

**VULCAN LAKES
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROGRAM**

City of Crystal Lake, Illinois

DRAFT – August 2005

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INTRODUCTION

Located in the southeastern section of the City of Crystal Lake is the Vulcan Lakes Redevelopment Project Area (the "Project Area"). Consisting of a mix of commercial and industrial uses, the area is dominated by the remnants of a 475-acre gravel quarry. Over the past decade, however, the area has been experiencing a general lack of private investment. With the recognized goals of conserving the taxable value of land and buildings and protecting the character and the stability of the commercial, industrial, recreational, and residential areas within Crystal Lake, the City has decided to take direct measures to encourage redevelopment efforts within the Project Area. City officials have determined that, without direct municipal involvement and financial assistance, the City's goals and objectives for this area cannot be met. To encourage new investment in the Vulcan Lakes area, the City of Crystal Lake has created the following Vulcan Lakes Redevelopment Plan and Program (the "Redevelopment Plan") to identify an effective approach to facilitate development.

The Redevelopment Plan seeks to respond to a number of problems and needs within the Project Area that have contributed to the inability to achieve the vision established by the City and identified in the Crystal Lake 2020 Vision Comprehensive Land Use Plan. This Redevelopment Plan is also indicative of a strong commitment on the part of the City to utilize the existing natural features of the Project Area and enhance the recreational opportunities for the City's residents by creating recreational amenities for all to enjoy. The goal of the Redevelopment Plan is to strengthen the residential, employment, and commercial components of the Project Area, through the improvement of existing facilities and redevelopment of existing obsolete and blighted buildings or vacant land for new and expanded uses. This plan is intended to provide a framework for improvements within the Project Area over the 23-year life of a TIF district, including redevelopment goals, recommended land uses, and a budget of estimated project costs.

REDEVELOPMENT PROJECT AREA DESCRIPTION

The Project Area is bound by Route 14 on the north, Pingree Road to the east, James R. Rakow Road to the south, and South Main Street to the west. Consisting of 22 parcels that cover approximately 503 acres and contain a total of 16 structures, the Project Area supports a mixture of land use types including commercial and industrial uses. The predominant feature within the project area is the vacant former gravel quarry, approximately 475 acres in area, which was annexed by the City of Crystal Lake in the early 1980s. Upon completion of all mining and reclamation work, the City took full possession of most of the former quarry.

The northern portion of the Project Area is bound by the Route 14 commercial corridor, one of the primary commercial corridors of the City. South of Rakow Road is additional quarry land. To the east of the Project Area is a mix of residential, commercial and industrial land uses. To the west of the Project Area is predominately industrial and commercial land uses.

As detailed in the Appendix to this report, the Project Area is eligible for designation as a “blighted area” based on the combination of the following two (2) factors:

1. The presence of approximately 475 acres of former quarry land which is currently vacant land; and
2. The predominance and extent of parcels exhibiting the following five (5) characteristics: *obsolescence, deterioration, presence of structures below minimum code standards, lack of community planning, and decline of the equalized assessed value (“EAV”).*

Both of these factors contributes significantly towards the decline of the Project Area as a whole and, when combined, qualify the Project Area as a “blighted area.”

The legal description of the Project Area boundary is as follows:

LEGAL DESCRIPTION

Place of beginning: The Southwest corner of the north half of the northwest quarter of Section 9, Township 43 North, Range 8 East of the Third Principal Meridian, McHenry County, Illinois.

