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**CITY OF WAUKEGAN  
FOUNTAIN SQUARE  
REDEVELOPMENT PLAN AND PROJECT**

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**Prepared For:**

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## LIST OF EXHIBITS

Exhibit A	-	Boundary Map
Exhibit B	-	Legal Description
Exhibit C	-	TIF Qualification Report
Exhibit D	-	Existing Land Use Map
Exhibit E	-	Future Land Use Map

## **I. INTRODUCTION**

The City of Waukegan (the “City”) is an established community located in northern Lake County, Illinois, approximately 40 miles north of Chicago, near the Wisconsin border. The City possesses a number of assets that potentially strengthen the area’s economic development potential, including its location midway between Chicago and Milwaukee, a variety of transportation assets, and diverse land uses (including recreational, industrial, office and residential), coupled with a stable employment base. The site of the former Lakehurst Mall near Interstate 94 and Belvidere Road/IL-120 has been repositioned over the years with non-mall uses, but the potential for additional redevelopment exists, as portions of the area are still underutilized. Despite locational advantages, the area has the need for coordinated traffic and roadway improvements, as those limit near-term redevelopment options. In addition, current economic conditions (due to the COVID pandemic) may require additional resources to spur redevelopment efforts in retail, hospitality, and entertainment uses.

Waukegan is a primarily 'built up’ community, although annexation may present opportunities for growth in certain areas. Thus, given limited opportunities for new development, the City is targeting its attention on focused redevelopment that can maintain and increase the local tax base and non-residential revenues (including sales taxes) for the community.

The City will utilize its updated Comprehensive Plan, to be adopted in 2020 (“Comprehensive Plan”) to provide direction regarding how the community should manage its limited resources to foster economic redevelopment and growth within the subsequent ten to twenty years.

The Comprehensive Plan specifically identifies southwest Waukegan and the Fountain Square area as significant components of the City’s economic base.

The proposed Redevelopment Project Area (the “RPA”), includes portions of the Fountain Square complex generally bounded by Belvidere Road on the north, McGaw Road on the south, the Canadian Pacific railroad right-of-way on the west and Illinois Route 43/Waukegan Road on the east. The Walmart store and the residential area to the southwest are excluded.

The RPA includes fifty-two (52) tax parcels. A boundary map of the RPA is attached as Exhibit A. The RPA is legally described in Section II.

The existence of certain building and site improvement conditions within the RPA, along with changing retail market conditions and increased competition from on-line shopping, have contributed to the emergence of certain qualification factors as defined by the Tax Increment Allocation Redevelopment Act, 65 ILCS Section 5/11-74.4-1 et seq., as amended (the “**TIF Act**” or the “**Act**”), such as excessive vacancies, deleterious land use, lack of community planning, deterioration, and inadequate utilities, within the RPA.

On balance, the combination of these factors may not only limit potential for private reinvestment within and around the RPA but may also serve to impact the area as a whole. Certain portions of the former Lakehurst Mall have not been redeveloped and continue to be underutilized, nearly two decades after the mall closed. Without the use of City planning and economic development resources to address certain issues, including coordinated access/egress and provision for multiple uses, potential redevelopment activities are not likely to be economically feasible. These factors potentially weaken the likelihood for redevelopment opportunities, limiting employment and contributing to a lack of future investment in the area.

The coordination of redevelopment efforts by the City using the TIF Act would provide for the RPA to become far better positioned for redevelopment opportunities that meet new market conditions and trends. Accordingly, under this Redevelopment Plan and Project, and as part of its comprehensive economic development planning, the City intends to attract and encourage retail, hotel, commercial, and entertainment-based uses, including future casino uses, to locate, upgrade, expand, and/or modernize their facilities within the City. Through the establishment of the RPA, the City will implement a program to redevelop the Fountain Square area, along with other adjacent properties. In so doing, it intends to stabilize the area, extend benefits to the entire community, and assist affected taxing districts over the long term.

**A. The Redevelopment Plan**

The City recognizes the need for implementation of a strategy to revitalize existing properties within the boundaries of the RPA, as well as to stimulate and enhance new commercial, retail and mixed-use redevelopment. The ability to respond to marketplace demands is a key component of the City's strategy to promote private redevelopment within strategically critical areas of the City. The requisite private investment will likely only be stimulated in the RPA if tax increment financing (TIF) is adopted pursuant to the TIF Act, since incremental property tax revenue generated by the redevelopment will play a decisive role in encouraging private redevelopment. Existing conditions, such as those associated with properties and site improvements located within the RPA, that may have precluded intensive private reinvestment in the past, will be eradicated. Ultimately, the implementation of the Redevelopment Plan and Project detailed herein will benefit the City and all the associated taxing districts, in the form of a stabilized and significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the City to address deficiencies within the RPA, by taking the following steps:

- Establishing a pattern of up-to-date mixed-use and retail/commercial land-uses that will increase property valuations and address evolving market trends, especially as such uses are responsive to market conditions and potential casino uses;
- Providing and coordinating roadway, traffic and other site improvements that provide access to the area, serve the area, and are within the area;
- Soliciting, coordinating, and supporting improved public transportation access to the area;
- Entering into redevelopment agreements in order to facilitate and guide the redevelopment and adaptive re-use of underutilized properties;
- Improving area appearance through undertaking modern landscape, streetscape and signage programs;
- Coordinating land assembly in order to provide sites for more modern redevelopment plans; and
- Providing and updating infrastructure that is adequate in relation to redevelopment plans.

The area on the whole would not reasonably be anticipated to be redeveloped in a coordinated manner without the adoption of this Redevelopment Plan and Project. The City has prepared the Redevelopment Plan and Project to utilize tax increment financing in order to address area needs and to meet the City's redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the RPA. By means of public investment, the City will strengthen the RPA, thus setting the stage for attracting private capital for redevelopment. This, in turn, will lead to the retention, expansion and attraction of commercial, retail and mixed residential use development into the City in general, and the RPA in particular.

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

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

**B. Summary**

The City, through legislative actions as required by the Act, finds:

- That the RPA, as a whole, has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of the RPA must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private reinvestment and stabilize and enhance the tax base in the RPA for the benefit of the taxing district through redevelopment of the RPA;
- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That the Redevelopment Plan and Project conforms to the City's Comprehensive Plan (including any amendments thereto);

- That without the development focus and resources provided for under the Act, and as set forth in this Plan, redevelopment and growth is not reasonably expected to be achieved; and
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

It is further found, and certified by the City, in connection with the process required for the adoption of this Plan pursuant to the Act, that the projected redevelopment of the RPA will not result in the displacement of ten (10) inhabited residential units or more, and that the RPA contains less than seventy-five (75) inhabited residential units. Therefore, this Plan does not include a Housing Impact Study as would otherwise be required.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

**II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION**

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

### **III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES**

The RPA has seen very little investment in the last few years and has experienced an increase in vacancies of both buildings and land. The overall goal of the Redevelopment Plan is to address this issue, by facilitating the elimination of area and building conditions that have served to hinder private and public investment in the RPA. The Redevelopment Plan will provide the guidance and tools necessary to improve infrastructure and facilities, and to encourage private redevelopment of this key commercial area, in order to restore the RPA as a dynamic commercial district. The Redevelopment Plan will also provide better direction for improved coordination between the City, developers, investors, and business owners in executing redevelopment activities in the RPA.

