

WADSWORTH/LEWIS TIF
REDEVELOPMENT PLAN AND PROJECT

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Village of Beach Park, Illinois

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This plan is subject to review and may be revised prior to its adoption.

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1. INTRODUCTION

This document presents a Tax Increment Financing Redevelopment Plan and Project (hereinafter referred to as the "Plan") pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) as amended, (the "Act") for the Wadsworth/Lewis Redevelopment Project Area (the "Project Area") located in the Village of Beach Park, Illinois (the "Village"). The Plan responds to problem conditions within the Project Area and reflects a commitment by the Village to improve and revitalize the Project Area. As described in the Plan, the Project Area has significant potential for commercial, residential and mixed use development.

The Project Area boundaries are delineated on *Figure 1: Redevelopment Project Area Boundary Map* in *Appendix A* and legally described in *Appendix B*. The proposed Wadsworth/Lewis TIF Project Area is irregular in shape with boundaries that are generally focused around the intersection of Wadsworth Road and Lewis Avenue, including commercial, residential properties along Lewis Avenue between 33rd Street and Beach Road, residential properties fronting on Richard Place, properties along Wadsworth Road between the Village limits on the west and Bernice Terrace and the Robert McClory bike path on the east, and property on the north side of Beach Road between the Waukegan Regional Airport and the first lot west of Linden Avenue on the east.

The Plan summarizes the analyses and findings of Camiros, Ltd. (hereinafter referred to as the "Consultant") which, unless otherwise noted, is the responsibility of the Consultant. The Village is entitled to rely on the findings and conclusions of this Plan in designating the Redevelopment Project Area as a redevelopment project area under the "Act." The Consultant has prepared this Plan and the related eligibility study with the understanding that the Village would rely: 1) on the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that the Consultant has obtained the necessary information to conclude that the Plan and the related eligibility study are in compliance with the Act.

The Plan presents certain factors, research and analysis undertaken to document the eligibility of the Project Area for designation as a tax increment financing ("TIF") district. The need for public intervention, goals and objectives, land use policies, and other policy materials are presented in the Plan. The results of a study documenting the eligibility of the Project Area as a combination of an improved conservation area and a blighted vacant area are presented in *Appendix C: Eligibility Study* (the "Study").

Tax Increment Financing

In adopting the Act, the Illinois State Legislature pursuant to Section 5/11-74.4-2(a) found that:

...there exists in many municipalities within this State blighted, conservation and industrial park conservation areas as defined herein;

and, pursuant to Section 5/11-74.4-2(b), also found that:

...in order to promote and protect the health, safety, morals and welfare of the public, that blighted conditions need to be eradicated... and that redevelopment of such areas be undertaken... The eradication of blighted areas... by redevelopment projects is hereby declared to be essential to the public interest.

In order to use the tax increment financing technique, a municipality must first establish that the proposed redevelopment project area meets the statutory criteria for designation as a "blighted area," "conservation area" or "industrial park conservation area." A redevelopment plan must then be prepared pursuant to Section 65 ILCS 5/11-74.4-3 of the Act, which describes the development or redevelopment program intended to be undertaken to reduce or eliminate those conditions which qualified the redevelopment project area as a "blighted area," "conservation area," or combination thereof, or "industrial park conservation area," and thereby enhance the tax base of the taxing districts which extend into the redevelopment project area.

In order to be adopted, a municipality seeking to designate a redevelopment project area must find that the Plan meets the following conditions pursuant to Section 5/11-74.4-3(n) of the Act:

(1) The redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the redevelopment plan; (2) the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality; and (3) the redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (which dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in 65 ILCS 5/11-74.4-8(b) of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted.

Redevelopment projects are defined as any public or private development projects undertaken in furtherance of the objectives of the redevelopment plan and in accordance with the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current equalized assessed value ("EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate to arrive at the Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following:

- (a) net revenues of all or part of any redevelopment project;
- (b) taxes levied and collected on any or all property in the municipality;
- (c) the full faith and credit of the municipality;
- (d) a mortgage on part or all of the redevelopment project; or
- (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing is a mechanism that allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under tax increment financing, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such excess Incremental Property Taxes are not otherwise required, pledged or otherwise designated for other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The Village authorized an evaluation to determine whether a portion of the Village, to be known as the Wadsworth/Lewis Redevelopment Project Area, qualifies for designation as a conservation or blighted area pursuant to the provisions contained in the Act. If the Project Area so qualified, the Village requested the preparation of a redevelopment plan for the Project Area in accordance with the requirements of the Act.

The Wadsworth/Lewis Redevelopment Project Area Overview

The Project Area is approximately 157.8 acres in size. The Project Area is comprised of improved property, vacant land, and public rights-of-way. There are a total of 101 tax parcels within the Project Area. Twenty-eight tax parcels consist of vacant land and 67 tax parcels are improved property. Six other tax parcels are located entirely within public rights-of-way.

The improved portion of the Project Area is characterized by:

- Obsolescence
- Deterioration
- Presence of structures below minimum code standards
- Excessive vacancies
- Inadequate utilities
- Excessive land coverage or overcrowding of community facilities
- Lack of community planning
- Lagging or declining equalized assessed valuation (EAV)

Vacant land within the Project Area suffers from the following statutory qualifying factors:

- Obsolete platting

- Deterioration of structures or site improvements in adjacent areas
- Lagging or declining equalized assessed valuation (EAV)

As a result of these conditions, the Project Area is in need of redevelopment, rehabilitation and/or revitalization. In recognition of the unrealized potential of the Project Area, the Village is taking action to facilitate its revitalization.

The Project Area, as a whole, has not been subject to growth and development by private enterprise and it is not reasonably anticipated to be developed without the adoption of the Plan. Despite efforts by the Village to induce private redevelopment of the Project Area in accordance with the Village's Comprehensive Plan, redevelopment has not occurred.

The *Eligibility Study*, attached hereto as *Appendix C*, concludes that property in the Project Area is experiencing deterioration and disinvestment. The analysis of conditions within the Project Area indicates that it is appropriate for designation as a combination improved conservation area and blighted vacant area in accordance with the Act.

The purpose of the Plan is to create a mechanism to allow for the development of new commercial, residential and community facilities on vacant and underutilized land, the redevelopment of obsolete land uses, the improvement of the area's physical environment and infrastructure, and furthering the Village's comprehensive planning goals. The redevelopment of the Project Area is expected to encourage economic revitalization within the Project Area and the surrounding community.

The Plan has been formulated in accordance with the provisions of the Act. This document is a guide to all proposed public and private actions in the Project Area.

2. PROJECT AREA DESCRIPTION

The proposed boundaries of the Wadsworth/Lewis Redevelopment Project Area are shown in *Figure 1: Redevelopment Project Area Boundary Map* (see *Appendix A*). The Project Area is approximately 157.8 acres in size, including public rights-of-way. A legal description of the Project Area is included as *Appendix B* of this document. The Project Area includes only those contiguous parcels that are anticipated to be substantially benefited by the proposed redevelopment project improvements and, which, collectively qualify for designation as a combination improved conservation and blighted vacant area.

Community Context

The Project Area is irregular in shape and is focused around the intersection of Wadsworth Road and Lewis Avenue. Most of the Project Area is designated for business and commercial use in the Beach Park Comprehensive Plan. The Comprehensive Plan calls for the transition of existing residential uses within the Project Area to business and commercial uses that are more compatible with the Waukegan Regional Airport and that can take advantage of the retail potential of the Wadsworth Road and Lewis Avenue corridors.

Current Land Use and Community Facilities

The current land use within the Project Area consists of residential, commercial and institutional uses and vacant land. The current land use pattern is shown in *Figure 2: Existing Land Use* (see *Appendix A*). Village Hall and two public schools are located within the boundaries of the Project Area. The Waukegan Regional Airport borders the Project Area on the south and west. The commercial portions of the Project Area are characterized by obsolete commercial uses, generally developed on free-standing lots, without unifying streetscape amenities.

The Project Area includes approximately 45 acres of tax exempt property. The Beach Park Village Hall is located at the northwest corner of Wadsworth Road and Bernice Terrace. Kenneth Murphy and Oak Crest Elementary Schools are located within the Project Area. The Waukegan Port District also owns land north of Wadsworth Road on both sides of Lewis Avenue.

Zoning classifications generally reflects current land use rather than the land use policy set forth for the area in the Beach Park Comprehensive Plan. Zoning classifications within the Project Area include AG Agricultural District, R-1 and R-2 Single-Family Residential Districts, B-1 Business District 1, CS Commercial Service District, O-1 Restricted Office District and LI Limited Industrial District.

3. ELIGIBILITY OF THE PROJECT AREA FOR DESIGNATION AS A REDEVELOPMENT PROJECT AREA

The Project Area, on the whole, has not been subject to significant growth and development through investment by private enterprise. Based on the conditions present, the Project Area is not likely to be comprehensively or effectively developed without the adoption of the Plan. A series of studies were undertaken to establish whether the proposed Project Area is eligible for designation as a redevelopment project area in accordance with the requirements of the Act. This analysis concluded that the Project Area qualifies for designation as a combination improved conservation area and a blighted vacant area.

The Project Area contains a total of 101 tax parcels. Sixty-seven tax parcels are classified as improved property and 28 tax parcels consist entirely of vacant land, as shown in *Figure C-2: Property Type* in *Appendix C*. The six remaining parcels are located within public rights-of-way and were not considered in the eligibility analysis.

For improved property to be designated as a conservation area 50% of the structures must be at least 35 years of age and at least three of the 13 conditions set forth in the Act must be meaningfully present and reasonably distributed within the Project Area. The age threshold is met with 82% of structures being at least 35 years old. Of the 13 factors cited in the Act for improved property, eight factors are present within the Project Area. Four of these factors affect more than half of the improved tax parcels within the Project Area and are meaningfully present, while four additional factors are present to a more limited extent. All factors are reasonably distributed throughout the Project Area.

The following factors were found to be meaningfully present and reasonably distributed within the Project Area:

- Deterioration (affecting 54% of improved tax parcels)
- Inadequate utilities (affecting 87% of improved tax parcels)
- Lack of community planning (affecting 82% of improved tax parcels)
- Lagging or declining equalized assessed valuation (affecting the entire Project Area)

The following factors are present to a *minor* extent with respect to improved property, affecting fewer than half of the improved tax parcels within the Project Area:

- Obsolescence (affecting 31% of improved tax parcels)
- Presence of structures below minimum code standards (affecting 31% of improved tax parcels)
- Excessive vacancies (affecting 5% of improved tax parcels)
- Excessive land coverage or overcrowding of community facilities (affecting 3% of improved tax parcels)

Twenty-eight tax parcels consist entirely of vacant land. There are two sets of conditions that are used to establish eligibility as a blighted vacant area under the Act. With respect to the first set of factors, at least two must be meaningfully present and reasonably distributed. The following vacant blighted factors were found to be meaningfully present and reasonably distributed:

Obsolete platting (affecting 54% of vacant parcels)

Deterioration of structure or site improvements in areas adjacent to vacant land (affecting 61% of vacant parcels)

Lagging or declining EAV (affecting the entire Project Area)

The vacant portion of the Project Area qualifies as a blighted vacant area because three of the six eligibility factors with respect to vacant land are meaningfully present and reasonably distributed, one more factor than required.

With respect to the second set of eligibility factors that apply to vacant land, only one condition must be present and reasonably distributed. None of these factors were present in the Project Area. For more detail on the basis for eligibility, refer to the *Eligibility Study* in *Appendix C*.

Need for Public Intervention

Public intervention is needed to achieve the Village's development objectives for the Project Area. There has been little significant private investment in the area since the incorporation of the Village of Beach Park in 1989. All but three of the improved tax parcels in the Project Area experienced declines in EAV between the 2008 and 2009 tax years. The property with the largest increase in EAV is a replacement gas station at the corner of Wadsworth Road and Lewis Avenue, which is not yet open due to environmental contamination issues associated with the prior facility. Another issue which has hindered the Village's efforts to attract private development is the limited access to municipal water and sanitary sewer service, amenities that are considered essential for contemporary commercial development.

4. REDEVELOPMENT PLAN GOALS AND OBJECTIVES

The proposed Redevelopment Plan and Project is consistent with Village plans for the area. The land uses contained in the General Land Use Plan are consistent with the Beach Park Comprehensive Plan. The following goals and objectives are provided to guide development in the Project Area.

General Goals

- Reduce or eliminate deleterious conditions.
- Provide for the orderly transition from obsolete land uses to more appropriate land use patterns.
- Improve public facilities and amenities, including new utility infrastructure.
- Enhance the tax base of the Project Area.
- Promote redevelopment of selected commercial areas to maintain their vitality and provide opportunities for new growth and economic development.

Redevelopment Objectives

- Encourage private investment, especially new development on vacant land within the Project Area.
- Direct development activities to appropriate locations within the Project Area in accordance with the land use plan and general land use strategies.
- Facilitate development of underutilized property for uses that have demonstrated market support.
- Encourage redevelopment that promotes the economic sustainability of the Village.
- Attract retail establishments that generate sales tax revenues.
- Locate commercial retail centers at intersections or along higher traffic volume traffic corridors in order to improve accessibility and visibility.
- Coordinate the provision of public and private infrastructure needed to stimulate private development.
- Encourage consolidation of free-standing commercial uses into commercial centers with shared parking facilities and unified site design.
- Target commercial corridors for comprehensive streetscape and landscape improvements.

5. REDEVELOPMENT PLAN

The Village proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques, including all powers afforded to the Village by the Act, including but not limited to some or all of the following:

Property Assembly, Site Preparation and Environmental Remediation

To meet the goals and objectives of the Plan, the Village may acquire and assemble property throughout the Project Area. The Village may acquire or assemble property in accordance with the Act, including but not limited to purchase, exchange, donation or lease. Land assembly may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the Village may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the Village may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the Village exercising its power to acquire real property in implementing the Plan, the Village may utilize any power afforded by law. The acquisition of such property may be paid for using TIF funds.

Intergovernmental and Redevelopment Agreements

The Village may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as “Redevelopment Projects”). Such redevelopment agreements may be needed to support the rehabilitation or construction of allowable private improvements, in accordance with the Plan; incur costs or reimburse developers for other eligible redevelopment project costs as provided in the Act in implementing the Plan; and provide public improvements and facilities which may include, but are not limited to utilities, transit improvements, streetscape enhancements, signalization, parking, surface right-of-way improvements, and community facilities.