1. Thence easterly along the south line of Lot 6 to the southeast corner of Lot 6 Crystal Point Center Subdivision.
2. Thence easterly along the south line of Lot 9 to the southeast corner of Lot 9 Farmstead Subdivision.
3. Thence easterly along the south line of Lot 5 to the southeast corner of Lot 5 Crystal Court Subdivision.
4. Thence easterly along the south line of Lot 6 to the southeast corner of Lot 5 Crystal Court Subdivision.
5. Thence easterly along the south line of Lot 3 to the southeast corner of Lot 3 Crystal Court Subdivision.
6. Thence northerly along the east line of Lot 3 to the northeast corner of Lot 3 Crystal Court Subdivision.
7. Thence northerly along the east line of Lot 2 to the northeast corner of Lot 2 Crystal Court Subdivision.
8. Thence northerly along the east line of Lot 1 to the northeast corner of Lot 1 Crystal Court Subdivision.
9. Thence northerly along a line extended from the last described point to a point where said line intersects the north line of the U.S. Route 14 right-of-way.
10. Thence easterly along the north line of the U.S. Route 14 right-of-way to a point where said line intersects the east line of the Pingree Road right-of-way.
11. Thence southerly along the east line of the Pingree Road right-of-way to a point where said line intersects the north line of the James R. Rakow Road right-of-way.
12. Thence westerly along the north line of the James R. Rakow Road right-of-way to a point where said line intersects the east line of the Virginia Road right-of-way.
13. Thence northwesterly along the northeast line of the Virginia Road right-of-way to the southeast corner of the Virginia Road Properties – Phase 2 Subdivision.
14. Thence northerly along the east line of the Virginia Road Properties – Phase 2 Subdivision to the northeast corner of Virginia Road Properties – Phase 2 Subdivision.
15. Thence westerly along the north line of the Virginia Road Properties – Phase 2 Subdivision a distance of 844.09 feet to a point.

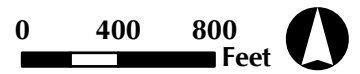
16. Thence northerly at right angles to said line a distance of 100 feet.
17. Thence south 84 degrees 21 minutes west a distance of 108.39 feet.
18. Thence north 12 degrees 33 minutes west a distance of 318.10 feet.
19. Thence north 3 degrees 5 minutes west a distance of 124.5 feet.
20. Thence north 88 degrees 12 minutes west a distance of 281.2 feet to a point where said line intersects the east line of the former Chicago and Northwestern Railroad right-of-way.
21. Thence northerly along the east line of the former Chicago and Northwestern Railroad right-of-way to a point where said line intersects the south line of the north half of the northeast quarter of Section 8, Township 43 North, Range 8 East.
22. Thence easterly across the Main Street right-of-way to the place of beginning.