The following objectives are presented for the RPA in accordance with the City's Comprehensive Plan (including any amendments thereto), which is considered the City's comprehensive planning process, and other relevant planning efforts (any amendments thereto).

#### **A. Redevelopment Strategies of the City**

- 1) Integrate future casino development into existing commercial landscape
  - Co-locate a diverse mix of hospitality, retail and entertainment uses
  - Collaborate with selected casino licensee to ensure that the final development vision includes outwardly facing integrated restaurant, retail, and entertainment options.
  - Ensure future hotels complement existing hospitality options within Fountain Square.
  - Explore potential for a conference center component in the future.
- 2) Solidify Fountain Square as a regional retail cluster
  - Maintain high performing retail in Fountain Square while guiding future commercial development.
  - Encourage development on remaining available land within Fountain Square
  - Coordinate with property owner(s) to support development and help facilitate needed public infrastructure improvements.
- 3) Proactively monitor retail performance
  - Work with brokers and property owners to monitor key performance indicators for retail at Fountain Square, such as vacancy.
  - Proactively gauge the health of the retail cluster to watch for signs of decline and intervene to adapt to changing retail trends, if necessary.
- 4) Develop relationships with commercial retail brokers
  - Develop relationships with commercial retail brokers and utilize their contacts with local, regional, and national retailers to attract tenants.

- Maintain a list of vacant commercial properties that are available, in order to have current information to market properties through organizations such as ICSC.

*Source: Waukegan Comprehensive Plan.*

**B. Specific Objectives for the RPA**

- 1) Promote improvement and enhancement of viable existing commercial buildings, including facades, signage, and structural repairs.
- 2) Promote redevelopment of marginal sites to new uses.
- 3) Encourage a diverse mix of hospitality, retail, and entertainment uses.
- 4) Integrate future casino development, including existing uses and any future uses.
- 5) Continue to maintain high profile retail and hotel uses that serve the community and the marketplace.

**C. Redevelopment Objectives**

The RPA designation will allow the City to:

- 1) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal and to conform to recent City planning efforts;
- 2) Reduce or eliminate the negative factors present within the area;
- 3) Accomplish redevelopment over a reasonable time period;
- 4) Provide for high quality public improvement, transit, and roadway projects within and outside of the RPA; and
- 5) Provide for an attractive overall appearance of the area.

The implementation of the Redevelopment Plan and Project will serve to improve the overall quality of properties within the RPA and contribute to the economic health of the City as a whole.

**IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH WITHIN THE RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS**

**A. Evidence of the Lack of Development and Growth Within the RPA**

As documented in Exhibit C of this Plan, the RPA would qualify as a blighted area under the TIF Act. Properties within the RPA would not likely experience coordinated redevelopment without the designation of the RPA.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually worsen. For example, structures and site improvements within the RPA reflect excessive vacancies, deterioration, inadequate utilities, and lack of community planning. These various conditions discourage private sector investment in business enterprises or in redevelopment sites.

**B. Assessment of Fiscal Impact on Affected Taxing Districts**

The action taken by the City to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project is expected to have a positive financial impact on the affected taxing districts by arresting and avoiding potential declines in assessed valuations.

Given that there is potential for new retail, commercial and mixed-use redevelopment, the City has made allowances in this Redevelopment Plan and Project to provide for distributions to school taxing districts and will follow the guidelines provided by the Act to compensate the school taxing districts at levels dictated by the actual increase in students caused by the redevelopment, as provided by the Act.

To the extent any surplus exists, any resulting surplus Special Tax Allocation Funds will be proportionately shared with the various taxing districts, including the City, based on their respective tax rates for a given year, after all TIF eligible costs either expended or incurred as an obligation by the City have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City, as provided by the Act. The exception to this provision will be the extent to which the City utilizes TIF funding to assist in the redevelopment of residential units with the impact described above to the School Districts. In such cases, the City will provide funds to offset the costs incurred, as prescribed by the Act.

**V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

**A. Findings**

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/Art. 11 Div. 74.4, the “*TIF Act*”). It was determined that the area as a whole qualifies as a TIF District under Illinois law based upon blighted area factors. Refer to the Qualification Report, (Exhibit C) which is attached as part of this Plan.

**B. Eligibility Survey**

The RPA was evaluated, from time to time, over a period from June, 2020 through the date of this Redevelopment Plan and Project. Analysis was aided by certain reports and information obtained from the City and from other sources, including Lake County.

**VI. HOUSING IMPACT STUDY FINDINGS IN THE REDEVELOPMENT PROJECT AREA**

**A. Findings**

The RPA was studied in order to determine if a housing impact study would need to be conducted pursuant to the TIF Act. The City has found that the plan will not displace ten (10) or more residents and that the RPA contains less than seventy-five (75) inhabited residential units, thus a housing impact study is not required to be completed.

## **VII. REDEVELOPMENT PROJECT**

### **A. Redevelopment Plan and Project Objectives**

The City proposes to realize its goals and objectives of encouraging the redevelopment of the RPA and encouraging private investment through public finance techniques including, but not limited to, Tax Increment Financing:

- 1) By implementing a plan that provides for the retention and expansion of existing businesses and bolsters the attraction of new users to redevelop existing or new structures, as well as vacant or underutilized parcels that are, or may become available, within the RPA.
- 2) By constructing public improvements which may include (if necessary):
  - i. Street and sidewalk improvements (including new street construction, widening of current streets, and multi-use pedestrian and bicycle paths);
  - ii. Utility improvements (including, but not limited to, water, storm water management, flood control and sanitary sewer projects consisting of construction and rehabilitation);
  - iii. Signalization, traffic control, and lighting;
  - iv. Parking improvements (structured and/or grade);
  - v. Landscaping, streetscape, and beautification; and
  - vi. Construct and/or improve transit facilities; and
  - vii. Improve public facilities and institutional uses.
- 3) By entering into redevelopment agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) By providing for land assembly, site preparation, environmental remediation (if necessary), clearance, and demolition, including grading and excavation.
- 5) By the redevelopment of certain buildings or sites through necessary rehabilitation and improvement of structures.
- 6) By exploring and reviewing job training programs in coordination with any City, federal, state, and county programs.
- 7) By entering into agreements with other public bodies for the development or construction of public facilities and infrastructure.