Financial Impact on Taxing Districts

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The Village intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

Analysis, Professional Services and Administrative Activities

The Village may undertake or engage professional consultants, engineers, architects, attorneys, and others to conduct various analyses, studies, administrative or legal services to establish, implement, and manage the Plan, or market the land within the Project Area for private development.

Provision of Public Improvements and Facilities

Adequate public improvements and facilities may be provided to service the Project Area. Public improvements and facilities may include, but are not limited to, installation, construction, reconstruction, maintenance, repair and/or extension of water service, sanitary sewers, and/or stormwater management facilities, upgrading existing access within the Project Area, signalization and right-of-way improvements, provision of streetscape amenities, retaining walls, parking improvements, and other infrastructure improvements.

6. REDEVELOPMENT PROJECT DESCRIPTION

The Plan seeks to encourage redevelopment of the Project Area as a coordinated business and commercial district. In accordance with the Beach Park Comprehensive Plan, a primary focus is on the attraction of additional retail facilities that generate sales tax revenues. The Plan recognizes that attractive new commercial development will help promote investment in residential property in surrounding neighborhoods and serve the people who live in Beach Park and neighboring communities.

The Plan recognizes that new investment in commercial property is needed to improve the Project Area. In addition, opportunities may exist for mixed use developments that include a residential component, or moderate scale residential development that supports the types of commercial uses that the Village is seeking to attract. Attracting new private investment will require the redevelopment of existing properties. Proposals for infrastructure improvements will stress projects that serve and benefit the surrounding residential, commercial and institutional uses. Improvements to public infrastructure and facilities are needed to complement and attract private sector investment. One of the objectives of the Plan is the extension of water and sanitary sewer service to attract and properly serve new development. Other public infrastructure improvement projects, including stormwater management facilities or the construction of new roadways may also be needed to support private investment. A comprehensive program of aesthetic enhancements may include streetscape improvements and aesthetically compatible new development. The components will create the quality environment required to sustain the revitalization of the Project Area.

7. GENERAL LAND USE PLAN AND MAP

Figure 3: Land Use Plan (see Appendix A), identifies land use policies to be pursued in the implementation of the Plan. The land use category planned for the Project Area is commercial/residential/community mixed use. The commercial uses anticipated encompass a full range of employment and revenue generating activities, consistent with the Beach Park Comprehensive Plan, as may be amended from time to time. The Land Use Plan allows for a prudent level of flexibility in land use policy to respond to future market forces. This is accomplished through the mixed use land use category. The Land Use Plan is intended to serve as a guide for future land use improvements and developments within the Project Area.

The land uses proposed for the Project Area are consistent with the redevelopment goals of this Plan and the land use designations contained in the Beach Park Comprehensive Plan. Locations of specific uses or public infrastructure improvements will be based on future planning and site design activities. Uses that reasonably fall within the mixed use definition are permitted without amendment to the Plan as long as they are consistent with the Plan's goals and objectives and the land uses and zoning approved by the Village of Beach Park.

The *Land Use Plan* is intended to serve as a broad guide for land use and redevelopment policy. The plan is general in nature to allow adequate flexibility to respond to shifts in the market and private investment. This land use strategy is intended to direct development toward the most appropriate land use pattern for the various portions of the Project Area and enhance the overall development of the Project Area in accordance with the goals and objectives of the Plan.

8. REDEVELOPMENT PLAN FINANCING

Tax increment financing is an economic development tool designed to facilitate the redevelopment of blighted areas and to arrest decline in areas that may become blighted without public intervention. It is expected that tax increment financing will be an important means, although not necessarily the only means, of financing improvements and providing development incentives in the Project Area throughout its 23-year life. Tax increment financing can only be used when private investment is not reasonably expected to occur without public assistance. The Act sets forth the range of public assistance that may be utilized to facilitate redevelopment of the Project Area.

It is anticipated that expenditures for redevelopment project costs will be carefully staged in a reasonable and proportional basis to coincide with expenditures for redevelopment by private developers and the projected availability of tax increment revenues.

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Plan (the "Redevelopment Project Costs").

In the event the Act is amended after the date of the approval of this Plan by the Beach Park Village Board to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the Village may add any new eligible redevelopment project costs as a line item in *Table 1* or otherwise adjust the line items in *Table 1* without amendment to this Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the Total Redevelopment Project Costs by more than five percent, after adjustment for inflation from the date of Plan adoption, without a further amendment to this Plan.

Eligible Redevelopment Project Costs

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, or estimated to be incurred, or incidental to the Plan pursuant the Act. Eligible costs may include, without limitation, the following:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. The cost of marketing sites within the Project Area to prospective businesses, developers and investors;
3. 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, 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;

4. 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;
5. Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
6. Costs of job training and retraining projects including the cost of "welfare-to-work" programs implemented by businesses located within the Project Area and such proposals featuring a community-based training program which ensures maximum reasonable employment opportunities for residents of the Project Area with particular attention to the needs of those residents who have previously experienced inadequate opportunities and development of job-related skills, including residents of public and other subsidized housing and people with disabilities;
7. 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 thereunder, including 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 following completion and including reasonable reserves related thereto;
8. 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 Plan.
9. 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 state or federal law or in accordance with the requirements of Section 74.4-3(n)(7) of the Act (see "Relocation" section);
10. Payment in lieu of taxes, as defined in the Act;
11. 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 the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village 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, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a.

12. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:

such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;

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;

if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

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 such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the Village pursuant to the Act; and

up to 75% of the interest cost incurred by a redeveloper 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.

13. An elementary, secondary or unit school district's increased costs attributable to assisted housing units as provided for in the Act;
14. A public library district's increased costs attributable to assisted housing units as provided for in the Act;
15. Up to 50% of the cost of construction, renovation and/or rehabilitation of all low-income and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low-income and very low-income households, only the low- and very low-income households shall be eligible for benefits under the Act; and
16. The cost of day care services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area, within a municipality with a population of more than 100,000. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the Village, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.
17. The cost of constructing new privately-owned buildings is not an eligible redevelopment project cost, unless specifically authorized by the Act;

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 200/27 *et seq.*, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

Estimated Project Costs

A range of activities and improvements may be required to implement the Plan. The proposed eligible activities and their estimated costs over the life of the Project Area are briefly described below and also shown in *Table 1: Estimated Redevelopment Project Costs*.

1. Analysis, administration and professional services including planning, legal, surveys, real estate marketing costs, fees and other related development costs. This budget element provides for studies and survey costs for planning and implementation of the Plan, including architectural and engineering services, development of plans and specifications, development site marketing, and financial and special service costs. *(Estimated cost: \$6,860,000)*
2. Property assembly costs, including acquisition of land and other property, real or personal, or rights or interests therein, and other appropriate and eligible costs needed to prepare the property for redevelopment. These costs may include the reimbursement of acquisition costs incurred by private developers. Land acquisition may include acquisition of both improved and vacant property in order to create development sites, accommodate public rights-of-way or to provide other public facilities needed to achieve the goals and objectives of the Plan. Property assembly costs also include demolition of existing improvements, including clearance of blighted properties or clearance required to prepare sites for new development, site preparation, including grading, and other appropriate and eligible site activities needed to facilitate new construction, and environmental remediation costs associated with property assembly which are required to render the property suitable for redevelopment. *(Estimated cost: \$17,150,000)*
3. Rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements, and the cost of construction of low and very-low income housing pursuant to the provisions of the Act. *(Estimated cost: \$4,900,000)*
4. Construction of public works and improvements, including streets and utilities, parks and open space, and public facilities such as schools and other public facilities. These improvements are intended to improve access within the Project Area, stimulate private investment and address other identified public improvement needs, and may include all or a portion of a taxing district's eligible costs, including increased costs attributable to assisted housing units within the Project Area in accordance with the requirements of the Act. *(Estimated cost: \$17,638,000)*
5. Relocation costs, as judged by the Village to be appropriate or required to further implementation of the Plan. *(Estimated cost: \$1,000)*
6. Costs of job training and retraining projects, advanced vocational education, welfare-to-work or career education as provided for in the Act. *(Estimated cost: \$1,000)*
7. Interest subsidy or other financing costs associated with redevelopment projects, pursuant to the provisions of the Act. *(Estimated cost: \$2,450,000)*

The estimated gross eligible project cost over the life of the Project Area is \$49 million. All project cost estimates are in 2010 dollars. The foregoing simply describes the range of eligible project costs associated with implementation of this Plan. The Village will use its discretion with respect to funding improvements and is not obligated to spend funds beyond those needed to implement the Plan. Any bonds issued to finance portions of the redevelopment project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations, as well as to provide for capitalized interest and reasonably required reserves. The total project cost figure excludes any costs for the issuance of bonds. Adjustments to estimated line items, including shifts in

funding among the eligible expense categories, are expected and may be made without amendment to the Plan as long as the Total Redevelopment Project Costs in Table 1 do not increase by more than five percent after adjustment for inflation from the date of Plan adoption.

**Table 1:
ESTIMATED REDEVELOPMENT PROJECT COSTS**

Eligible Expense	Estimated Cost
Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	<u>\$ 6,860,000</u>
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	<u>\$ 17,150,000</u>
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost	<u>\$ 4,900,000</u>
Public Works and Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) ^[1]	<u>\$ 17,638,000</u>
Relocation Costs	<u>\$ 1,000</u>
Job Training, Retraining, Welfare-to-Work, Career Education	<u>\$ 1,000</u>
Interest Subsidy	<u>\$ 2,450,000</u>
TOTAL REDEVELOPMENT PROJECT COSTS ^{[2] [3]}	<u>\$ 49,000,000</u> ⁴

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the Village’s ability to finance Redevelopment Project Costs identified above.

¹This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district’s or public library district’s increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the Village by written agreement accepts and approves the same, the Village may pay, or reimburse all, or a portion of a taxing district’s capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

²Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

³The amount of the Total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of Redevelopment Project Costs incurred in the Project Area which are paid from Incremental Property Taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.

⁴ Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

Sources of Funds

The funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing, and other legally permissible funds as the Village may deem appropriate. The Village may incur redevelopment project costs (costs for line items listed on *Table 1: Estimated Redevelopment Project Costs*) which are paid for from funds of the Village other than incremental taxes, and the Village may then be reimbursed for such costs from incremental taxes. Also, the Village may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

Additionally, the Village may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area may become contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. 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 project areas 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 within the Project Area, shall not at any time exceed the total redevelopment project costs described in this Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.61-1 *et seq.*). If the Village finds that the goals, objectives and financial success of such contiguous redevelopment project areas, or those separated only by a public right-of-way, are interdependent with those of the Project Area, the Village may determine that it is in the best interests of the Village and the furtherance of the purposes of the Plan that net revenues from the Project Area be made available to support any such redevelopment project areas and vice versa. The Village therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible redevelopment project costs within the Project Area, or other areas described in the preceding paragraph, shall not at any time exceed the total redevelopment project costs described in *Table 1: Estimated Redevelopment Project Costs*.

Development of the Project Area would not be reasonably expected to occur without the use of the incremental revenues provided by the Act. Redevelopment project costs include those eligible project costs set forth in the Act. Tax increment financing or other public sources will be used only to the extent needed to secure commitments for private redevelopment activity.

Nature and Term of Obligations to be Issued

The Village may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the Village may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the Village may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

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 Village 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 the Project Area is adopted (i.e., assuming Village Board approval of the Project Area and Plan in 2010, by 2034). Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having concurrent jurisdiction over the Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation

The purpose of identifying the most recent equalized assessed valuation (“EAV”) of the Project Area is to provide an estimate of the initial EAV, which the Lake County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The 2009 EAV of all taxable parcels within the Project Area is \$5,854,840. This total EAV amount by Parcel Identification Number (PIN) is summarized in *Appendix E* and is subject to verification by the Lake County Clerk. After verification, the final figure shall be certified by the Lake County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Lake County.

Should the 2010 EAV become available prior to adoption of this Redevelopment Plan and Project the new values may be substituted without amendment of the Plan.

Anticipated Equalized Assessed Valuation

Following substantial completion of the Wadsworth/Lewis Redevelopment Plan and Project, the EAV of the Project Area is estimated at approximately \$53.6 million. This estimate has been calculated assuming that the Project Area will be developed in accordance with *Figure 3: Land Use Plan* in *Appendix A* and is based on several key assumptions, including: 1) that redevelopment of the Project Area will occur in a timely manner and 2) an estimated annual inflation rate in EAV of 2.5 percent.

Financial Impact on Taxing Districts

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The Village intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

The following taxing districts presently have the authority to levy taxes on properties located within the Project Area:

Village of Beach Park: The Village is responsible for the provision of a range of municipal services including, enforcement of building and zoning codes, maintenance of local streets, parks and recreation, water and sewer services, and promoting economic development.

Beach Park School District #3: Beach Park School District #3 serves 2,600 elementary school students from eight communities in northeastern Lake County. The district includes five school campuses including four schools within Beach Park (Beach Park Middle School, Howe, Kenneth Murphy and Oak Crest) and Newport Elementary School located in Wadsworth.

Zion-Benton Township High School District 126: Zion-Benton Township High School District 126 serves over 2,800 students represents the diverse communities of Zion, Beach Park, Winthrop Harbor, Wadsworth, and unincorporated areas of Newport and Benton Townships.

College of Lake County Junior College District 532: The College of Lake County is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the Village and other students seeking higher education programs and services. The College of Lake County is a comprehensive community college offering a wide range of academic program choices to meet students' educational needs at different points in their lives. The district has a service population of almost 650,000 residents, living in more than 50 demographically diverse communities.

Beach Park Fire Protection District: The Beach Park Fire Protection District is responsible for providing fire protection, rescue and emergency medical services to a district of approximately ten square miles that encompasses the majority of the Village of Beach Park and areas of unincorporated Lake County. The service area includes approximately 15,000 residents as well as daily commuter traffic between Wisconsin and the Chicago area. The District operates with a combination of full time and part time employees supplemented by paid-on-call Firefighter-Paramedics and responds to over 1,200 calls per year. Two-thirds of these calls are for medical emergencies or rescues.

Zion-Benton Public Library District: The Zion-Benton Public Library serves Benton Township and the communities of Zion, Beach Park and Winthrop Harbor.