MAP 1: Project Area Boundary

Legend

 TIF Boundary

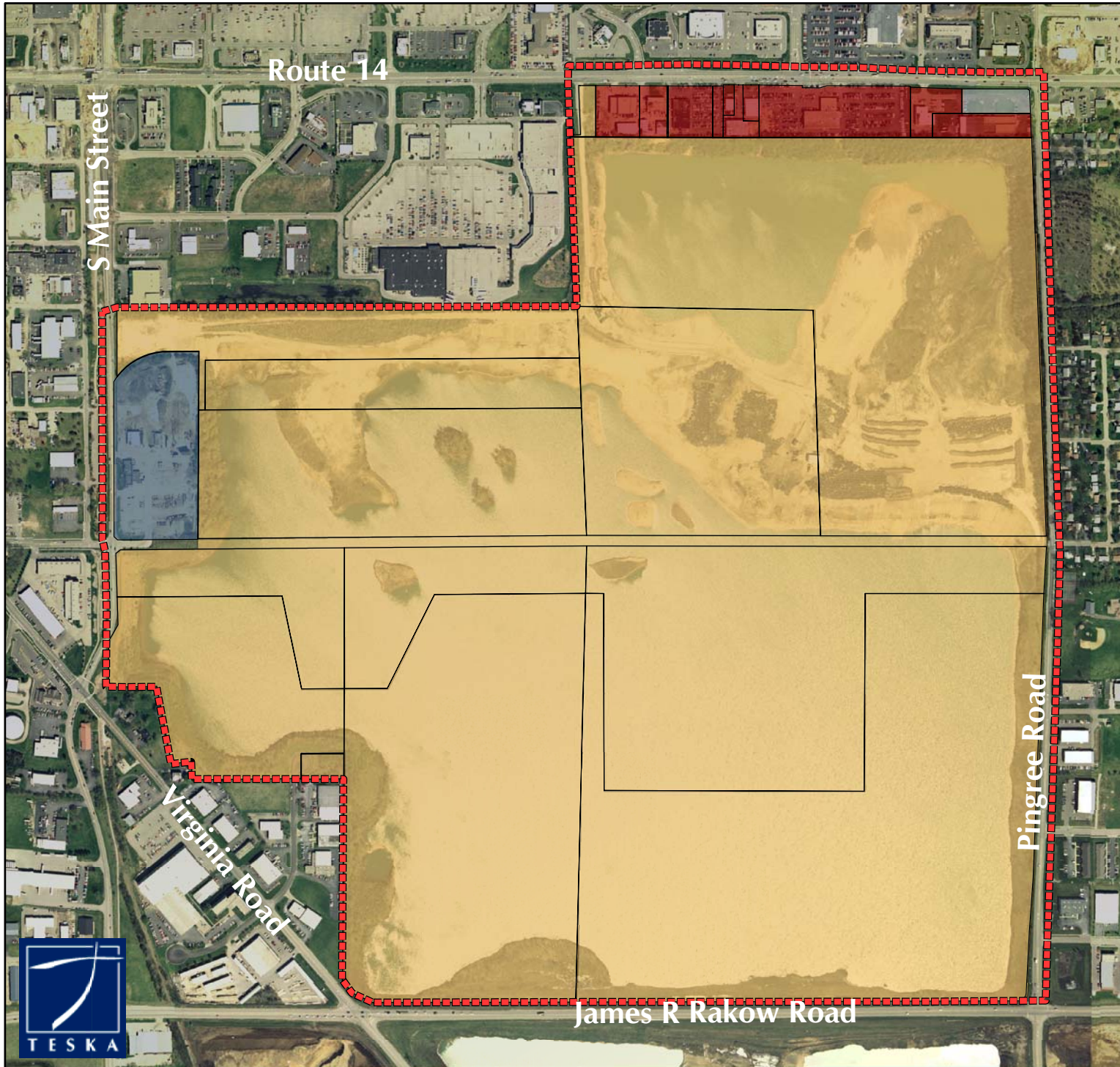


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






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MAP 2: Existing Land Use



Legend

-  TIF Boundary
-  Commercial
-  Industrial
-  Rock Quarry
-  Parking



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REDEVELOPMENT GOALS AND OBJECTIVES

These overall goals and objectives are intended to guide redevelopment decisions within the Project Area. The goals and objectives of the Redevelopment Plan are both those articulated in the Illinois Tax Allocation Redevelopment Act, and those stated in the Crystal Lake 2020 Vision Comprehensive Land Use Plan that are applicable to the Redevelopment Project Area. They are summarized below:

- *Encourage a diversity of housing types throughout the City which satisfy a wide-range of needs for all persons, regardless of age, race, religion, gender, national origin, physical ability, and economic level.*
- *Provide for a reasonable rate of residential growth that maximizes use of existing infrastructure, public resources, and limits negative impact on the environment.*
- *Encourage mixed-use developments that allow people to live, work, and play in the same area.*
- *Promote Crystal Lake as a center of business activity and economic growth both locally and regionally.*
- *Explore carefully selected and positive incentives that support the retention, expansion, and relocation of businesses to Crystal Lake.*
- *Promote, retain, and attract businesses that provide a diverse base of employment opportunities.*
- *Establish and maintain a critical natural and recreational asset for the citizens of Crystal Lake.*

REDEVELOPMENT PLAN

The revitalization of the Project Area is a large and complex undertaking that presents many challenges and opportunities for the City. The success of this effort will depend on the cooperation between the private sector and the local government. Public and private development efforts have not, as yet, been able to stimulate the comprehensive revitalization of the designated Project Area. The adoption of this Redevelopment Area Plan and Program will aid in the implementation of the goals and objectives identified in the Crystal Lake 2020 Vision Comprehensive Land Use Plan and will assist in stimulating redevelopment and rehabilitation in this area which otherwise could not reasonably be anticipated to develop without the adoption of this Plan and Program. Through public investment, the area will become an environment and setting that will attract private investment.