## **B. Redevelopment Activities**

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions, including, but not limited to, site preparation, clearance, acquisition, demolition, construction of public infrastructure and related public improvements, and rehabilitation of existing structures and improvements, if necessary.

### Site Preparation, Clearance, and Demolition

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

### Land Assembly and Relocation

Certain properties or interests in properties in the RPA may be acquired or purchased by private entities. These properties may be assembled and reconfigured into appropriate redevelopment sites. The City may facilitate private acquisition through reimbursement of acquisition and related costs through the write-down of acquisition costs. Relocation activities may also be undertaken by the City.

### Public Improvements

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

- Improvements and/or construction of public utilities including the improvement of water mains as well as flood control and sanitary and storm sewer systems;
- Beautification, identification markers, landscaping, lighting, and signage of public rights-of-way; and
- Construction of new (or rehabilitation of existing) public facilities to allow for the redevelopment of the existing sites for new mixed use or retail/commercial uses, including parking and transportation related facilities.
- Construction of roadway improvements both within the RPA and outside of the RPA pursuant to the TIF Act.

### Rehabilitation

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

### Interest Rate Write-Down

The City may enter into agreements with owners/developers whereby a portion of the interest cost of a construction, renovation, or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

### Job Training

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

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

### School District Tuition Costs

The City will provide for the payment of eligible tuition costs as provided for in the TIF Act, if needed.

## **C. General Land Use Plan**

Existing land uses generally consist of commercial/retail/hotel and City uses. Future land uses reflect the objectives of this Redevelopment Plan, which are to enhance the improvement of the RPA as a thriving commercial and mixed-use area, with casino/entertainment uses included. Future land uses would include mixed-uses consisting of entertainment/casino uses, retail, commercial uses, and institutional uses. Existing and future land uses are shown in Exhibits D and E attached hereto and made a part of this Plan.

**D. Additional Design and Control Standards for Development in the City**

The appropriate design controls, as set forth in the City’s Comprehensive Plan, Zoning Ordinance (including any amendments thereto) or other relevant codes shall apply to the RPA.

**E. Estimated Redevelopment Project Costs**

“*Redevelopment Project Costs*” mean, and include, the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the Act, and any such costs incidental to the Redevelopment Plan and Project. Private investments, which supplement Redevelopment Project Costs, are expected to substantially exceed the Redevelopment Project Costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project include:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, “redevelopment project costs” shall not include lobbying expenses;
  - 1.1 After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;
2. The cost of marketing sites within the redevelopment 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 interest 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 or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November, 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities, or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of the amendatory Act of the 91<sup>st</sup> General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. Costs of job training and retraining projects including the costs of ‘welfare to work’ programs implemented by businesses located within the redevelopment project area;
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 pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;

9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
  - a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
    - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
    - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
    - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

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

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

10. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Allocation Fund.

A library district is not eligible for any payment under this paragraph unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

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

11. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
12. Payment in lieu of taxes;
13. Costs of job training, 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 redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City 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 agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;
14. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
  - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
  - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due

shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;

- d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
- e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);
- f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (f).

The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (f) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units,

the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
16. Unless explicitly stated herein the costs of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
17. After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. “Historic Resource” means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by

the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

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

Estimated eligible costs of this Redevelopment Plan are shown on the next page. The total eligible costs constitute the upper limit of expenditures that are to be funded from tax increment revenues, exclusive of capitalized interest, issuance costs, interest and other financing costs. Adjustments to these line item cost items may be made without amendment to the Redevelopment Plan and Project.

**CITY OF WAUKEGAN  
FOUNTAIN SQUARE REDEVELOPMENT PROJECT  
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition, Assembly Costs	\$ 13,500,000
2. Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$ 12,000,000
3. Infrastructure and Roadway Improvements	\$ 26,100,000
4. Public facilities and improvements, including taxing district capital costs and transportation related improvements	\$ 90,000,000
5. Rehabilitation Costs	\$ 15,000,000
6. Interest Costs Pursuant to the Act	\$ 9,000,000
7. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 10,200,000
8. Job Training	\$ 3,000,000
9. Statutory School District Payments, as provided for by the TIF Act	\$ 1,200,000
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$ 180,000,000</b>

(A) All project cost estimates are in year 2020 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for annual interest costs, capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The line item amounts set forth above are not intended to place a not to exceed limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the amount of payments for the Total Estimated Project Costs shall not exceed the combined overall budget amount shown above. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

Pursuant to the Act, the City may utilize net incremental property tax revenues received from other existing or future contiguous redevelopment project areas to pay eligible redevelopment project costs or obligations issued to pay such costs in the proposed RPA, and vice versa.

**F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Act**

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

“Redevelopment Project Costs” specifically contemplate those eligible costs set forth in the Act and do not contemplate the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed, and TIF or other public sources are to be used, subject to approval by the City’s corporate authorities, only to leverage and commit private redevelopment activity.

The tax increment revenues, which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs, shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2019 tax year for the RPA.

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

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

The City may also direct incremental revenues from the Redevelopment Project Area to any existing or future contiguous redevelopment project areas for redevelopment activities, in conformance with the provisions of the Act, and it may also receive incremental revenues from any existing or future contiguous redevelopment project areas in order to further the redevelopment activities described in this Plan. In addition, and pursuant to the Act, the City may direct incremental revenues to infrastructure projects outside the Redevelopment Project Area that directly impact the Redevelopment Project Area.

**G. Nature and Term of Obligations to be Issued**

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

Any and/or all obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years after the year of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

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

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates, with or without capitalized interest, with or without deferred principal retirement, with or without interest rate limits except as limited by law, and with or without redemption provisions, and on such other terms, all as the City may determine.

**H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area**

The most recent estimate of equalized assessed valuation (EAV) for tax year 2019 of the property within the RPA is approximately \$22,768,893.

**I. Anticipated Equalized Assessed Valuation (EAV)**

Upon completion of the anticipated private development of the Fountain Square Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the RPA will be within a range of approximately to \$90,000,000 to \$100,000,000.

## **VIII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT**

### **A. Redevelopment Project**

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

The Redevelopment Project will begin as soon as the private entities have obtained financing and other necessary approvals for appropriate projects. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the RPA may be acquired and assembled into appropriate redevelopment sites.

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

Rehabilitation: The City may assist in the rehabilitation of private or public facilities, buildings or site improvements located within the RPA.

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

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain public and private utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention ponds may also be undertaken by the City. Public and private utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Public Infrastructure/Facility Improvements: Widening or construction of existing road improvements and/or vacation of roads may be undertaken by the City within or outside of the RPA pursuant to the TIF Act. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Public facilities including parking, transportation, and taxing district capital costs may be constructed that would be available to the general public.

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

Public Safety Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

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

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

Tuition Payments to School Districts: The City may fund payments to the school district pursuant to the provisions of the Act.