Waukegan Park District: The Waukegan Park District serves the southern portions of Beach Park and provides a wide range of recreational and cultural arts programming.

Benton Township: Responsibilities of the township include certain roadway improvements, property assessment and the administration of general assistance programs.

Lake County: The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways. Police protection is provided to Beach Park residents and businesses through a service contract.

Lake County Forest Preserves: The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in Lake County for the education, pleasure and recreation of the public.

North Shore Sanitary District: The North Shore Sanitary District (NSSD) is a municipal body which was organized in 1914 under the North Shore Sanitary District Act of 1911. The NSSD owns and operates more than 100 miles of intercepting sewer lines and pumping stations which collect and convey wastewater from local sewer systems to Sewage Treatment Plants (STP's) in Gurnee, Waukegan, and Highland Park, Illinois. Additional NSSD facilities include the NSSD Sludge Recycling Facility in Zion, the Administration Building and Laboratory in Gurnee, and the Maintenance Building in Waukegan.

The proposed revitalization of the Project Area is expected to create moderate demands on public services. The development of new residential property on vacant and deteriorated land could increase the demand for school services as well as parks and other population-based services. Demands on police and fire services may also increase.

The demand for water and sewer services would increase, since one of the Plan is to facilitate the extension of these utilities into areas that currently rely on well and septic systems. Proposed commercial development would not increase the demand for population-based services, but would increase demand for water and sewer services and similar types of infrastructure.

Redevelopment of the Project Area may result in changes to the level of required public services. The required level of these public services will depend upon the uses that are ultimately included within the Project Area. Although the specific nature and timing of the private investment expected to be attracted to the Project Area cannot be precisely quantified at this time, a general assessment of financial impact can be made based upon the level of development and timing anticipated by the proposed Plan.

When completed, developments in the Project Area will generate property tax revenues for all taxing districts. Other revenues may also accrue to the Village in the form of sales tax, business fees and licenses, and utility user fees. The costs of some services such as water and sewer service, building inspections, etc. are typically covered by user charges. However, others are not and should be subtracted from the estimate of property tax revenues to assess the net financial impact of the Plan on the affected taxing districts.

For most taxing districts levying taxes on property within the Project Area, increased service demands are expected to be negligible because they are already serving the Project Area. Upon completion of the Plan, all taxing districts are expected to share the benefits of a substantially improved tax base. However, prior to the completion of the Plan, certain taxing districts may experience an increased demand for services.

It is expected that most of the increases in demand for the services and programs of the aforementioned taxing districts, associated with the Project Area, can be adequately handled by the existing services and programs maintained by these taxing districts. However, the Redevelopment Project Cost line item for public improvements includes "taxing district capital costs" to address potential demands associated with implementing the Plan. In addition, it is the intention of the Village to endeavor to designate the portion of the Incremental Property Taxes received annually that is the result of general growth in property values, rather than new private investment, as surplus for distribution to all taxing districts in accordance with the procedures set forth in the Act.

Real estate tax revenues resulting from increases in the EAV, over and above the Certified Initial EAV established with the adoption of the Plan, will be used to pay eligible redevelopment costs in the Project Area. Following termination of the Project Area, the real estate tax revenues, attributable to the increase in the EAV over the Certified Initial EAV, will be distributed to all taxing districts levying taxes against property located in the Project Area. Successful implementation of the Plan is expected to result in new development and private investment on a scale sufficient to overcome blighted conditions and substantially improve the long-term economic value of the Project Area.

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

The Plan will be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the Village 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 the Plan is adopted (assuming adoption in 2010, by December 31, 2034).

9. HOUSING IMPACT AND RELATED MATTERS

Amendments to the Act that became effective November 1, 1999, require the preparation of a housing impact study if implementation of the Plan would result in the displacement of ten or more inhabited residential units or if the Project Area contains 75 or more inhabited residential units and the Village does not certify in the Plan that the Plan will not result in the displacement of ten or more inhabited residential units.

As of May 12, 2010, 54 inhabited residential units were present within the Project Area. While displacement of inhabited residential units is not anticipated or proposed, over the 23-year life of the Project Area the Village cannot certify that displacement of ten or more inhabited residential units will not occur. Therefore, a housing impact study is a required element of this Plan, and is presented in *Appendix D: Housing Impact Study*.

10. PROVISIONS FOR AMENDING THE PLAN

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

11. VILLAGE OF BEACH PARK COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

As part of any Redevelopment Agreement entered into by the Village and any private developer, both will agree to establish and implement an affirmative action program that serves appropriate sectors of the Village of Beach Park. Developers or redevelopers will meet Village of Beach Park standards for participation of Minority Business Enterprises and Woman Business Enterprises as required in Redevelopment Agreements.

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, religion or creed. Neither party will countenance discrimination 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 educational opportunities.

Anyone involved with employment or contracting for this Plan will be responsible for conformance with this policy and the compliance requirements of applicable state and federal regulations.

The Village and the private developers involved in the implementation of this Plan will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts at any level for redevelopment projects being undertaken in the Project Area. Any public/private partnership established with respect to implementation of the Plan will seek to ensure and maintain a working environment free of harassment, intimidation and coercion at all sites, and in all facilities at which 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. The partnership 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 that successful affirmative action programs are important to the continued growth and vitality of the Village of Beach Park.

APPENDIX A

**WADSWORTH/LEWIS
REDEVELOPMENT PROJECT AREA**

FIGURES 1-3

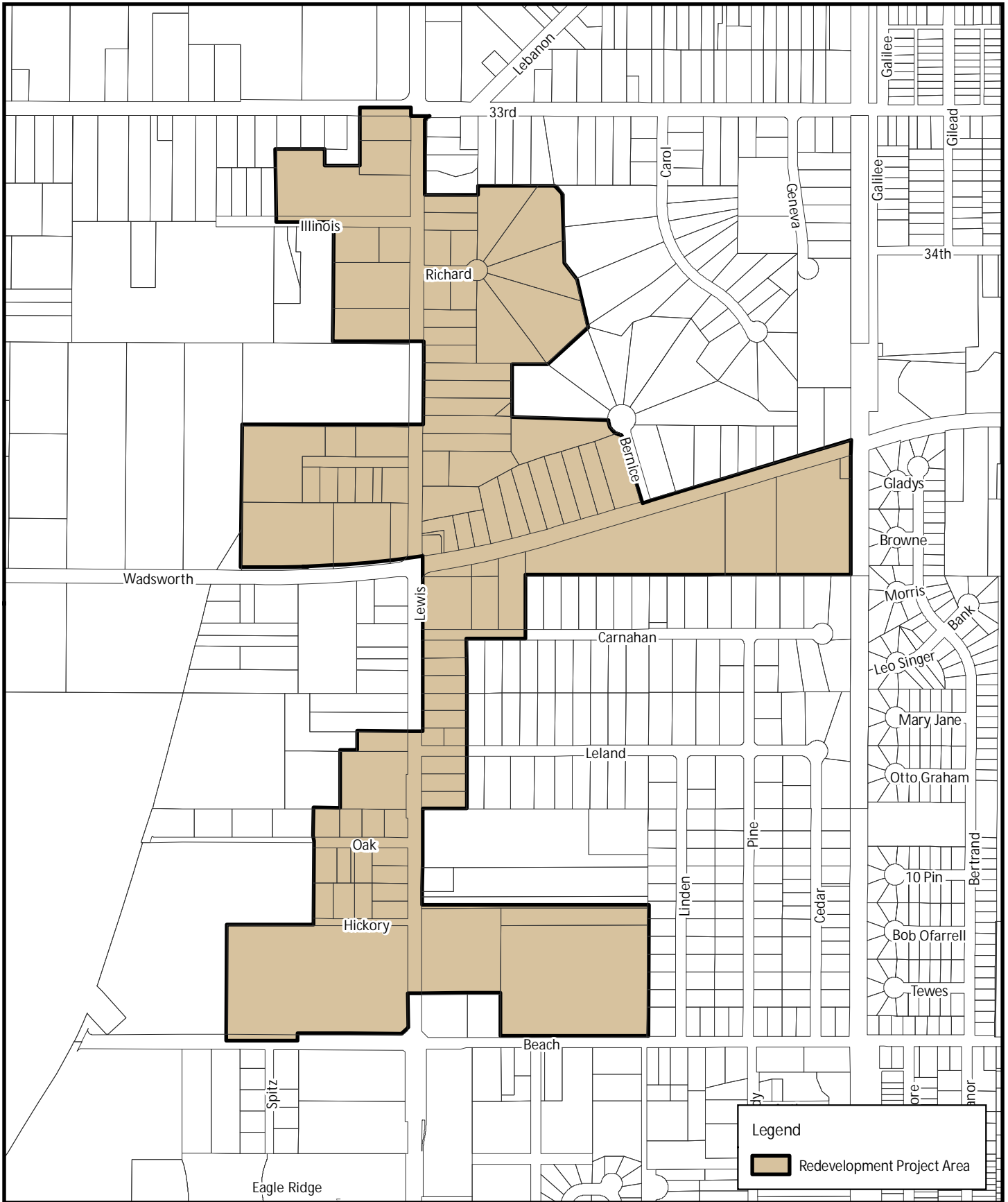
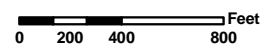