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

The successful implementation of the Redevelopment Area Plan and Program requires that the City take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Project Area would not reasonably be developed and improved without the use of such incremental revenues.

Purpose of the Redevelopment Plan

Pursuant to the Act, the purpose of a Redevelopment Plan for a Project Area is to promote the health, safety, morals, and welfare of the general public by:

1. Eradicating blighting conditions and instituting conservation measures;
2. Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
3. Improving existing public utilities within the area; and
4. Enhancing the overall quality of the City of Crystal Lake.

Redevelopment Project Activities

The focus of the Project Area redevelopment is the creation of a vibrant activity center with recreational, residential, and commercial activities that compliment the existing lakes. The recreational opportunities the lake will provide for City residents have been previously identified within the City Comprehensive Plan. The serene lake views provide excellent opportunities for the creation of unique residences within the City. Commercial redevelopment will also have the opportunity to capitalize on the benefit of lake views and create distinct destinations. Overall, the

following redevelopment activities will contribute to the long-term economic health and vitality of the City of Crystal Lake.

It must be noted that the Redevelopment Land Use Plan shall serve as a guideline for the Project Area. It is not meant to establish specific requirements and should not be rigidly interpreted. Adjustments may be made in response to market conditions and other key factors as long as they remain consistent with the City's overall goals and objectives. The Comprehensive Plan has been used as a foundation for the redevelopment activities and the Redevelopment Plan reflects the latest interpretations of the desired goals for the Project Area.

This section of the Redevelopment Plan describes the preferred redevelopment opportunities for the primary locations within the Project Area. These redevelopment opportunities include projects that may require assemblage of property, the demolition of existing buildings, rehabilitation of existing structures and/or the construction of new buildings.

The physical characteristics and orientation of locations within the Project Area has resulted in the creation of three separate redevelopment activity areas. The mix of land uses, relation to the lakes, and required redevelopment activity are unique for each area. The following describes redevelopment activities intended for each individual activity area.

Route 14 Area

The commercial land uses currently fronting Route 14 include a mix of automobile dealerships and general retailers. They are currently separated from the existing lake to the south by a narrow wooded strip of land and all land uses are oriented towards Route 14.

The area is generally considered too shallow for generic 'big-box' retailers and this attitude may have contributed to the overall lack of reinvestment in the area. Rather than attempt to modify the area for typical commercial development, the Redevelopment Plan intends to focus on the strength of these parcels; proximity to the lake. Redevelopment activity in the area should focus on the creation of commercial activities that take advantage of proximity to the existing lakes. Such a focus will create a mix of commercial uses unique along the Route 14 corridor, distinct from existing adjacent retailers and create a destination that is unmatched along the corridor. Commercial redevelopment should include the creation of restaurants and entertainment venues that have views of the lake and are oriented towards the lake. A boardwalk running east-to-west the length of the area would allow patrons to more easily visit all the commercial establishments and add to the uniqueness of the area.