**B. Commitment to Fair Employment Practices and Affirmative Action**

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

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

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

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

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

**C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment costs**

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

**IX. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT**

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

**EXHIBIT A**  
**BOUNDARY MAP**

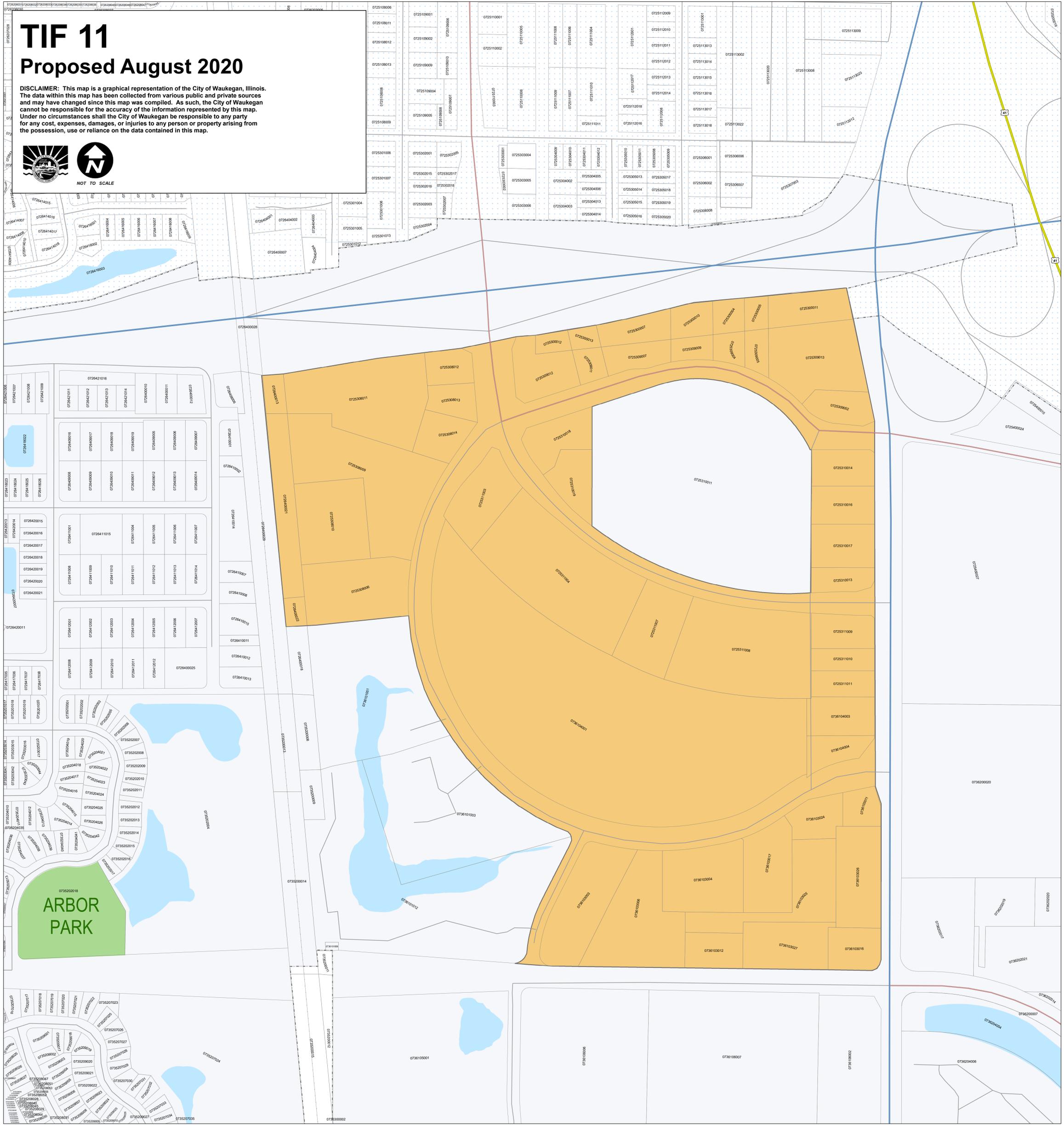
# TIF 11

## Proposed August 2020

**DISCLAIMER:** This map is a graphical representation of the City of Waukegan, Illinois. The data within this map has been collected from various public and private sources and may have changed since this map was compiled. As such, the City of Waukegan cannot be responsible for the accuracy of the information represented by this map. Under no circumstances shall the City of Waukegan be responsible to any party for any cost, expenses, damages, or injuries to any person or property arising from the possession, use or reliance on the data contained in this map.



NOT TO SCALE



**EXHIBIT B**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION (FOUNTAIN SQUARE TIF):**

THAT PART OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 26, THE SOUTHWEST QUARTER OF SECTION 25 AND THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN IN LAKE COUNTY, ILLINOIS, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF BELVIDERE ROAD (AKA ILLINOIS ROUTE 120) AS WIDENED BY DEDICATION AS RECORDED ON NOVEMBER 3, 1972 AS DOCUMENT NUMBER 1586387 AND THE WESTERLY LINE OF WAUKEGAN ROAD (FORMERLY TELEGRAPH ROAD) ALSO WIDENED AND DEDICATED BY SAID DOCUMENT NUMBER 1586387;

THENCE SOUTHERLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF WAUKEGAN ROAD (FORMERLY TELEGRAPH ROAD) TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF MCGAW ROAD;

THENCE WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF MCGAW ROAD TO A POINT OF INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF LAKEHURST ROAD;

THENCE NORTHEASTERLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF LAKEHURST ROAD TO A POINT OF INTERSECTION WITH THE CONTINUATION OF AN EASTERLY-WESTERLY PORTION OF THE SAME SAID LAKEHURST ROAD;

THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID LAKEHURST ROAD TO THE SOUTHEAST CORNER OF LOT 1 IN THE RESUBDIVISION OF LOT 4 IN LAKEHURST, AS RECORDED ON MAY 28, 2008 AS DOCUMENT NUMBER 6350568;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 1 TO THE SOUTHWEST CORNER THEREOF;

THENCE CONTINUING ALONG THE WESTERLY EXTENSION OF SAID SOUTH LINE OF LOT 1, 100 FEET TO A POINT OF INTERSECTION WITH A LINE 50 FEET (MEASURED PERPENDICULARLY) EASTERLY OF AND PARALLEL WITH THE CENTERLINE OF THE EASTERLY MAIN TRACK OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, SAID LINE ALSO BEING THE EASTERLY RIGHT-OF-WAY LINE OF THE SOO LINE RAILROAD;

THENCE NORTHWESTERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF THE SOO LINE RAILROAD TO A POINT OF INTERSECTION WITH SAID SOUTH RIGHT-OF-WAY LINE OF BELVIDERE ROAD (AKA ILLINOIS ROUTE 120) AS WIDENED BY DEDICATION AS RECORDED ON JUNE 6, 1975 AS DOCUMENT NUMBER 1711953;

THENCE EASTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE OF BELVIDERE ROAD (AKA ILLINOIS ROUTE 120), AS WIDENED, TO THE POINT OF BEGINNING.