Figure 1
Redevelopment Project Area Boundary Map

Wadsworth/Lewis Redevelopment Project
 Beach Park, Illinois



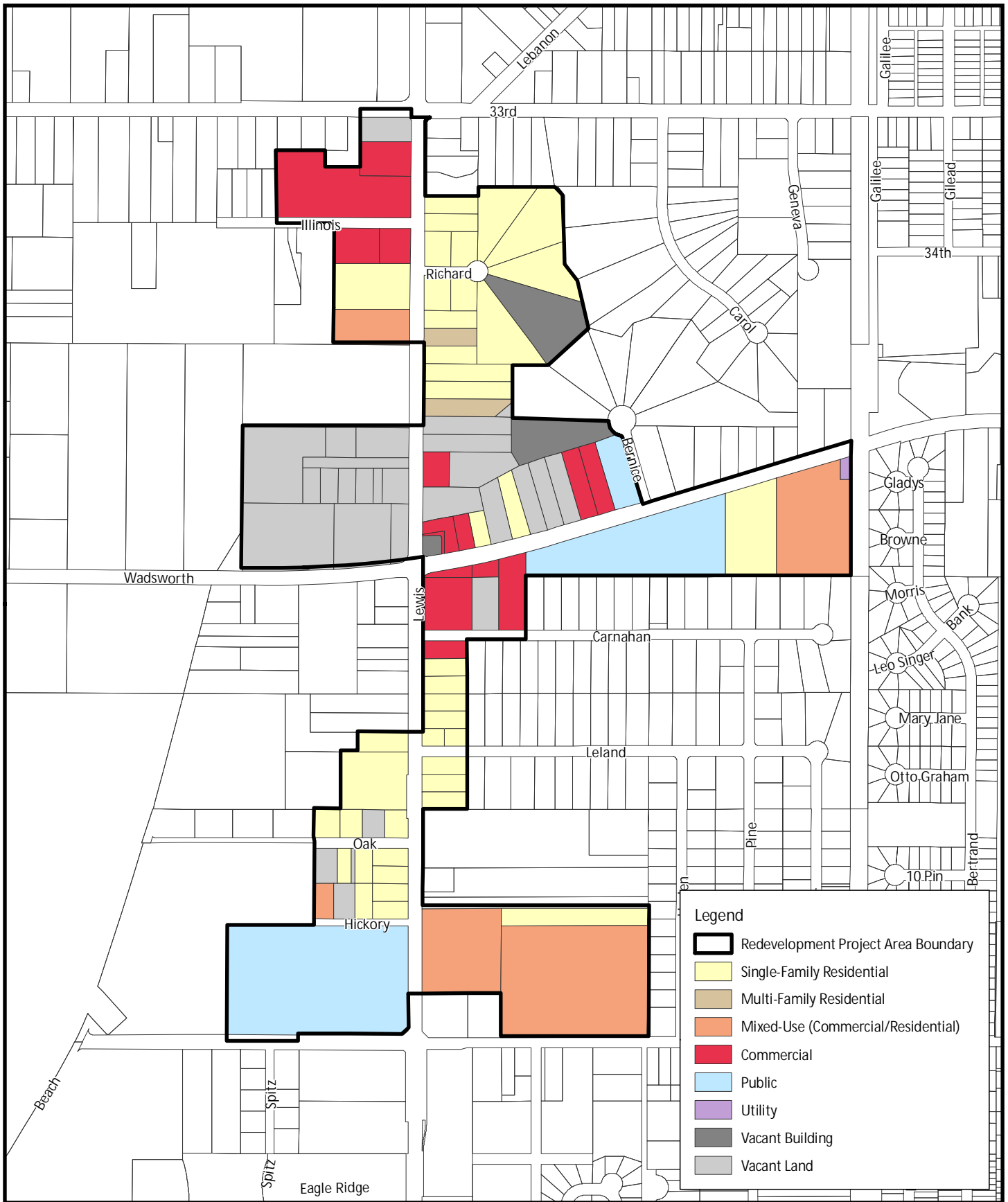


Figure 2
Existing Land Use

Wadsworth/Lewis Redevelopment Project
 Beach Park, Illinois

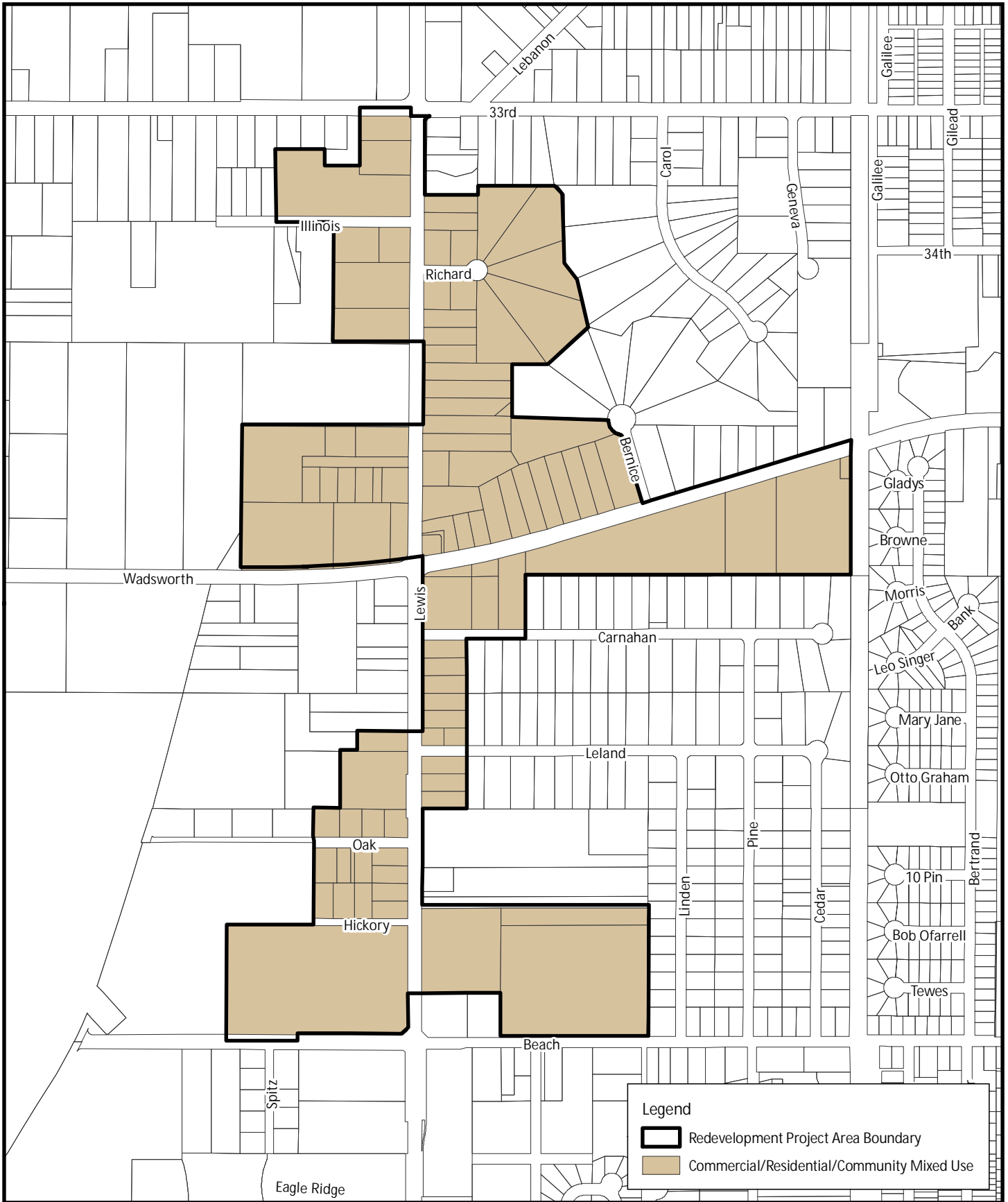
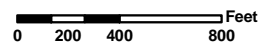


Figure 3
Land Use Plan

Wadsworth/Lewis Redevelopment Project
 Beach Park, Illinois



APPENDIX B

WADSWORTH/LEWIS REDEVELOPMENT AND PROJECT AREA LEGAL DESCRIPTION

That part of the SW1/4 and part of the SE1/4 of Section 29, and part of the NE1/4 and part of the NW1/4 of Section 32, all in Township 46 North, Range 12, East of the Third Principal Meridian, described as follows: Beginning at the Center of said Section 29; thence East on the North line of said SE1/4 a distance of 75 feet; thence South 50 feet, more or less, to the corner of Lot 1 in Lewis Square Subdivision (recorded September 19, 2006 as Document 6059038) which is recorded as 174.99 feet West of the Northeast corner of said Lot 1; thence Southwesterly on a curved line concave Southeasterly and having a radius of 25 feet for an arc distance of 39.20 feet to a corner of said Lot 1; thence Southerly on the Easterly line of Lewis Avenue, 407.83 feet to the Southwest corner of Lot 4 in said Lewis Square; thence East on the South line of said Lot 4 a distance of 289.86 feet to the Southeast corner thereof; thence North on the East line of said Lot 4 to the Northwest corner of Lot 54 in Robert Bartlett's Meadowcreek (a subdivision recorded August 4, 1948 as document 649711 in Book 31 of Plats, pages 48-50); thence East on the North line of Lots 54 and 55 in said Meadowcreek to the Northeast corner of said Lot 55 being in the center of the creek; thence Southerly, in the center of the creek, on the Easterly line of Lots 55, 56 and 57 in said Meadowcreek to the most Easterly corner of said Lot 57; thence Southwesterly, 312.4 feet (on the line common to Lots 57 and 33 in Meadowcreek) to the Southeast corner of Lot 58 in said Meadowcreek; thence West, 200 feet (on the line common to Lots 58 and 34 in Meadowcreek) to the Northwest corner of Lot 34 in said Meadowcreek; thence South 300 feet, on the West line of said Lot 34, to the Southwest corner thereof; thence East 546.1 feet on the South line of said Lot 34 to the Easterly corner common to Lots 34 and 35 in Meadowcreek; thence Southeasterly 523.5 feet, on the Westerly line of Bernice Terrace, to the Southeast corner of Lot 26 in Meadowcreek; thence Northeasterly, on the Northerly line of Wadsworth Road (being a 40.0 foot right of way) to the Southeast corner of Lot 1 in John D. Rohner's Marysland Estates (a subdivision recorded October 4, 1947 as document 627681, in Book 31 of Plats, pages 2 and 3); thence Southerly, on the West line of the Robert McClory Bike Path, to the Northeast corner of Lot 6 in Hillhaven Subdivision (recorded February 19, 1964 as document 1216496, in Book 41 of Plats, page 2); thence West on the North line of the NE1/4 of said Section 32, to a point 700.2 feet West of the Northeast corner of the NW1/4 of the NE1/4 of said Section 32; thence South 360 feet, parallel with the East line of said NW1/4 of the NE1/4, to the South line of Carnahan Avenue; thence West, on the South line of Carnahan Avenue, to a point on the East line of the West 290 feet of the NW1/4 of the NE1/4 of said Section 32; thence South parallel with the West line of said NW1/4 to a point on the South line of the NW1/4 of the NE1/4 of said Section 32; thence West 250 feet, more or less, to the East line of Lewis Avenue (being a 40 foot right of way); thence South on said East line of Lewis Avenue to the North line of the South 3/5 of the S1/4 of the N1/2 of the SW1/4 of the NE1/4 of said Section 32; thence East, on said North line, to the Northeast corner of said South 3/5; thence South, on the East line of the SW1/4 of the NE1/4 of Section 32, to the Southeast corner thereof; thence West on said South line of said NE1/4 of Section 32, to a point 29 ½ rods East of the Center of Section 32; thence North, 16 ¼ rods, on a line parallel with the West line of the NE1/4 of Section 32; thence West, 29 ½ rods, to the West line of the NE1/4 of Section 32; thence South 16 ¼ rods to the Center of Section 32; thence West 1060.5 feet, on the South line of the NW1/4 of Section 32; thence North 657 feet, parallel with the East line of the NW1/4 of Section 32; thence East 485.5 feet, parallel with the South line of the NW1/4, to the Southwest corner of Shady Hill Subdivision (recorded

September 17, 1948 as document 653174 in Book 890 of Records, page 479); thence North 659.6 feet, on the West line of Shady Hill Subdivision, to the Northwest corner thereof; thence East 149.5 feet, on the North line of Shady Hill Subdivision; thence North parallel with the East line of the NW1/4, to a point on the South line of the North 990 feet of the NW1/4 of Section 32; thence East, 95.5 feet, parallel with the North line of the NW1/4; thence North, 110 feet, parallel with the East line of the NW1/4; thence East, 330 feet, parallel with the North line of the NW1/4 to the East line thereof; thence North, on the centerline of Lewis Avenue, to the centerline of Wadsworth Road; thence Westerly, on the centerline of Wadsworth Road, to the Southerly extension of the West line of Lot 6 in Leech Subdivision (recorded December 17, 1940 as document 488127 in Book 28 of Plats, pages 18 and 19); thence North, on the West lines of Lots 6 and 7 in Leech Subdivision, to the Northwest corner of said Lot 7; thence East 985.82 feet, on the South line of said Lot 7, to the centerline of Lewis Avenue; thence North 471.22 feet, to the Northeast corner of the SE1/4 of the SW1/4 of Section 32; thence West 475 feet, on the South line of the NE1/4 of the SW1/4 of Section 32; thence North, parallel with the East line of the SW1/4 of Section 32, to the centerline of Illinois Avenue (being a line 640 feet South of the North line of the SW1/4 of Section 32); thence West 330.84 feet, on the centerline of Illinois Avenue, to a point 805.84 feet West of the East line of the SW1/4 of Section 32; thence North 410.0 feet parallel with the East line of said SW1/4; thence East 270.0 feet parallel with the North line of said SW1/4; thence South 92.0 feet parallel with the East line of said SW1/4; thence East 197.0 feet parallel with the North line of said SW1/4; thence North 332.0 feet parallel with the East line of said SW1/4 to the North line thereof; thence East 330.0 feet to the point of beginning being the Center of said Section 29, except that part thereof falling within the corporate limits of the Cities of Waukegan and Zion, Lake County, Illinois.

APPENDIX C

WADSWORTH/LEWIS REDEVELOPMENT AND PROJECT AREA ELIGIBILITY STUDY

The purpose of this study is to determine whether a portion of the Village of Beach Park identified as the Wadsworth/Lewis Redevelopment Project Area qualifies for designation as a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4-3 contained in the “Tax Increment Allocation Redevelopment Act” (65 ILCS 5/11-74.4-1 et seq.), as amended. This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a project area for the payment or reimbursement of eligible redevelopment project costs.

The area proposed for designation as the Wadsworth/Lewis Redevelopment Project Area, hereinafter referred to as the “Study Area,” is shown in *Figure C-1: Study Area Boundary Map*. The proposed Wadsworth/Lewis TIF Study Area is irregular in shape with boundaries that are generally focused around the intersection of Wadsworth Road and Lewis Avenue, including commercial, residential properties along Lewis Avenue between 33rd Street and Beach Road, residential properties fronting on Richard Place, properties along Wadsworth Road between the Village limits on the west and Bernice Terrace and the Robert McClory bike path on the east, and property on the north side of Beach Road between the Waukegan Regional Airport and the first lot west of Linden Avenue on the east. The Study Area is approximately 157.8 acres in size and includes 101 tax parcels.

Improved property within the Study Area totals approximately 111.7 acres on 67 tax parcels, representing approximately 71% of the total Study Area. There are 28 vacant parcels within the Study Area that account for approximately 30.3 acres of land, representing approximately 19% of the Study Area. The balance of the Study Area (10%) includes various rights-of-way. Six tax parcels are located within improved public rights-of-way. These parcels are not available for private development and, thus, have not been considered in this eligibility analysis. The distribution of improved property and vacant land within the Study Area is shown in *Figure C-2: Property Type*.

This study summarizes the analyses and findings of the consultant’s work, which, unless otherwise noted, is solely the responsibility of Camiros, Ltd. and does not necessarily reflect the views and opinions of potential developers or the Village of Beach Park. Camiros, Ltd. has prepared this report with the understanding that the Village would rely 1) on the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) on the fact that Camiros, Ltd. has obtained the necessary information to conclude that the Study Area meets the requirements for designation as a redevelopment project area in compliance with the Act.

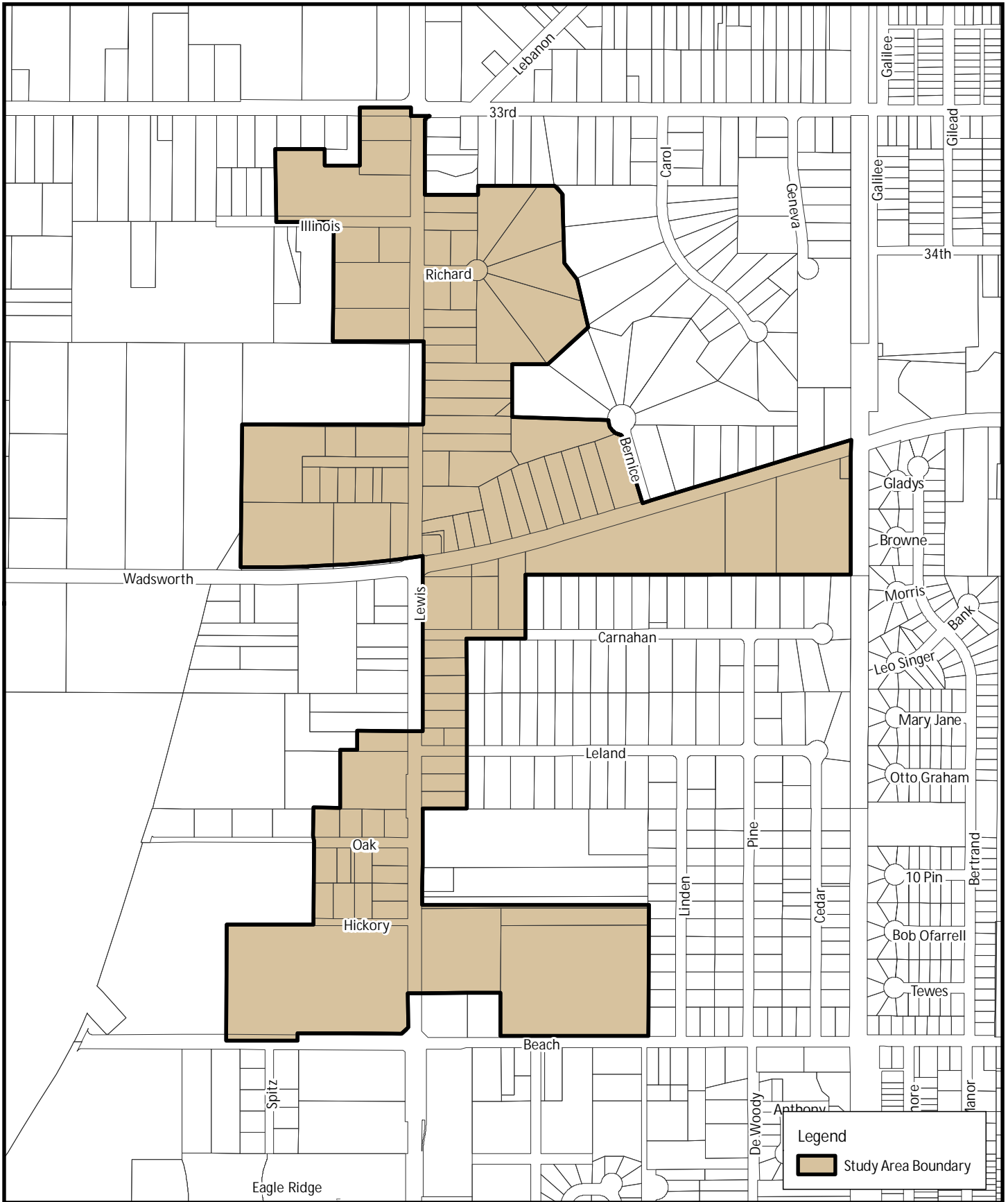
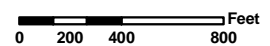