Interior Quarry Area

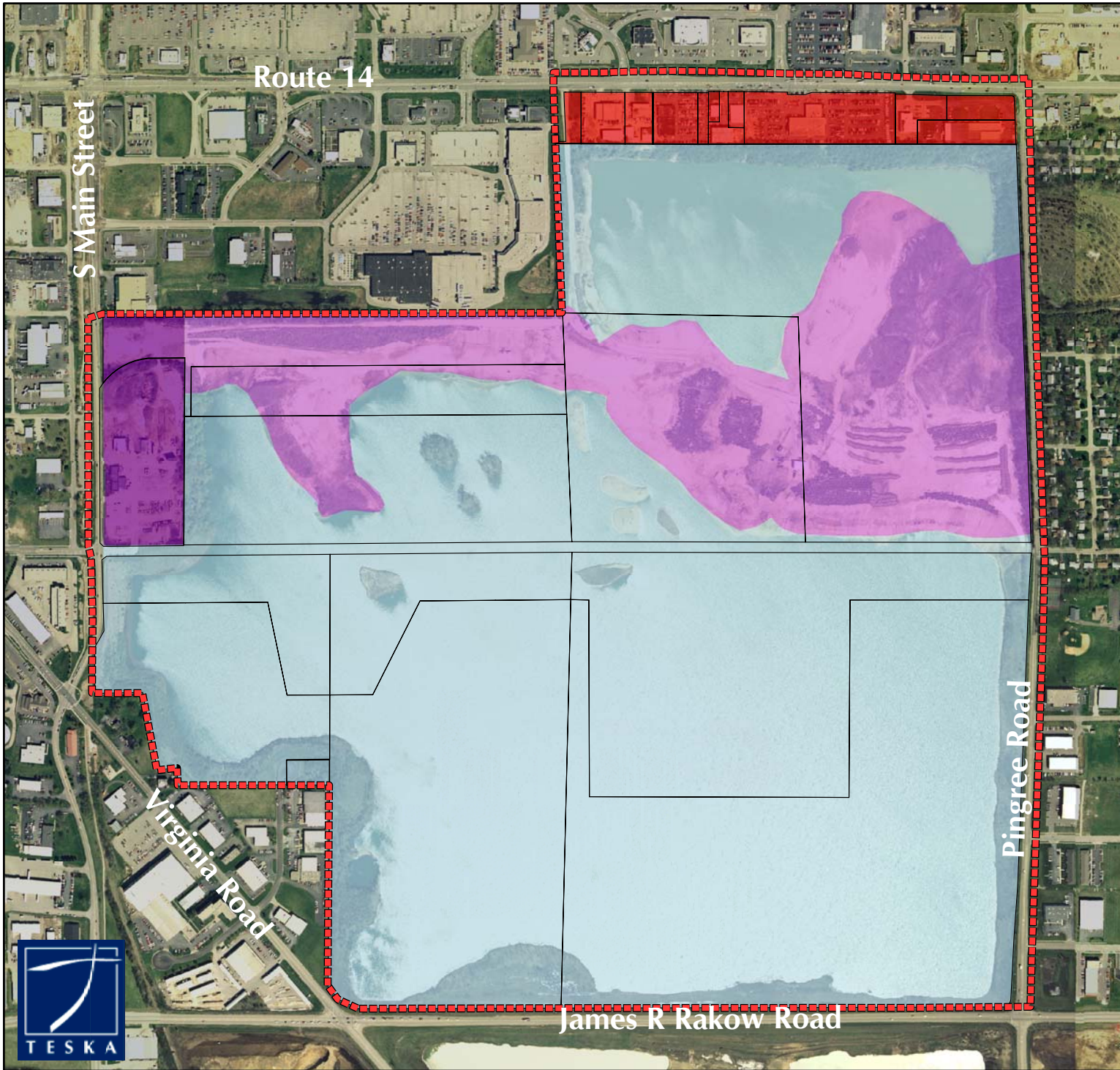
Land previously used for quarry operations runs the east-west length of the Project Area and is currently vacant with some existing natural features remaining. This redevelopment activity area is planned for a mix of residential and recreational land uses. Previous plans have been created for the area identifying various recreational activities including a marina, fishing piers, beaches, trails, and the restoration of native prairies and woodlands. In addition to the recreational uses, a mix of residential land uses would compliment adjacent residential uses and provide an opportunity to create residences with unique amenities. Residences could include a mix of walk-up townhomes, stacked condominium flats, and other attached single-family residences. Given the amount of land available in the redevelopment activity area, most residences could possibly provide views that

encompass both the lake and the restored natural features while allowing for a comfortable separation between residences and the active recreation amenities.






