unsuitable for the surrounding area.

One parcel within the Project Area (PIN 14-35-400-038) represents a significant portion of the overall frontage within the Project Area, but the layout of the parcel as a long and extremely narrow site makes the parcel incompatible for meaningful development within the Village. Additionally, another parcel within the Project Area (PIN 14-36-305-002) that represents a significant amount of land area within the Project Area lacks any direct access to a roadway, which is a deficient layout resulting in incompatible land use relationships from a development and utilization perspective. (See “Figure 7.”)

Deleterious Land Use or Layout conditions are present within the Project Area but not to the extent that they significantly contribute towards the designation of the Project Area as a ‘conservation area’.

Figure 7- Deleterious Land Use or Layout



Lack of Community Planning

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

Lack of Community Planning does not significantly contribute toward the designation of the Project Area as a 'conservation area.'

Environmental Clean-Up

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

wetlands with construction debris and other fill used to raise the level of the property above groundwater levels, allowing for vehicular circulation on the site and an extensive area for display and manipulation of landscape and nursery materials. No evidence of State or Federal EPA, Corps of Engineers or other regulatory intervention or remediation requests were found.

Other environmental issues may exist given the nature of existing and former land uses within the Project Area. However, the Village does not have evidence documenting specific environmental issues. Environmental Clean-Up therefore does not contribute to the designation of the Project Area as a 'conservation area.'

Decline in the Equalized Assessed Value

This factor can be cited if the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available; or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

Description	2014	2015	2016	2017	2018	2019
Total EAV of Project Area	\$3,103,012	\$2,866,036	\$2,952,993	\$3,062,174	\$2,448,320	\$2,406,752
Percent Change of EAV		-7.64%	3.03%	3.70%	-20.05%	-1.70%
Total EAV of Village (minus project area)	\$530,618,875	\$593,362,699	\$589,370,158	\$608,823,658	\$607,460,937	\$585,618,179
Percent Change Village of EAV (minus project area)		5.42%	5.36%	3.30%	-0.22%	-3.60%
Consumer Price Index	236.736	237.017	240.007	245.12	251.107	255.657
Percent Change of CPI		0.12%	1.26%	2.13%	2.44%	1.81%

The equalized assessed value for all parcels within the Project Area has decreased in three (3) of the previous five (5) years (2015, 2018, and 2019). The Project Area has increased at a lesser rate than the remainder of the Village in three (3) of the five years (2015, 2016, and 2018). The Project Area has increased at a lesser rate than the Consumer Price Index (CPI) in three (3) of the five (5) years (2015, 2018, and 2019).

Decline in the Equalized Assessed Value contributes toward the designation of the Project Area as a 'conservation area' due to EAV decline in the Project Area as a whole and as compared to the Village of Long Grove and CPI.

Conclusion

Based on the findings contained herein, the Project Area as a whole qualifies as a 'conservation area' according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following primary characteristics:

1. **Obsolescence**
2. **Excessive Vacancy**
3. **Deterioration**
4. **Dilapidation**
5. **Inadequate Utilities and**
6. **EAV Decline**

Each of these factors contributes significantly to the eligibility of the Project Area as a conservation area. These characteristics point to the need for designation of the Project Area as a conservation area, to be followed by public intervention in order that development might occur.

In addition to the primary significant qualifying factors listed above, the following eligibility criteria are present to a lesser degree within the Project Area. While these factors are not present to such a degree and/or sufficiently distributed throughout the Project Area, they do contribute towards the eligibility of the Project Area as a whole, and include:

1. **Presence of Structures Below Minimum Code Standards**
2. **Deleterious Land Use or Layout**

Based on the evidence provided in this Eligibility Report, the South Gateway TIF qualifies as a 'conservation' area according to the eligibility criteria established by the Act.