Figure C-1
Study Area Boundary Map

Wadsworth/Lewis Redevelopment Project
 Beach Park, Illinois



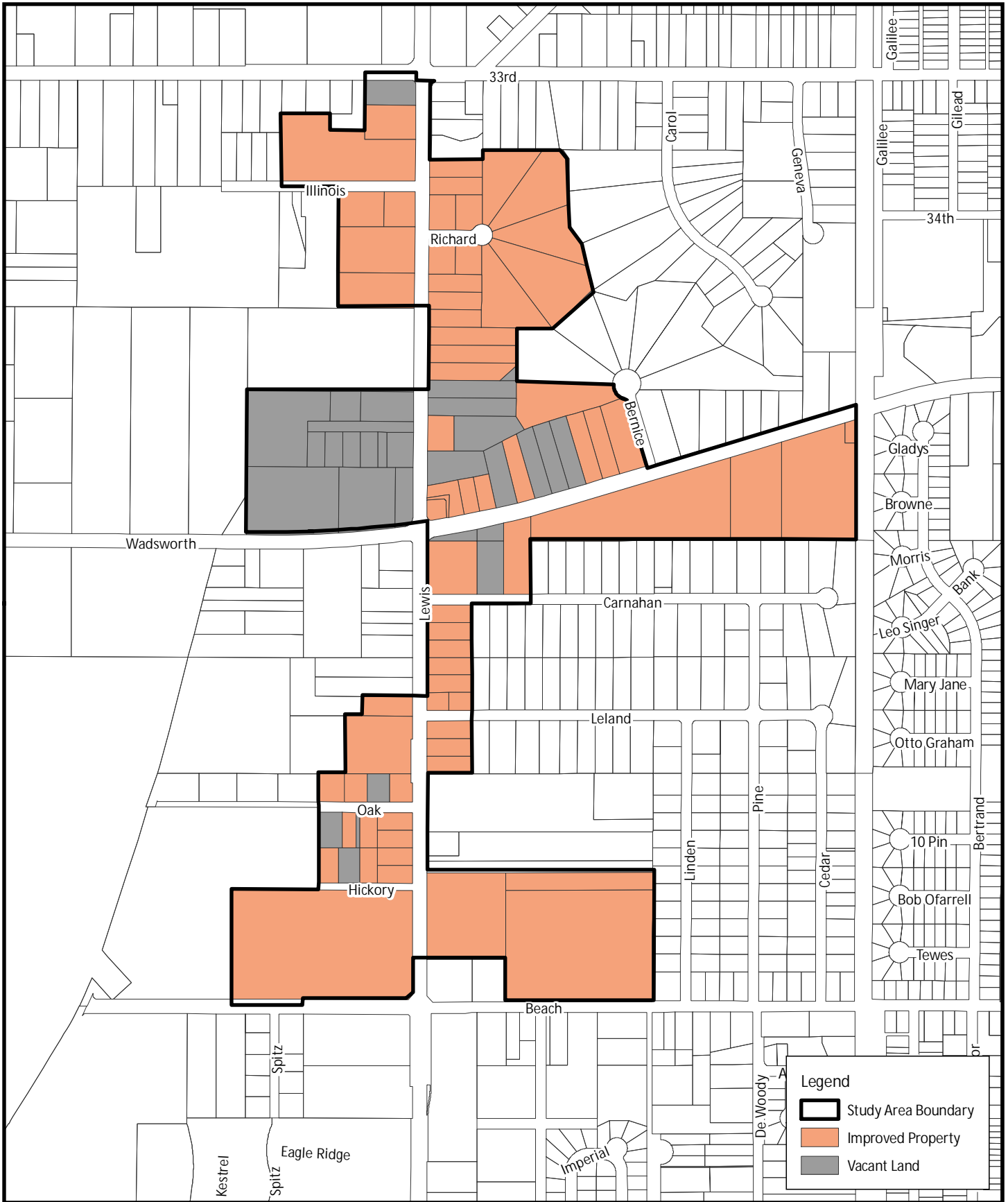
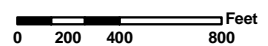


Figure C-2
Property Type

Wadsworth/Lewis Redevelopment Project
 Beach Park, Illinois



1. INTRODUCTION

The Tax Increment Allocation Redevelopment Act (the "Act") permits municipalities to induce redevelopment of eligible "blighted," "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures, which must be adhered to, in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. Under 65 ILCS 5/11-74.4-3(p), the Act defines a "redevelopment project area" as:

"... an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, conservation area or industrial park conservation area, or combination of both blighted and conservation areas."

In adopting the Act, the Illinois State Legislature found that:

1. ...there exists in many municipalities within this State blighted, conservation and industrial park conversation areas...(65 ILCS 5/11-74.4-2(a)); and
2. ...the eradication of blighted areas and treatment and improvement of conservation areas by redevelopment projects is hereby declared to be essential to the public interest (65 ILCS 5/11-74.4-2(b)).

The legislative findings were made on the basis that the presence of blight, or conditions that lead to blight, is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements that must be met before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

Before the tax increment financing ("TIF") technique can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a "blighted area," "conservation area," or "industrial park conservation area." Based on the conditions present, this Eligibility Study (the "Study") finds that the Study Area qualifies for designation as a combination of an improved conservation area and a blighted vacant area.

The Act defines blighted and conservation areas and the Act provides guidance as to when the factors present qualify an area for such designation. Where any of the factors defined in the Act are found to be present in the Study Area, they must be: 1) documented to be present to a meaningful extent so that the municipality may reasonably find that the factor is clearly present within the intent of the Act; and 2) reasonably distributed throughout the vacant or improved part of the Study Area, as applicable, to which such factor pertains.

The test of eligibility of the Study Area is based on the conditions of the area as a whole. The Act does not require that eligibility be established for each and every property in the Study Area.

Conservation Areas

A “conservation area” is an improved area located within the territorial limits of the municipality in which 50% or more of the structures have an age of 35 years or more. Such areas are not yet blighted but, because of a combination of three or more of the following factors that are detrimental to the public safety, health, morals or welfare, may become a blighted area:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land use or layout
11. Lack of community planning
12. Environmental cleanup requirements
13. Lagging or declining equalized assessed value

Blighted Vacant Areas

If the property consists of vacant land, a combination of two or more of the following factors qualifies the area as blighted, as more fully discussed in Section 74.4-3(a)(2) of the Act:

- A. Obsolete platting of vacant land
- B. Diversity of ownership of vacant land
- C. Tax or special assessment delinquencies on such land
- D. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
- E. Environmental clean-up requirements
- F. Lagging or declining equalized assessed value

Vacant land may also qualify as blighted if any one of the following factors is present, all described in Section 74.4-3(a)(3) of the Act:

- a. The area consists of one or more unused quarries, mines or strip mine ponds
- b. The area consists of unused rail yards, tracks or rights-of-way
- c. The area is subject to flooding as certified by a registered professional engineer or appropriate regulatory agency
- d. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation or dredge sites

- e. The area is between 50 to 100 acres, 75 percent vacant, shows deleterious qualities and was designated as a town center before 1982, but not developed for that purpose
- f. The area qualified as blighted immediately before it became vacant

2. ELIGIBILITY STUDIES AND METHODOLOGY

An analysis was undertaken to determine whether any or all of the factors listed in the Act are present in the Study Area, and if so, to what extent and in which locations.

In order to accomplish this evaluation the following tasks were undertaken:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions involving parking facilities, public infrastructure, site access, fences and general property maintenance;
3. Analysis of existing land uses and their relationships;
4. Comparison of surveyed buildings to zoning regulations;
5. Analysis of the current platting, building size and layout;
6. Analysis of building floor area and site coverage;
7. Review of previously prepared plans, studies, inspection reports and other data;
8. Analysis of real estate assessment data;
9. Review of available information concerning the presence of water and sewer utilities;
and
10. Review of building code violation records.

The building condition analysis is based on a preliminary exterior inspection of the buildings and sites conducted by Camiros, Ltd. between January and May 2010. Structural deficiencies in building components and related environmental deficiencies in the Study Area were noted during the survey.

Building Condition Evaluation

This section summarizes the process used for assessing building conditions in the Study Area. These standards and criteria were used to evaluate the existence of dilapidation or deterioration of structures within the Study Area.

Building Components Evaluated

During the field survey, each component of the buildings in the Study Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

Primary Structural Components

These include the basic elements of any building: foundation walls, load-bearing walls and columns, roof, roof structures and facades.

Secondary Components

These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, chimney, and gutters and downspouts.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

Building Component Classification

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below:

Sound

Building components that contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

Deficient – Requiring Minor Repair

Building components containing defects (loose or missing material or holes and cracks over a limited area), which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either the primary or secondary components and the correction of such defects may be accomplished by the owner or occupants. Examples include tuckpointing masonry joints over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.

Deficient – Requiring Major Repair

Building components that contain major defects over a widespread area that would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

Critical

Building components that contain major defects (bowing, sagging, or settling to any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive.

Final Building Rating

After completion of the exterior building condition survey, each structure was placed in one of three categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below:

Sound

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have no minor defects.

Deficient

Deficient buildings contain defects that collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.

- Deficient-Minor

Buildings classified as “deficient – requiring minor repairs” have more than one minor defect, but no major defects.

- Deficient-Major

Buildings classified as “deficient – requiring major repairs” have at least one major defect in one of the primary components or in the combined secondary components, but less than one critical defect.

Substandard

Structurally substandard buildings contain defects that are so serious and so extensive that the building must be removed. Buildings classified as structurally substandard have two or more major defects.

Minor deficient and major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Act. Substandard buildings are the same as dilapidated buildings.

Eligibility Determination

In this eligibility analysis, where a factor is described as being present to a *major* extent, the factor is present with respect to at least half of the properties to which the factor pertains and is reasonably distributed in the Study Area. The presence of such conditions has a significant adverse impact or influence on adjacent and nearby property. A factor described as being present to a *minor* extent indicates that the factor is present, but that the distribution of impact of the condition is more limited, affecting fewer than 50% of the applicable tax parcels. A statement that the factor is *not present* indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses. Factors whose presence could not be determined with certainty were not considered in establishing eligibility.

3. PRESENCE AND DISTRIBUTION OF ELIGIBILITY FACTORS

The Study Area consists of a combination of improved property and vacant land. The Act establishes different eligibility factors that must be used to qualify either improved property or vacant land for designation as a redevelopment project area under the Act.

Improved property includes parcels that contain buildings, structures, parking or other physical improvements. Improved property may include single parcels or multiple parcels under single or common ownership. Landscaped yards, open space or other ancillary functions may also be classified as improved property for the purposes of the eligibility analysis if they are obviously accessory to an adjacent building (primary use).

In order to establish the eligibility of a redevelopment project area under the improved “conservation area” criteria established in the Act, at least 50% of the structures must be 35 years of age or older. Additionally, at least three of 13 eligibility factors must be meaningfully present and reasonably distributed throughout the Study Area with respect to improved property. For vacant land, either two of certain conditions or one of certain other conditions must be meaningfully present and reasonably distributed with respect to the vacant land.

Summary of Findings

This eligibility study finds that the Study Area qualifies for designation as a combination of an improved conservation area and vacant blighted area under the criteria contained in the Act.

During the field survey and subsequent research, 111 primary and secondary structures were identified, 91 of which are at least 35 years of age. Thus, the age threshold is met with 82% of structures being 35 years of age or older. In addition, the following qualifying factors for an improved conservation area are meaningfully present and reasonably distributed within the improved portions of the Study Area:

1. Deterioration
2. Inadequate utilities
3. Lack of community planning
4. Lagging or declining EAV

Four other qualifying factors for improved property are present to a more limited extent within the Study Area including:

1. Obsolescence
2. Presence of structures below minimum code standards
3. Excessive vacancies
4. Excessive land coverage and overcrowding of community facilities

While present, these factors were not used as the primary basis for establishing eligibility of the Study Area as conservation area under the Act. However, they support the overall findings and conclusions of the eligibility analysis.

The following conditions were found with respect to the vacant land in the Study Area:

- A. Obsolete platting
- B. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
- C. Lagging or declining EAV

All of these factors are meaningfully present and reasonably distributed within the vacant portions of the Study Area. Thus, the vacant portion of the Study Area qualifies as blighted under the Act.

For the purpose of this analysis, the conditions identified in Section 74.4-3(a)(3) of the Act were not used to establish eligibility of the vacant portions of the Study Area for designation as a redevelopment project area. The meaningful presence and reasonable distribution of any one of these factors would also qualify the vacant portions of the Study Area as a blighted vacant area under the Act.

The presence and distribution of eligibility factors related to the qualification of the Study Area for designation as a combination of an improved conservation area and a vacant blighted area are discussed below. The distribution of the eligibility factors within the Study Area are presented in *Table C: Distribution of Conservation Area Eligibility Factors* and *Table D: Distribution of Blighted Vacant Area Eligibility Factors*.

Improved Property

The Study Area contains 67 tax parcels that are classified as improved property. These parcels account for approximately 111.7 acres and representing 71% of the land in the Study Area. The following discussion documents the eligibility of the improved portions of the Study Area for designation as a conservation area under the Act.

Age

The Study Area contains 111 principal and secondary structures were identified, 91 of which are 35 years of age or older. These buildings were built in 1975 or earlier and account for 82% of all structures, satisfying the age threshold.