EXCEPTING OUT THE FOLLOWING DESCRIBED AREA:

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 45 NORTH,  
RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN IN LAKE COUNTY, ILLINOIS,  
BEING DESCRIBED AS FOLLOWS:

LOT 2 IN THE RESUBDIVISION OF LOT 3 IN FOUNTAIN SQUARE OF WAUKEGAN, AS  
RECORDED ON SEPTEMBER 2, 2005 AS DOCUMENT NUMBER 5853207.

**EXHIBIT C**  
**TIF QUALIFICATION REPORT**

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**CITY OF WAUKEGAN  
FOUNTAIN SQUARE  
TIF QUALIFICATION REPORT  
TIF DISTRICT/REDEVELOPMENT PROJECT AREA**

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**A study to determine whether all or a portion of an area located in the City of Waukegan qualifies as a blighted area as set forth in the definition in the Tax Increment Allocation Redevelopment Act of 65 ILCS Section 5/11-74.4-3, et seq. of the Illinois Compiled Statutes, as amended.**

**Prepared For: City of Waukegan, Illinois**

**Prepared By: Kane, McKenna and Associates, Inc.**

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**SEPTEMBER, 2020**

**CITY OF WAUKEGAN  
FOUNTAIN SQUARE  
TIF QUALIFICATION REPORT  
TIF DISTRICT/REDEVELOPMENT PROJECT AREA**

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**MAP**

Boundary Map

## **I. INTRODUCTION AND BACKGROUND**

As part of its examination of the designation of the Fountain Square TIF Redevelopment Project Area, the City of Waukegan (the “City”) has authorized the study of the area to determine whether it qualifies for consideration as a Redevelopment Project Area (RPA) pursuant to Illinois “Real Property Tax Increment Allocation Act” (hereinafter referred to as “the Act”) Ch. 65 ILCS Section 5/11-74.4-1 et. seq. of the Illinois Compiled Statutes, as amended. Kane, McKenna and Associates, Inc. (“KMA”) has agreed to undertake the study of the area. The property is located in the southwest portion of Waukegan and is comprised primarily of commercial properties, including retail, service, and restaurant uses. The majority of the parcels in the proposed redevelopment project areas are situated between Waukegan Road (Route 43) to the east and the Canadian Pacific Railroad right-of-way to the west, and between Belvidere Road (Route 120) to the north and McGaw Road to the south (the “Study Area” or “TIF District”). The proposed TIF District excludes a single, almost 32-acre parcel in the middle of the Study Area, as well as residential uses in the southwest corner of the Study Area.

The TIF District includes fifty-two (52) tax parcels and thirty-nine (39) buildings.

In general, the structures and site improvements within the TIF District were found to have several TIF qualification factors, including deterioration, excessive vacancies, deleterious layout, lack of community planning, inadequate utilities, and code violations.

## **OBJECTIVES**

Southwest Waukegan has, historically, been one of the City's prime economic engines. The Fountain Square area, near Interstate 94 and Belvidere Road, is the site of the former Lakehurst Mall, and was re-positioned over the years with non-mall uses such as retail, hotel and multi-family residential, but some portions of the area remain underutilized. Additional growth and development of the Fountain Square area would serve to strengthen the City's economic base, by addressing deterioration of site improvements and a need for coordinated roadway improvements for improved traffic flow and access/egress. These factors potentially compromise the probability of redevelopment opportunities, limiting employment and contributing to a lack of future investment in the area. In addition, these influences have been exacerbated by the current economic downturn created by the COVID pandemic, and additional resources may be required to stimulate redevelopment efforts in retail, hospitality, and entertainment uses. The prospect of a casino in Fountain Square affords the City an opportunity to strategically enhance economic development activity in this area in a coordinated fashion, including complementary industries (commercial, retail, hospitality, and entertainment) revenue generation, and expanded local employment. While the proposed casino is still in the planning phases, the City's Comprehensive Plan (an update expected to be approved in October, 2020) contemplates a variety of projects and programs that the casino and the proposed TIF District can be expected to contribute in order to accomplish community-wide goals.

### **Specific opportunities and strategies include:**

- Solidify Fountain Square as a regional; retail cluster
- Maximize use of available developable land for new commercial development
- Maintain high performing retail in Fountain Square while guiding future commercial development
- Coordinate with property owners to support development and help facilitate needed public infrastructure improvements.
- Integrate future casino development into the existing commercial landscape

Given the City's goals under its comprehensive planning process and the conditions briefly summarized above, the City has determined that it is highly beneficial to promote the redevelopment of the Fountain Square area with the creation of the Fountain Square TIF District. Deteriorated physical conditions and the visibility of significant tracts of vacant land and partially vacant structures are some of the concerns that the City wants to address, among others.

The proposed TIF District would serve to help reverse the decline of certain properties that are located at this prominent gateway to the City and allow for revitalization of this crossroads for retail, commercial, hospitality, and entertainment uses.

The City is favorably disposed toward supporting redevelopment efforts in the Fountain Square area; however, the City is determined that redevelopment takes place through the benefit and guidance of comprehensive economic coordination by the City. Through such a deliberate and coordinated effort, the area is expected to improve. Development barriers, inherent with current market conditions that impede economic growth, are expected to be eliminated in the proposed TIF District.

The City has determined that redevelopment currently planned for the TIF District may only be feasible with public finance assistance. The City's creation and utilization of a redevelopment plan pursuant to the Act is intended to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the area ("TIF").

The use of TIF relies upon induced private redevelopment in the RPA creating higher real estate values that would otherwise decline or stagnate without such investment, leading to increased property taxes compared to previous land-uses (or lack of uses). In this way the existing tax base for all tax districts is protected, and a portion of future increased taxes are pledged to attract the needed private investment.

## **II. QUALIFICATION CRITERIA USED**

With the assistance of City staff, Kane, McKenna and Associates, Inc. examined the proposed TIF District from May, 2020 to the date of this report, and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the Act. The relevant sections of the Act are found below.

The Act sets out specific procedures, which must be adhered to in designating a Redevelopment Project Area. By definition, a “Redevelopment Project Area” is:

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

### **BLIGHTED AREA**

The Act states that, "blighted area" means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where:

(1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area: (65 ILCS 5/11-74.4-3(a).

The City proposes to qualify the Study Area in part as a “blighted improved area”.

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

(B) Obsolescence: The condition or process of falling into disuse. Structures become ill-suited for the original use.