Factors Present Within the Study Area

Each factor identified in the Act for determining whether an area qualifies as a conservation area was considered and a conclusion is presented as to whether or not the factor is present in the Study Area to a degree sufficient to warrant its inclusion as a blighting factor in establishing the eligibility of the area as a conservation area under the Act. These findings describe the conditions that exist and the extent to which each factor is present within the Study Area.

1. Dilapidation

As defined in the Act, “dilapidation” refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvement 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.

No principal buildings were identified during the preliminary field survey with structural deficiencies so serious as to obviously warrant their demolition.

Conclusion: Dilapidation was not found to be present within the Study Area.

2. *Obsolescence*

As defined in the Act, “obsolescence” refers to the condition or process of falling into disuse. Structures have become ill suited for the original use.

In making findings with respect to buildings, it is important to distinguish between *functional obsolescence* which relates to the physical utility of a structure, and *economic obsolescence* which relates to a property's ability to compete in the marketplace.

Functional Obsolescence

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and depreciation in market values.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings evidencing such obsolescence. Obsolete buildings contain characteristics or deficiencies that limit their long-term sound use or reuse. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

A number of buildings within the Study Area are both functionally and economically obsolete. This analysis focused primarily on properties that are currently in or are zoned for commercial use. While there are many older residential buildings that are likely to require substantial investment in new building systems to extend their useful lives, the Village has no current plans to encourage their replacement with alternate uses, especially where they exist as part of established residential concentrations.

Conditions related to functional obsolescence include commercial buildings that do not meet contemporary commercial development standards and residential buildings that have been converted to business use and residential buildings on sites zoned for business and commercial use. Of the 13 commercial parcels with buildings, eight include buildings that are than 35 years of age. Such buildings typically lack adequate provision for service and loading. These buildings are functionally obsolete for contemporary retail activity. There are four residential buildings on parcels that are zoned for commercial use.

Obsolescence is also evidenced by the presence of commercial uses that are not served by either municipal water or sanitary sewer service, amenities considered essential for businesses making locational decisions. Two commercial parcels lack access to either municipal water or sanitary sewer, and seven other commercial tax parcels lack access. Collectively these represent more than half of the improved tax parcels in commercial use. Five commercial parcels contain buildings that are not connected to either municipal water or sanitary sewers.

Single-family residential uses constitute approximately 75% of the improved property in the Study Area. Although the majority of commercial parcels evidence obsolescence, the high proportion of residential property reduces the overall percentage of improved parcels that are impacted by obsolescence.

Conclusion: Obsolescence is present to a limited extent, affecting buildings on 31% of the improved tax parcels.

3. Deterioration

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

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Improved tax parcels within the Study Area exhibit deterioration to varying degrees, with respect to site improvements and/or buildings. Twenty of the improved tax parcels with structures contained deteriorated buildings, representing approximately 30% of these parcels. Half of the buildings on improved parcels the commercial uses were found to suffer from either major or minor deterioration.

The most extensive evidence of deterioration pertains to site improvements, rather than buildings. In addition, deterioration of certain streets including Oak Drive and Hickory Drive was also noted. Deterioration with respect to site improvements affected 36 of the 67 improved tax parcels.

Conclusion: Deterioration is meaningfully present and reasonably distributed throughout the Study Area, affecting 54% of the improved tax parcels.

4. Presence of Structures Below Minimum Code Standards

As defined in the Act, the “presence of structures below minimum code standards” refers to any structure that does not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards include buildings characterized by defects or deficiencies that threaten health and safety.

Determination of the presence of structures below minimum code standards was based upon a review of available inspection reports and review of buildings and site improvements in relation to current zoning requirements. Twenty buildings with recent code violations were identified based on a review of inspection reports during the last two years.

Conclusion: The factor of structures below minimum code standards is present to a limited extent affecting 31% of the improved tax parcels. The factor is reasonably distributed throughout the Study Area.

5. Illegal Use of Structures

As defined in the Act, this condition refers to the presence of uses that violate applicable federal, State or local laws, but not those applicable to minimum code standards.

No evidence of this factor was identified during the field survey.

Conclusion: This condition was not identified as being present within the Study Area.

6. Excessive Vacancies

As defined in the Act, “excessive vacancies” refers 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 presence of this factor is limited to two residential tax parcels and a vacant gas station of the corner of Wadsworth Road and Lewis Avenue.

Conclusion: Excessive vacancies, as a factor, is present to minor extent affecting three tax parcels or approximately five percent of the improved tax parcels within the Study Area. Therefore, while present, the factor of excessive vacancies is not considered to be present to a meaningful extent within the Study Area.

7. Lack of Ventilation, Light, or Sanitary Facilities

As defined in the Act, “lack of ventilation, light, or sanitary facilities” refers to 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 refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

Conditions pertaining to a lack of ventilation, light or sanitary facilities were not identified as being present during the field survey of the Study Area.

Conclusion: This factor was not identified within the Study Area.

8. Inadequate Utilities

As defined in the Act, “inadequate utilities” refers to 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.

This condition represents a major impediment to future development in accordance with the land use policy contained in Beach Park’s Comprehensive Plan. Only 13 improved properties were identified that have access to both municipal water and sanitary sewer, and only five of these are currently connected to both utilities. Of the 67 improved tax parcels within the Study Area, 40 parcels only have access to sanitary sewers.

Conclusion: Inadequate utilities a condition that is present to a meaningful extent and reasonably distributed throughout the Study Area, affecting 87% of the improved tax parcels in the Study Area.

9. Excessive Land Coverage or Overcrowding of Community Facilities

As defined in the Act, “excessive land coverage or overcrowding of community facilities” refers 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 one exhibiting excessive land coverage include: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present- day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

Evidence of this factor was identified as affecting two properties during the field survey. This factor affects three percent of improved tax parcels and is, therefore, present to a limited extent.

Conclusion: While present, the factor of excessive vacancies is not considered present to a meaningful extent within the Study Area. Therefore, excessive land coverage and overcrowding of structures and community facilities was not used to establish eligibility as a conservation area.

10. Deleterious Land Use or Layout

As defined in the Act, “deleterious land use or layout” refers to the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

Under the Act, this factor is narrowly defined and does not appear to apply to any of the improved property within the Study Area.

Conclusion: The factor of deleterious land use or layout was not found to be present within the Study Area.

11. Lack of Community Planning

As defined in the Act, “lack of community planning” means that 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.

Most of the development within the Study Area predates Beach Park’s incorporation as a municipality in 1989. The Beach Park Comprehensive Plan, adopted in 2008, calls for business, commercial, office and limited industrial uses for much of the Study Area. Only a limited number of properties that do not front on the Lewis Avenue and Wadsworth Road corridors are proposed for continued residential use. The buildings and uses included in the Study Area were developed well before the effective date of the current plan, and in many instances are inconsistent with the desired land use pattern. Fourteen residential buildings were identified on land identified in the Beach Park Comprehensive Plan for future commercial use. All of the development in the Study Area predates the 2008 adoption of the Beach Park Comprehensive Plan.

In addition, six improved parcels were identified that have structures built in designated floodplains. These are residential buildings that were built between 1940 and 1954, well before the adoption of modern floodplain regulations.

Conclusion: Lack of community planning as a factor is present to a major extent, affecting 82% of improved tax parcels. This factor is meaningfully present and reasonably distributed throughout the Study Area.

12. Environmental Clean-up Requirements

This factor involves the established need for clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that remediation costs constitute a material impediment to redevelopment.

This condition was not documented during the various field surveys and document reviews.

Conclusion: This condition was not found to be present within the Study Area.

13. Lagging or Declining Equalized Assessed Value

As defined in the Act, this factor is present when the Study Area can be described by one of the following three conditions: 1) the total equalized assessed value (“EAV”) has declined in three of the last five years; 2) the total EAV is increasing at an annual rate that is less than the balance of the municipality for three of the last five years; or 3) the total EAV is increasing at an annual rate that is less than the Consumer Price Index for all Urban Consumers for three of the last five years.

Table C-1: Comparative Increase in Equalized Assessed Value – Improved Property compares the annual change in EAV for improved property within the Study Area with the balance of the Village.

Table C-1:

COMPARATIVE INCREASE IN EQUALIZED ASSESSED VALUE – IMPROVED PROPERTY

	2009	2008	2007	2006	2005
Improved Property within the Study Area & % Change from Prior Year	\$5,692,612 2.8%	\$5,537,330 2.6%	\$5,395,841 2.3%	\$5,272,649 7.6%	\$4,899,788 6.3%
Balance of Beach Park % Change from Prior Year	-3.7%	4.5%	8.8%	12.9%	10.8%

Source: Lake County

As shown in *Table C-1*, the equalized assessed value of improved property within the Study Area increased at a slower rate than the balance of the Village for four of the applicable tax years.

Conclusion: Lagging or declining EAV is meaningfully present and reasonably distributed within the Study Area, consistent with the definitions contained in the Act.

Conclusion

On the basis of the above review of current conditions, the improved part of the Study Area meets the criteria for qualification as a conservation area. Eighty-two percent of structures are 35 years of age or older. The Study Area exhibits the presence of eight of the 13 conservation area eligibility factors. Four of these factors are meaningfully present and reasonably distributed throughout the Study Area affecting at least half of the improved tax parcels. Four other factors are present to a more limited extent and were not used as the primary basis for qualification of the Study Area as an improved conservation area. However, the presence of these conditions clearly contributes to the overall condition of the Study Area and appropriateness for use of tax increment financing. The results of the eligibility analysis with respect to improved property are summarized in *Table C-3: Distribution of Conservation Area Eligibility Factors – Improved Property*.

VACANT LAND

For purposes of this eligibility analysis, 28 tax parcels are classified as vacant land. Vacant land may qualify as a blighted area if two of six eligibility factors are found to be present in the Study Area, or if any one of several other conditions exists. The vacant portion of the Study Area meets the criteria required for designation as a "vacant blighted area" as set forth in the Act.

Vacant land may qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by a combination of two of six factors listed in section 11-74.4-3(a)(2) of the Act, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains. These factors include:

A. Obsolete Platting

This factor is present when the platting of vacant land results in parcels of limited or narrow size or configuration of parcels in irregular size or shape that would be difficult to develop on a planned basis, in a manner compatible with contemporary standards and requirements. Obsolete platting is also evident where there is a failure to create rights-of-way for streets or alleys or where public rights-of-way are of inadequate widths, or easements for public utilities have not been provided.

Fifteen tax parcels were identified that exhibit evidence of obsolete platting. These include vacant parcels are landlocked and lack direct street access. Obsolete platting is also present with respect to three land areas that share one tax identification number, but are separated by other tax parcels. This condition makes it difficult to engage in meaningful land use planning or development activities.

Conclusion: This factor is meaningfully present and reasonably distributed within the Study Area affecting 54% of vacant tax parcels.

B. Diversity of Ownership

This factor is present when the number of owners of the vacant land is sufficient in number to retard or impede the assembly of land for development.

Conclusion: This factor is not present within the Study Area.

C. Tax and Special Assessment Delinquencies

This factor exists when tax or special assessment delinquencies exist or the vacant land has been the subject of tax sales under the property tax code within the last five years.

A review Lake County tax sale records found that none of the vacant tax parcels within the Study Area had been subject to recent tax sales.

Conclusion: This factor was not found to be present within the Study Area and was not used to establish eligibility as a blighted vacant area under the Act.

D. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land

Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land includes the improved areas as described in the previous sections. The criteria used for evaluating the deterioration of structures and site improvements in neighboring areas is presented in greater detail elsewhere in the Eligibility Study.

The improved part of the Study Area is adjacent to the vacant portion of the Study Area. As described previously in this report, deterioration is present with respect to a number of improved tax parcels. The factor of deterioration of structures or site improvements in neighboring areas adjacent to the vacant land is present to a meaningful extent and impacts 17 of the 28 vacant tax parcels.

Conclusion: Deterioration of structures or site improvements in neighboring areas adjacent to the vacant area impacts 61% of vacant tax parcels. This factor is meaningful present and reasonably distributed with respect to the vacant parts of the Study Area.

E. Environmental Clean-Up

As defined in the Act, “environmental clean-up” means that 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.

Conclusion: No existing environmental surveys were found that identify other sites within the Study Area as environmentally contaminated, nor were any such surveys conducted as part of this Study. Therefore, this factor was not found to be present within the Study Area.

F. Lagging or Declining EAV

As defined in the Act, a “declining or lagging equalized assessed valuation” means that the total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five 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 three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Collectively, the vacant portion of the Study Area experienced a growth rate in EAV that has lagged behind the growth rate for the balance of the Village in four of the last five years and declined between the 2008 and 2009 tax years. *Table C-2: Comparative Increase in Equalized Assessed Value – Vacant Land* presents the percent change in EAV by year for the vacant portion of the Study Area and the rate of growth in EAV for the balance of the Village. Even though the decline in EAV for the Study Area is less than the decline for the balance of the Village between the 2008 and 2009 tax years, the absolute decline conforms with the intent of the statutory definition.

Table C-2:

COMPARATIVE INCREASE IN EQUALIZED ASSESSED VALUE – VACANT LAND

	2009	2008	2007	2006	2005
Vacant Land within the Study Area & % Change from Prior Year	\$161,930	\$163,140	\$158,589	\$154,301	\$145,512
	-0.7%	2.9%	2.8%	6.0%	2.4%
Balance of Beach Park % Change from Prior Year	-3.6%	4.5%	8.8%	12.8%	10.8%

Source: Lake County

Conclusion: The vacant portion of the Study Area satisfies the definition contained in the Act with respect to stagnant or declining EAV in each of the past five years. Therefore, this factor is meaningfully present and reasonably distributed throughout the Study Area.

Vacant areas within the Study Area may also qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by several other factors listed in section 11-74.4-3(a)(3) of the Act, that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains. These conditions were not considered as part of this eligibility analysis, but include the following:

- a. The area consists of one or more unused quarries, mines, or strip mine ponds.
- b. The area consists of unused rail yards, rail tracks or railroad rights-of-way.
- c. The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.
- d. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.
- e. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

While designated floodplain areas do affect several tax parcels within the Study Area, none are vacant land as defined by the Act. Thus, this factor has not been used to establish eligibility of the Study Area as a blighted area under the Act.

Conclusion

On the basis of the above review of current conditions, the vacant portion of the Study Area meets the criteria for qualification as a blighted area. Three conditions are meaningfully present and reasonably distributed with respect to vacant land within the Study Area, affecting more than 50% of the vacant tax parcels. The presence of two conditions is required under the Act. A summary of the basis for the

qualification of the vacant portions of the Study Area as a blighted vacant area under the Act is presented in *Table C-4: Distribution of Blighted Vacant Area Eligibility Factors*.

Table C-3:			
Distribution of Conservation Area Eligibility Conditions – Improved Property			
Conservation Area Eligibility Conditions		Present to a Major Extent	Present to a Limited Extent
<i>(At least three factors must be meaningfully present and reasonably distributed)</i>			
1	Dilapidation		
2	Obsolescence		√
3	Deterioration	√	
4	Presence of structures below minimum code standards		√
5	Illegal use of structures		
6	Excessive vacancies		√
7	Lack of ventilation, light or sanitary facilities		
8	Inadequate Utilities	√	
9	Excessive land coverage or overcrowding of community facilities		√
10	Deleterious land use or layout		
11	Lack of community planning	√	
12	Environmental clean-up requirements		
13	Lagging or declining equalized assessed valuation	√	

Table C-4:			
Distribution of Blighted Vacant Area Eligibility Factors			
Eligibility Conditions Applicable to Vacant Land		Present to a Major Extent	Present to a Limited Extent
<i>(At least two factors must be meaningfully present and reasonably distributed)</i>			
A	Obsolete platting	√	
B	Diversity of ownership		
C	Tax and special assessment delinquencies		
D	Deterioration of structures or site improvements in areas adjacent to vacant land	√	
E	Environmental clean-up requirements		
F	Lagging or declining equalized assessed valuation	√	
<i>(Meaningful presence and reasonable distribution of one factor is required)</i>			
a	Unused quarries, mines or strip ponds		
b	Unused rail yards, rail tracks or railroad rights-of-way		
c	Vacant land is subject to chronic flooding as certified by registered engineer or regulatory agency		
d	Unused or illegal disposal site		
e	Blighted before becoming vacant		

APPENDIX D

WADSWORTH/LEWIS REDEVELOPMENT PROJECT AREA HOUSING IMPACT STUDY

A Housing Impact Study has been conducted for the Wadsworth/Lewis Redevelopment Project Area (the "Project Area") to determine the potential impact of redevelopment on area residents. As set forth in the Tax Increment Allocation Redevelopment Act (the "Act"), if the redevelopment plan for a redevelopment project area would result in the displacement of residents from ten or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and the municipality is unable to certify that the Wadsworth/Lewis Redevelopment Plan and Project (the "Plan") will not result in the displacement of residents from ten or more inhabited dwelling units, the municipality shall prepare a housing impact study as described in Section 11-74.4-3(n) and incorporate the housing impact study into the redevelopment plan for the redevelopment project area. The Project Area contains 56 dwelling units of which 54 are inhabited residential units. While there are no current plans to displace any residential units over the 23-year life of the TIF, the Village cannot certify that displacement of ten or more inhabited residential units will not occur at some time in the future. Therefore, a housing impact study is required. This Housing Impact Study, which is part of the Plan, fulfills this requirement. It is also integral to the formulation of the goals, objectives, and policies of the Plan.

This Housing Impact Study is organized into two parts. Part I describes the housing survey conducted within the Project Area to determine existing housing characteristics. Part II describes the potential impact of the Plan. Specific elements of the Housing Impact Study include:

Part I - Housing Survey

- i. Type of residential unit, either single-family or multi-family.
- ii. The number and type of rooms within the units, if that information is available.
- iii. Whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 of the Act is passed.
- iv. Data as to the racial and ethnic composition of the residents in the inhabited residential units, which shall be deemed to be fully satisfied if based on data from the most recent federal census.

Part II - Potential Housing Impact

- i. The number and location of those units that will be or may be removed.
- ii. The municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residences are to be removed.
- iii. The availability of replacement housing for those residents whose residences are to be removed, and the identification of the type, location, and cost of the replacement housing.
- iv. The type and extent of relocation assistance to be provided.

PART I - HOUSING SURVEY

Part I of this study provides the number, type and size of residential units within the Project Area; the number of inhabited and uninhabited units; and the racial and ethnic composition of the residents in the inhabited residential units.

Number and Type of Residential Units

The number and type of residential units within the Project Area were identified during the building condition and land use survey conducted as part of the eligibility analysis for the Project Area. This survey, conducted on May 12, 2010 revealed that the Project Area contains 50 residential or mixed use residential buildings containing a total of 56 units. The location of inhabited residential units is shown in *Figure D-1: Location of Inhabited Residential Units*. The number of residential units by building type is outlined in *Table D-1: Number and Type of Residential Units*.

Table D-1:
NUMBER AND TYPE OF RESIDENTIAL UNITS

Building Type	Total Buildings	Residential Units	
		Total	Inhabited
Single-Family	47	47	45
Multi-Family	1	7	7
Mixed Use	2	2	2
Total	50	56	54

Source: Camiros, Ltd.

Number and Type of Rooms in Residential Units

The distribution of the 56 residential units within the Project Area by number of rooms and by number of bedrooms is identified in tables within this section. The methodology to determine this information is described below.

Methodology

In order to describe the distribution of residential units by number and type of rooms within the Project Area, Camiros, Ltd. analyzed 2000 United States Census data by Block Group for those Block Groups encompassed by the Project Area. A Block Group, as defined by the U.S. Census, is a combination of census blocks (a census block is the smallest entity for which the Census Bureau collects and tabulates 100% data). The Block Group is the lowest level of geography for which the Census Bureau tabulates sample, or long-form, data. In this study, we have relied on 2000 federal census sample data because it is the best available information regarding the housing units within the Project Area. The Block Group data available for the Project Area are based on a sampling of residential units. *(As the Block Group geographies encompass a greater area beyond the Project Area, numbers will be higher than the actual count.)* Based on this data, a proportional projection was made of the distribution of units by the number of rooms and the number of bedrooms in each unit. The results of this survey are outlined in *Table D-2: Units by Number of Rooms*, and in *Table D-3: Units by Number of Bedrooms*.

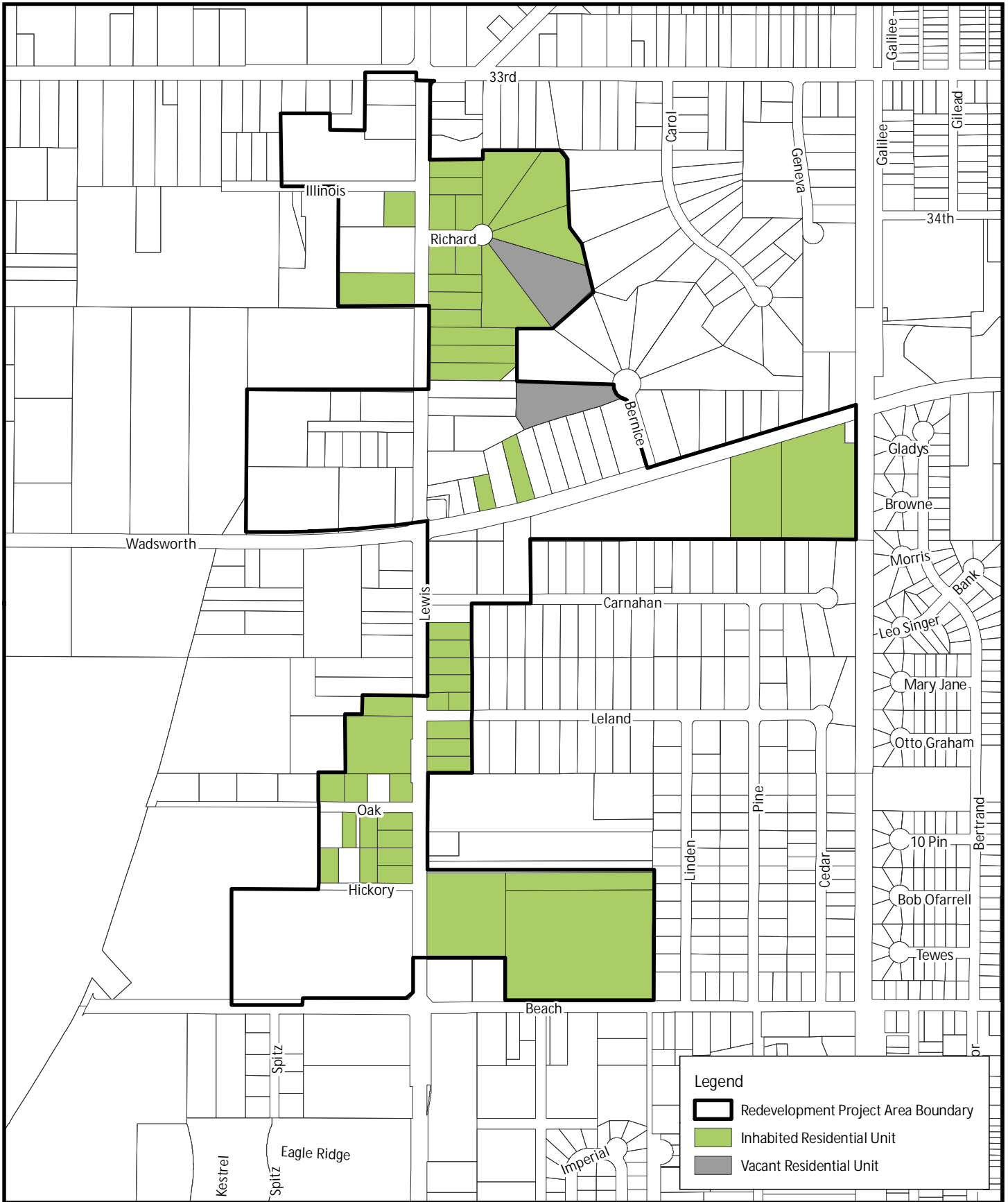


Figure D-1
Location of Inhabited Residential Units

Wadsworth/Lewis Redevelopment Project
 Beach Park, Illinois

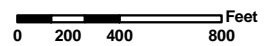


Table D-2:
UNITS BY NUMBER OF ROOMS ¹

Number of Rooms	Percentage (2000)	Current Estimate for Project Area
1 Room	0.0%	0
2 Rooms	0.0%	0
3 Rooms	4.2%	2
4 Rooms	6.4%	4
5 Rooms	23%	13
6 Rooms	25.2%	14
7 Rooms	21.4%	12
8 Rooms	9.2%	5
9+ Rooms	10.6%	6
Total	100.0%	56

Source: U.S. Census Bureau

1 As defined by the Census Bureau, for each unit, rooms include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodger's rooms. Excluded are strip or Pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements, or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.

Table D-3:
UNITS BY NUMBER OF BEDROOMS ²

Number of Bedrooms	Percentage (2000)	Current Estimate for Project Area
Studio	0.0%	0
1 Bedroom	6.3%	4
2 Bedrooms	10.3%	6
3 Bedrooms	60.1%	34
4 Bedrooms	19.7%	11
5+ Bedrooms	3.6%	2
Total	100.0%	56

Source: U.S. Census Bureau

2 As defined by the Census Bureau, number of bedrooms includes all rooms intended for use as bedrooms even if they are currently used for some other purpose. A housing unit consisting of only one room, such as a one-room efficiency apartment, is classified, by definition, as having no bedroom.

Number of Inhabited Units

A survey of inhabited dwelling units within the Project Area was conducted by Camiros, Ltd. and completed on May 12, 2010. This survey identified 56 residential units, of which two were identified as vacant. Therefore, there are 54 inhabited units within the Project Area. As required by the Act, this information was ascertained as of May 12, 2010 which is a date not less than 45 days prior to the date that the resolution required by subsection (a) of Section 11- 74.4-5 of the Act is or will be passed (the resolution setting the public hearing and Joint Review Board meeting dates).

Race and Ethnicity of Residents

The racial and ethnic composition of the residents within the Project Area is identified in *Table 6: Race and Ethnicity Characteristics*, within this section. The methodology to determine this information is described below.

Methodology

As required by the Act, the racial and ethnic composition of the residents in the inhabited residential units was determined. Population estimates were made based on data from the 2000 United States Census. Camiros, Ltd. analyzed this data by Census Block Group for the Project Area. The Census Block Group is the lowest level geography for which race and ethnicity characteristics have been released from the 2000 Census and, thus, is the best available information regarding the residents of the Project Area.

The total population for the Project Area was estimated by multiplying the number of households (inhabited units) within the Project Area (54) by the average household size (3.05) of the applicable Census Block Group. Based on the estimated total population, a proportional projection was made of the race and ethnicity characteristics of the residents. According to these projections, there are an estimated 165 residents living within the Project Area. The race and ethnic composition of these residents is indicated in *Table D-4: Race and Ethnicity Characteristics*.

Table D-4:

RACE AND ETHNICITY CHARACTERISTICS

Race	Percentage (2000)	Estimated Residents
White	76.6%	126
Black or African American	6.5%	11
American Indian and Alaska Native	0.0%	0
Asian	3.0%	5
Native Hawaiian and Other Pacific Islander	0.0%	0
Some Other Race	13.9%	23
Total	100.0%	165

Hispanic Origin	Percentage (2000)	Estimated Residents
Hispanic	25.2%	42
Non-Hispanic	74.8%	123
Total	100.0%	165

Source: U.S. Census Bureau

PART II - POTENTIAL HOUSING IMPACT

Part II contains, as required by the Act, information on any acquisition, relocation program, replacement housing, and relocation assistance.

Number and Location of Units That May Be Removed

The primary objectives of the Plan are to reduce deleterious conditions within the Project Area and upgrade public and private infrastructure to stimulate private investment in the area. While the Plan does not specifically propose redevelopment of current residential use areas, some displacement of

residential units may occur in the process of private redevelopment of obsolete buildings that contain a residential component.

There is a possibility that over the 23-year life of the Project Area, some inhabited residential units may be removed as a result of implementing the Plan. In order to meet the statutory requirement of defining the number and location of inhabited residential units that may be removed, a methodology was established that would provide a rough, yet reasonable, estimate. This methodology is described below.

Methodology

The methodology used to fulfill the statutory requirements of defining the number and location of inhabited residential units that may be removed involves three steps.