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

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

(E) Illegal Use of Individual Structures: The use of structures in violation of applicable federal, state, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies: The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

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

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

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

(J) Deleterious Land-Use or Layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

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

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

(M) Decline of Equalized Assessed Value: The total equalized assessed value of the Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or 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 (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

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

(A) Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-way for streets or alleys, or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way, or that omitted easements for public utilities.

(B) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

(C) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.

(D) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

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

(F) The total equalized assessed value of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

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

(A) The area consists of one or more unused quarries, mines, or strip mine ponds.

(B) The area consists of unused railyards, 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) Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the Redevelopment Project Area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

(F) The area qualified as a “blighted area” immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

### **III. THE STUDY AREA**

The Study Area is generally bounded by Waukegan Road (Route 43) to the east, the Canadian Pacific Railroad right-of-way to the west, Belvidere Road (Route 120) to the north and McGaw Road to the south (refer to map exhibit.)

### **IV. METHODOLOGY OF EVALUATION**

In evaluating the Study Area's potential qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the properties were undertaken by representatives from KMA. Site surveys were completed for each tract of land (based upon Sidwell blocks), within the area.
- 2) KMA completed the exterior evaluation of structures. Additionally, 2015 through 2019 tax information from the Lake County Clerk's Office, parcel tax maps, site data, local history (discussions with City staff), and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning) have been reviewed. As part of its review, KMA reviewed the area in its entirety. City redevelopment goals and objectives for the area were also reviewed with City staff. A photographic analysis of the area was conducted and was used to aid this evaluation.
- 3) Existing structures and site conditions were initially surveyed to the best and most reasonable extent possible, and only in the context of investigating TIF Act criteria factors of specific structures and site conditions on the parcels.
- 4) The proposed TIF District was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was examined to determine the applicability of the different blighted area factors for qualification for TIF designation under the TIF Act.
- 5) Blighted area findings include improved area factors as such factors are described in TIF Act and summarized above.

**V. QUALIFICATION OF PROPOSED RPA/FINDINGS OF ELIGIBILITY**

As a result of KMA’s evaluation and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the Study Area as a “blighted area”.

**Blighted Improved Area**

<b>Maximum Possible Factors per Statute</b>	<b>Minimum Factors Needed to Qualify per Statute</b>	<b>Qualifying Factors Present in Study Area Prior to Becoming Vacant</b>
13	5	6 <ul style="list-style-type: none"> <li>• Deterioration</li> <li>• Excessive Vacancies</li> <li>• Lack of Community Planning</li> <li>• Deleterious Land Use/Layout</li> <li>• Inadequate Utilities</li> <li>• Code Violations</li> </ul>

1. Deterioration of Site Improvements and Structures:

Deterioration can be evidenced in major or secondary building defects. For example, such defects include but are not limited to, defects in building components such as windows, porches, gutters, doors, brick, mortar, and stucco. The building and site improvements have exhibited various degrees of deterioration which require repairs, upgrades, and replacement.

Various degrees of deterioration are found throughout the Study Area. Most of the deterioration can be seen in the exterior surface improvements of the properties. Many paved parking lots, alleys, and driveways exhibited worn seal coating, with pavement cracking, including alligator cracking, spalling, potholes, and uneven, worn, or otherwise damaged asphalt paving. In addition, pavement paint for many of the parking spaces throughout the Study Area, was observed to be either completely worn away, or extensively faded or damaged. Curbs and gutters in many paved areas were found to be cracked or crumbling, with weed growth in the concrete and faded curb paint.

Deterioration of some building improvements was also observed. These include exterior building components such as exterior masonry or stucco or other building exterior surfaces at certain building locations which are in need of repair or painting. Observed deterioration of structures also includes faded window or door awnings, damaged building trims, peeling trim paint, deteriorated service and entry

doors and windows, worn metal or shingle roofs, peeling paint, and rust or peeling paint at metal rail systems.

## 2. Excessive Vacancies

Excessive vacancies are present due to buildings that are unoccupied or underutilized and represent an adverse influence on the area.

The Study Area consists of thirty-nine (39) buildings, of which thirty (30) are retail/service buildings (the other nine buildings consist of four hotels, one City of Waukegan facility, and four storage buildings). Three of these thirty retail/service buildings are vacant and two multi-tenant buildings have vacancies. So, almost percent (17%) of the thirty (30) retail/service buildings are either vacant or partially vacant. This vacancy rate exceeds the typical commercial real estate industry standard of 5% to 10%.

City staff has reported that the two multi-unit tenant buildings have a history of recurring vacancies. City staff has also reported that another of the vacant buildings, the former Child World Toy Store, a 35,868 square foot building situated on 3.55 acres at 699 Lakehurst Road, has been vacant for approximately thirty (30) years. This property represents one of the larger parcels within the proposed TIF District, and so its long-standing vacant status has had a deleterious visual impact on the proposed TIF District. The two other vacant buildings are former banking facilities, each of which have been vacant for approximately two years.

## 3. Lack of Community Planning

According to the Act, an area suffers from a lack of community planning if the area was developed prior to, or without the benefit, of a community plan.

The City of Waukegan's last Comprehensive Plan was adopted 1987. An updated Comprehensive Plan is expected to be approved in fall, 2020. Ten (10) of the thirty-nine (39) structures, or 25%, were developed prior to adoption of the 1987 Comprehensive Plan.

The proposed Fountain Square TIF District is located on the former Lakehurst Mall site. Lakehurst Mall opened in 1971 on rural land, and for a short time was the largest mall in Lake County. It was closed in 2001 and demolished in 2004, after succumbing to competition from the newer Hawthorn Mall and Gurnee Mills Mall. Since then, the properties were redeveloped in a piecemeal fashion, based on the road and lot configurations that had been designed exclusively to accommodate a regional mall. Accordingly, most of the redevelopment of the former Lakehurst Mall property occurred within the constraints of infrastructure and lot configurations that were not designed for their redevelopment. Until recently, effective and sustained economic development plans and strategies intended to

address the coordinated redevelopment of the entire Fountain Square area have been lacking. This can be seen in the relatively significant portions of the proposed TIF District that remain underutilized or experience recurring vacancies.

In 2003, the City of Waukegan adopted its Gateway Overlay District zoning regulations to improve visual quality in the City’s gateway areas, encourage a mix of desirable retail uses, protect adjacent residential areas, restrict undesirable signage, and limit undesirable land uses. These regulations, however, did not provide for a comprehensive approach to coordinated economic redevelopment strategies. The Gateway Overlay District will need to be reviewed and/or amended based upon proposed new uses, internal circulation/traffic patterns, and reconfiguration of buildings. Realignment of existing traffic connections, integrative streetscape public spaces, and pedestrian connectivity are new planning concepts that will need to be integrated with current market demand and community-based planning principles. The original retail-driven plan will need to be reconfigured in order to accommodate a walkable, workable community destination with mixed uses.

4. Code Violations

Structures that do not meet standards of zoning, subdivision, building, fire, or other governmental codes (excluding housing or property maintenance codes) contribute to the presence of this factor.

The City of Waukegan adopted the 2012 International Building Code and amendments to that code in 2016. Twenty-five (25) of the 39 structures within the proposed TIF District were built before the new code was adopted. Accordingly, many aspects of these buildings may not meet all of the requirements of the City of Waukegan code. The City’s Building Commissioner has reported that the former Child World Toy Store is in an accelerating state of deterioration and not up to code. The City’s Building Commissioner has also reported that the large Lakehurst Banquets multi-event space has undergone numerous remodeling over the years and does not meet the current building codes.

5. Inadequate Utilities

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

Many of the utilities and streets in the Study Area were built in 1970 and 1971, over 33 years ago, pursuant to the plat of subdivision for the Lakehurst Mall. The

plat of subdivision required that the maintenance of all utilities and streets be performed by the mall's developer. Accordingly, during the 33-year lifetime of the mall, the City relied upon the developer to ensure that utilities and streets were properly maintained. When the mall closed down in 2004, the City assumed responsibility for the utilities and roads. The risk of utility maintenance deficiencies by the Lakehurst Mall developer over 33 years, along with the advanced ages of the various infrastructure components will require redevelopment or development of parcels within the proposed Fountain Square TIF to include modifications or upgrades to utilities.

Storm Sewer and Storm Water Management:

The existing storm water management systems within the proposed TIF District do not have the appropriate capacity to accommodate all of the future development/redevelopment in the proposed TIF District. Analyses of the current and estimated storm water discharge associated with the specific development/redevelopment parameters of each property (i.e. ultimate discharge location, discharge rates, detention/retention, previous/impervious areas, etc.) will be required to determine the respective storm water management improvements for each development/redevelopment parcel. These analyses will also have to consider each development's respective impact on existing infrastructure, so that sewer replacement may be required to increase capacity while maintaining minimum flow rates and discharge from developed sites. In the public rights-of-way it will be necessary to investigate the condition of existing infrastructure to arrange for repair, rehabilitation or replacement due to material condition, existing and future capacity, etc. It is already known that the casino development of the 32-acre vacant site within the proposed TIF District will require storm water detention facilities, since existing detention/retention ponds serving the TIF were not designed to accommodate the rainfall runoff that will be generated by development of this parcel.

Development/redevelopment of any of the properties within the Study Area will require compliance with the storm water management requirements of the Lake County Storm Water Management Commission, the regulatory agency responsible for permitting of storm water management facilities in Lake County. Before these requirements became effective in 1992, twelve of the 39 buildings in the Study Area, (almost 31%) had already been built, pursuant to the storm water management requirements of the Lakehurst Mall PUD for storm water management, less stringent than the requirements of Lake County. Utility modernization that supports smart infrastructure and energy reduction measures will become necessary.

### Transportation Circulation, Roads and Streets

Development/redevelopment of the parcels within the proposed TIF District will require traffic circulation configurations and pattern in the public rights of way in order to accommodate new uses. Access to the proposed TIF District will need to be improved over time to take into account changes in vehicle types traffic patterns and counts. Traffic signalization/controls, along with their corresponding electrical systems and intersections will need to be modernized. Pedestrian safety lighting will have to comply with the City's current site development, planning and zoning requirements. The City also contemplates a new Metra commuter/Amtrak rail station to facilitate greater access to the proposed TIF District.

### 6. Deleterious Layout

The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive or unsuitable for the surrounding area fall under this category.

The predominant, current land uses in the proposed TIF District consist of commercial, retail, and hotel uses. There is a significant incompatible land use relationship at the southwest portion of the proposed TIF District, where the commercial and retail uses surround, on three sides, an adjacent, multi-building, multi-family residential apartment complex. Most of the properties abutting this apartment complex are either vacant or underutilized. The City's 2020 Comprehensive Plan provides for integrating the future casino development into the existing Fountain Square fabric.

As described earlier, the current land uses within the proposed TIF were developed in a piecemeal fashion within the constraints of the road and other infrastructure configurations left over from the former Lakehurst Mall. Future development and redevelopment, which will include integration of the new casino into the Fountain Square area, will likely require upgrades to roads and infrastructure, traffic signalization modifications, street lighting upgrades, and reconfiguring of road networks and public walks to address the prior lack of coordinated development after the closure of the Lakehurst Mall.

## **VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION**

The following is a summary of relevant qualification findings as it relates to potential designation of TIF District by the City.

1. The area is contiguous and is greater than 1½ acres in size.
2. The area qualifies as a “blighted area” as defined in the Act. A more detailed analysis of the qualification findings is outlined in this report.
3. All property in the area would substantially benefit by the proposed redevelopment project improvements.
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area.
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

These findings, in the judgment of KMA, provide the City with sufficient justification to consider designation of the TIF District.

There is a need to focus redevelopment efforts relating to business attraction as well as the coordination of redevelopment efforts for new uses. These efforts will be important to the area’s continued improvement and preservation of tax base.