1. Step one is to identify all inhabited residential units previously identified for acquisition by the Village. The Village has no plans to acquire inhabited residential units within the Project Area. Therefore, the number of inhabited residential units that may be removed due to identified acquisition is zero.
2. Step two counts the number of inhabited residential units contained on parcels with dilapidated buildings, which can be expected to require removal based on their condition. From the survey conducted by Camiros, Ltd., no buildings containing such occupied residential units were identified within the Project Area that can be classified as dilapidated. Therefore, the number of inhabited residential units that may be removed due to dilapidation is zero.
3. Step three counts the number of inhabited residential units that exist where the future land use indicated by the Village's Comprehensive Plan will not include residential uses. After reviewing the Land Use Plan for the Project Area, we determined that 44 of the inhabited residential units could be impacted by changes to the existing land use pattern in conformance to the planning and development goals of the Village. Therefore, the number of inhabited residential units that may be removed due to future land use change is 44.

Over the life of the Wadsworth/Lewis Redevelopment Project Area, it is estimated that 44 inhabited residential units may be displaced as a result of activities related to implementation of the Plan. Depending on the nature of the private investment projects proposed in the future, these units could be located on any of the parcels with inhabited residential units shown in *Figure D-1: Location of Inhabited Housing Units*.

Replacement Housing

In accordance with Section 11-74.4-3 (n)(7) of the Act, the Village shall make a good faith effort to ensure that affordable replacement housing for any qualified displaced resident whose residence is removed is located in or near the Project Area. Generally, this means affordable rental units should be affordable to households earning no more than 80 percent of the area median income (adjusted for family size). If, during the 23-year life of the Project Area, the acquisition plans change, the Village shall make every effort to ensure that appropriate replacement housing will be found in either the Project Area or the surrounding neighborhoods.

The location, type and cost of a sample of possible replacement housing units located within five miles of the Project Area area were determined through classified advertisements from www.forrent.com and

www.trulia.com during May 2010. The location, type and cost of these units are listed in *Table D-5: Survey of Available Rental Housing Units* and *Table D-6: Survey of Available for Sale Units*.

**Table D-5:
SURVEY OF AVAILABLE RENTAL HOUSING UNITS**

	Location	# of Bedrooms	Rental Price	Amenities
1	37896 N. Loyola Avenue Beach Park, IL	3	\$1,450	Single-family home, new carpet and floors, upgraded appliances
2	Reserve at Eagle Ridge 1947 West Eagle Ridge Drive Waukegan, IL	1-2	\$799-\$999	Swimming pool, health club, in-unit washer and dryer, dog park
3	Northgate Apartments 2330 N. Samson Way Waukegan, IL	1-3	\$799-\$1325	Pets allowed, fitness center, swimming pool
4	Park Trails 3451 N. Sheridan Road Zion, IL	1-2	\$705-\$815	Air conditioning, cable ready, walk in closets
5	Country Chalet 2904 31 st Street Zion, IL	1-2	\$735-\$835	Free heat and gas, dishwasher, new kitchens and bathrooms

Source: www.forrent.com

**Table D-6:
SURVEY OF AVAILABLE FOR SALE UNITS**

	Location	Unit Type	# of Bedrooms	Sales Price	Amenities
1	39102 Welsh Lane Beach Park, IL	Condo	2	\$110,000	Hardwood floors, upgraded appliances
2	39884 Stonewood Drive, Beach Park, IL	House	4	\$220,000	2.5 bathrooms, master suite with private bath
3	38728 N. Cedar Avenue Beach Park, IL	House	3	\$110,000	Large fenced yard
4	13124 Bucksburn Lane Beach Park, IL	House	3	\$189,000	Large fenced yard, loft space
5	2605 Roberts Avenue Waukegan, IL	House	3	\$179,000	Refurbished kitchen, hardwood floors

Source: www.trulia.com

The Wadsworth/Lewis Redevelopment Plan and Project is intended to encourage new commercial development on vacant and underutilized land. It is assumed that displacement, if any, will most likely be caused by private redevelopment decisions occurring outside the recommendations of this Plan. Furthermore, any displacement would occur incrementally over the 23-year life of the Plan as individual development projects occur.

Relocation Assistance

While the removal or displacement of housing units is not a goal of the Plan, it is possible that some inhabited residential units may be removed in the process of implementing the Plan. If the removal or displacement of low-income, very low-income or very, very low-income households is required, such residents will be provided with relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. The Village shall make a good faith effort to ensure that affordable replacement housing for the aforementioned households is located in or near the Project Area.

As used in the above paragraph, "low-income households," "very low-income households," "very, very low-income households" and "affordable housing" have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, I 310 ILCS 65/3. These statutory terms have the following meanings:

- a. "low-income households" means a single-person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development (HUD) for purposes of Section 8 of the United States Housing Act of 1937;
- b. "very low-income households" means a single-person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD;
- c. "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

In order to estimate the number of moderate-, low-, and very low-income households in the Project Area, Camiros, Ltd. used data available from the 2000 United States Census. We have relied on this data because it is the best available information regarding the income characteristics of the Project Area.

It is estimated that 9.6 percent of the households within the Project Area may be classified as very low-income; 8.2 percent may be classified as low-income; and 16.6 percent may be classified as moderate-income. Applying these percentages to the 54 inhabited residential units (equivalent to households) identified during the survey completed by Camiros, Ltd. reveals that five households may be classified as very low-income; five households may be classified as low-income; and twelve households may be classified as moderate-income. This information is summarized in *Table D-7: Household Income*.

**Table D-7:
HOUSEHOLD INCOME**

Income Category	Annual Income Range	Percentage of Households	Number of Households
Very Low- Income	\$0 - \$18,400	9.6%	5
Low-Income	\$18,401 - \$30,700	8.2%	5
Moderate-Income	\$30,701 - \$49,100	16.6%	12
Above Moderate-Income	\$49,101 and above	65.6%	32
Total		100.0%	54

Source: 2000 U.S. Census

As described above, the estimates of the total number of moderate-, low-, and very low-income households within the Project Area collectively represent 34.4 percent of the total inhabited units, and the number of households in the low-income categories collectively represent 17.8 percent of the total inhabited units. Therefore, replacement housing for any displaced households over the course of the 23-year life of the Wadsworth/Lewis Redevelopment Project Area should be affordable at these income levels. It should be noted that these income levels are likely to change over the 23-year life of the Project Area as both median income and income levels within the Project Area change.

APPENDIX E

WADSWORTH/LEWIS REDEVELOPMENT PROJECT AREA INITIAL EQUALIZED ASSESSED VALUE (EAV)

#	PIN	ADDRESS	2009 EAV
1	0429300015	11539 WEST 33RD STREET	\$21,808
2	0429300016	39452 NORTH LEWIS AVENUE	\$185,003
3	0429300023	10555 WEST ILLINOIS AVENUE	ROW
4	0429300024	11571 WEST ILLINOIS AVENUE	\$95,948
5	0429300025	39358 NORTH LEWIS AVENUE	\$52,858
6	0429300026	39316 NORTH LEWIS AVENUE	\$50,626
7	0429300027	39262 NORTH LEWIS AVENUE	\$93,765
8	0429300037	39400 NORTH LEWIS AVENUE	ROW
9	0429300039	39406 NORTH LEWIS AVENUE	\$495,189
10	0429302014	11603 WEST JOHNSON ROAD	EXEMPT
11	0429302015	11591 WEST JOHNSON ROAD	EXEMPT
12	0429302016	11573 WEST JOHNSON ROAD	EXEMPT
13	0429302017	11557 WEST JOHNSON ROAD	EXEMPT
14	0429302018	11644 WEST WADSWORTH ROAD	EXEMPT
15	0429302019	11552 WEST WADSWORTH ROAD	EXEMPT
16	0429302020	39050 NORTH LEWIS AVENUE	EXEMPT
17	0429302025	11590 WEST JOHNSON ROAD	EXEMPT
18	0429302027	11543 WEST JOHNSON ROAD	EXEMPT
19	0429302028	11666 WEST JOHNSON ROAD	EXEMPT
20	0429302029	39124 NORTH LEWIS AVENUE	\$159
21	0429400005	11315 WEST WADSWORTH ROAD	EXEMPT
22	0429400007	11043 WEST WADSWORTH ROAD	\$12,662
23	0429400010	11473 WEST WADSWORTH ROAD	\$26,219
24	0429400011	11433 WEST WADSWORTH ROAD	\$20,022
25	0429400013	11129 WEST WADSWORTH ROAD	\$92,392
26	0429400014	11075 WEST WADSWORTH ROAD	\$38,391
27	0429401012	39395 NORTH LEWIS AVENUE	\$42,918
28	0429401013	39375 NORTH LEWIS AVENUE	\$49,743
29	0429401014	11470 WEST RICHARD PLACE	\$60,892
30	0429401015	11452 WEST RICHARD PLACE	\$43,183
31	0429401016	11473 WEST RICHARD PLACE	\$52,371
32	0429401017	11451 WEST RICHARD PLACE	\$48,682
33	0429401018	39275 NORTH LEWIS AVENUE	\$64,682
34	0429401019	39253 NORTH LEWIS AVENUE	\$56,611

#	PIN	ADDRESS	2009 EAV
35	0429401020	39241 NORTH LEWIS AVENUE	\$56,740
36	0429401021	39221 NORTH LEWIS AVENUE	\$61,344
37	0429401022	39197 NORTH LEWIS AVENUE	\$80,082
38	0429401024	39159 NORTH LEWIS AVENUE	EXEMPT
39	0429401025	39143 NORTH LEWIS AVENUE	EXEMPT
40	0429401027	39071 NORTH LEWIS AVENUE	EXEMPT
41	0429401028	11438 WEST RICHARD PLACE	\$79,586
42	0429401029	11432 WEST RICHARD PLACE	\$92,355
43	0429401030	11426 WEST RICHARD PLACE	\$70,471
44	0429401031	11431 WEST RICHARD PLACE	\$96,263
45	0429401032	11437 WEST RICHARD PLACE	\$62,598
46	0429401035	39152 NORTH BERNICE TERRACE	\$37,335
47	0429401084	11456 WEST WADSWORTH ROAD	\$172,757
48	0429401086	11448 WEST WADSWORTH ROAD	\$19,579
49	0429401087	11432 WEST WADSWORTH ROAD	\$155,294
50	0429401088	11412 WEST WADSWORTH ROAD	\$13,479
51	0429401089	11390 WEST WADSWORTH ROAD	\$65,636
52	0429401090	11364 WEST WADSWORTH ROAD	\$16,114
53	0429401091	11350 WEST WADSWORTH ROAD	\$16,670
54	0429401092	11342 WEST WADSWORTH ROAD	\$16,670
55	0429401093	11316 WEST WADSWORTH ROAD	\$359,082
56	0429401094	11298 WEST WADSWORTH ROAD	\$23,075
57	0429401095	11270 WEST WADSWORTH ROAD	EXEMPT
58	0429401108	39181 NORTH LEWIS AVENUE	\$90,371
59	0429401109	39179 NORTH LEWIS AVENUE	EXEMPT
60	0429401110	39119 NORTH LEWIS AVENUE	\$124,145
61	0429401111	39117 NORTH LEWIS AVENUE	EXEMPT
62	0429401115	0 NORTH LEWIS AVENUE	\$3,292
63	0429401116	39039 NORTH LEWIS AVENUE	\$140,478
64	0432100026	38822 NORTH LEWIS AVENUE	\$46,674
65	0432100029	38550 NORTH LEWIS AVENUE	EXEMPT
66	0432100030	38778 NORTH LEWIS AVENUE	\$71,129
67	0432100031	38770 NORTH LEWIS AVENUE	ROW
68	0432101005	11590 WEST OAK DRIVE	\$45,688
69	0432101006	11568 WEST OAK DRIVE	\$54,242
70	0432101007	11544 WEST OAK DRIVE	\$3,781
71	0432101010	11532 WEST OAK DRIVE	\$61,654
72	0432101011	38740 NORTH LEWIS AVENUE	ROW
73	0432102001	11591 WEST OAK DRIVE	\$6,955
74	0432102003	11553 WEST OAK DRIVE	\$45,967
75	0432102004	11599 WEST HICKORY DRIVE	\$47,662
76	0432102005	11581 WEST HICKORY DRIVE	\$1,424
77	0432102006	11557 WEST HICKORY DRIVE	\$61,202

#	PIN	ADDRESS	2009 EAV
78	0432102007	11538 WEST OAK DRIVE	\$41,634
79	0432102008	38678 NORTH LEWIS AVENUE	\$34,784
80	0432102009	38662 NORTH LEWIS AVENUE	\$55,505
81	0432102010	38640 NORTH LEWIS AVENUE	\$53,053
82	0432102011	11569 WEST OAK DRIVE	\$47,581
83	0432102012	11561 WEST OAK DRIVE	\$1,182
84	0432200012	38931 NORTH LEWIS AVENUE	\$151,715
85	0432200013	38903 NORTH LEWIS AVENUE	\$46,078
86	0432200014	38887 NORTH LEWIS AVENUE	\$46,047
87	0432200015	38865 NORTH LEWIS AVENUE	\$46,790
88	0432200016	38847 NORTH LEWIS AVENUE	\$56,171
89	0432200017	11480 WEST LELAND AVENUE	\$58,637
90	0432200018	11458 WEST LELAND AVENUE	\$43,992
91	0432200039	11471 WEST LELAND AVENUE	\$54,997
92	0432200040	38771 NORTH LEWIS AVENUE	\$81,588
93	0432200041	38763 NORTH LEWIS AVENUE	\$42,932
94	0432200055	38638 NORTH LINDEN AVENUE	\$52,110
95	0432200063	38975 NORTH LEWIS AVENUE	\$352,536
96	0432200064	11426 WEST CARNAHAN AVENUE	\$17,447
97	0432200067	11270 WEST BEACH ROAD	\$232,239
98	0432200072	11411 WEST WADSWORTH ROAD	\$281,831
99	0432200076	0 NORTH LEWIS AVENUE	\$149 (ROW)
100	0432200077	0 NORTH LEWIS AVENUE	\$149 (ROW)
101	0432200078	38575 NORTH LEWIS AVENUE	\$151,775
PROJECT AREA TOTAL EAV			\$5,854,840