**TIF BOUNDARY MAP**

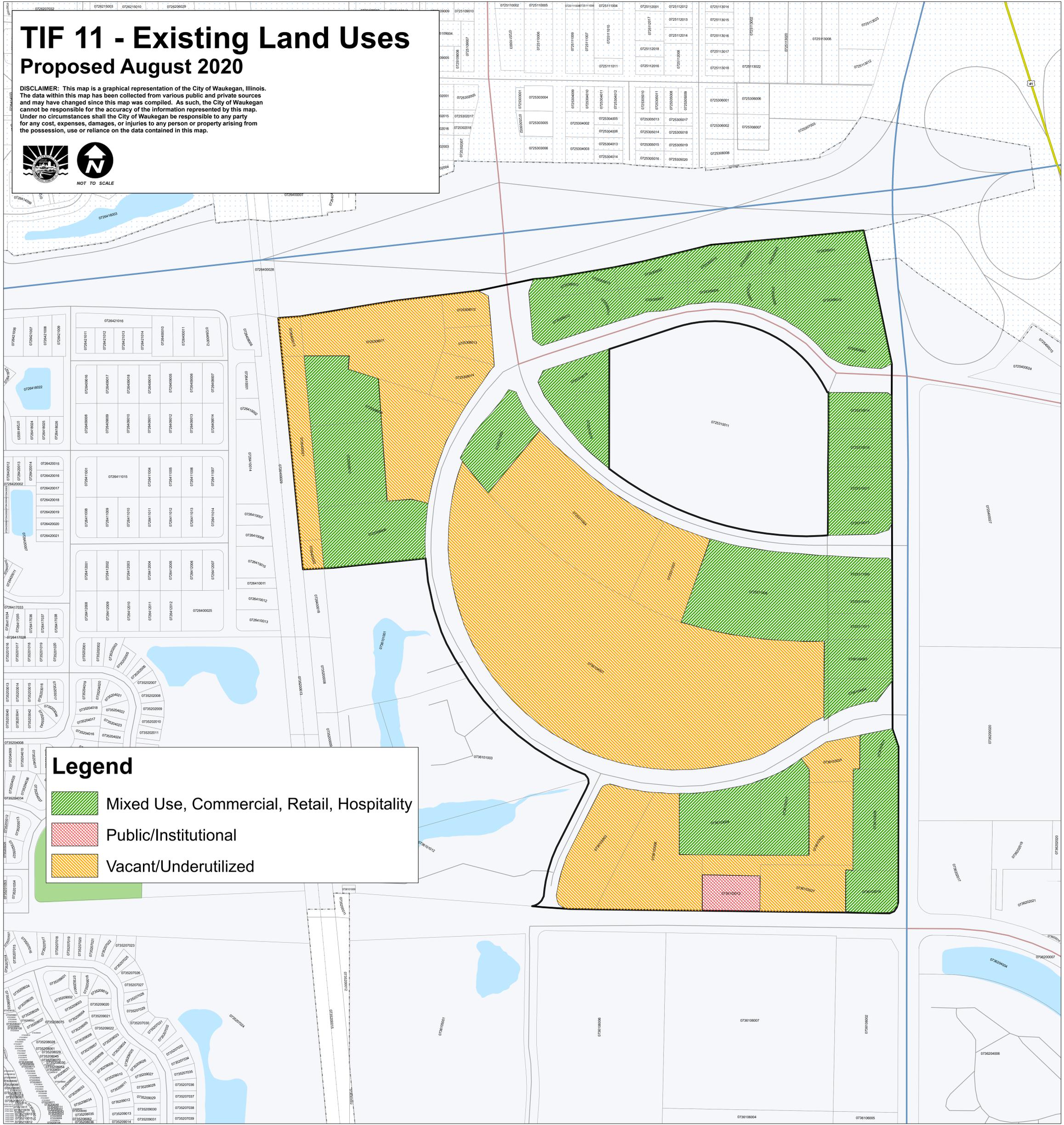


**EXHIBIT D**  
**EXISTING LAND USE MAP**

# TIF 11 - Existing Land Uses

## Proposed August 2020

DISCLAIMER: This map is a graphical representation of the City of Waukegan, Illinois. The data within this map has been collected from various public and private sources and may have changed since this map was compiled. As such, the City of Waukegan cannot be responsible for the accuracy of the information represented by this map. Under no circumstances shall the City of Waukegan be responsible to any party for any cost, expenses, damages, or injuries to any person or property arising from the possession, use or reliance on the data contained in this map.



### Legend

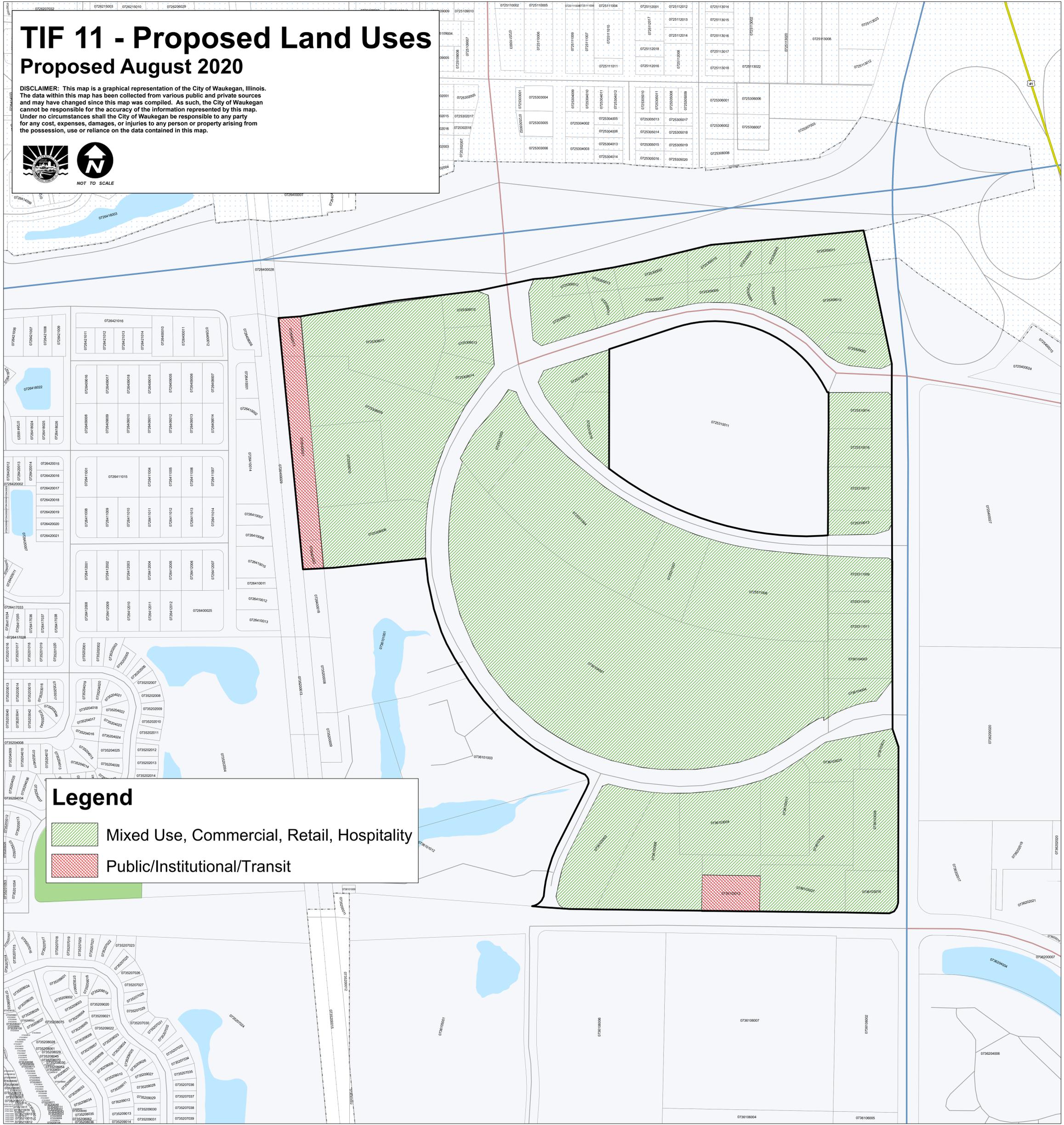
-  Mixed Use, Commercial, Retail, Hospitality
-  Public/Institutional
-  Vacant/Underutilized

**EXHIBIT E**  
**FUTURE LAND USE MAP**

# TIF 11 - Proposed Land Uses

## Proposed August 2020

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### Legend

-  Mixed Use, Commercial, Retail, Hospitality
-  Public/Institutional/Transit