S. Main Street Area

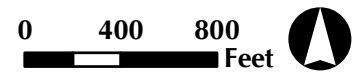
The land within the Project Area along S. Main Street is occupied by an industrial land use. As redevelopment within the Project Area occurs to the east, the redevelopment of this activity area is planned for commercial uses fronting Main Street with a small amount of attached single-family residences on the activity area's east side. The mix of commercial users, whether retail, service or office, should be based on the market conditions at the time of redevelopment. Proximity to the lakes will allow for some proposed residences to capitalize on the views while site amenities should allow residents direct access to the lake and other adjacent lake oriented recreational amenities.

MAP 3: Future Land Use



Legend

-  TIF Boundary
-  Commercial
-  Lakes and Natural Features
-  Main St Mixed Use
-  Lake Mixed Use



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Eligible Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services;
2. The cost of marketing sites within the Project Area to prospective businesses, developers, and investors;
3. Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction, repair, or remodeling of existing private or public buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of the construction of public works or improvements;
6. Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Project Area, and costs of advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, as provided in the Act;
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 under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan;
9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units as provided in the Act;
10. 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;
11. Payment in lieu of taxes;

12. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act;
13. Up to 50% of the cost of construction, renovation, and/or rehabilitation of all low- and very low-income housing units as defined in Section 3 of the Illinois Affordable Housing Act, as provided by the Act.

Acquisition and Clearance

To meet redevelopment objectives, it may be necessary for the City of Crystal Lake to acquire properties in the Project Area. Ideally, redevelopment or rehabilitation can be encouraged to be undertaken by the private market. The City will help to market and promote such redevelopment opportunities. In addition, the City may elect to acquire property through a direct market transaction. However, under exceptional circumstances, the City Council may choose to exercise its power of eminent domain, including appropriate compensation for property acquisition. It is not the intent of the City to acquire properties unless, on a site-by-site basis, the City Council determines acquisition to be necessary to implement this Redevelopment Plan. Such determination may be made without further amendment to this Plan.

The redevelopment project area contains no residential uses or structures and so City residents will not be removed as a result of redevelopment activity. In keeping the requirements of the TIF statute, the City certifies that no redevelopment activity will occur within the redevelopment project area that results in the removal of any residential units.

Land Disposition

Property, which may be acquired by the City, may be assembled into appropriate redevelopment or rehabilitation sites. These properties may be sold or leased by the City to other public bodies or to private developers, in whole or in part. Terms of conveyance may be incorporated into appropriate disposition documents or agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other municipal codes and ordinances governing the use of the land. The City reserves the right to sell or lease any property acquired within the TIF District during the 23-year duration of the TIF. Any future modifications to the stated disposition actions of this Plan will be in accordance with the objectives of this Redevelopment Plan and Program, and will not require any amendment to the Plan.

No conveyance, lease, mortgage, disposition of land or other property, or agreement relating to the development of property will be made except upon the adoption of an ordinance by the City. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without providing reasonable opportunity for the submission of alternative proposals or bids.

Public Improvements

The City of Crystal Lake will provide public improvements in the Project Area to facilitate redevelopment and support the Redevelopment Plan, and to serve the needs of Crystal Lake's residents. Appropriate public improvements may include, but are not limited to, the following:

1. vacation, removal, resurfacing, widening, reconstruction, and other improvements to rights-of-way, streets, alleys, pedestrianways, and pathways;
2. development of or improvements to public open space;
3. relocation expenses;
4. improvement of public utilities such as sewer and water lines, sidewalks, curbs and gutters, storm water detention facilities;
5. beautification improvements, including streetscape, lighting, signage, and landscaping of public properties;
6. grants or loans to private property owners for eligible property improvements, including building rehabilitation, façade restoration or enhancements; and
7. demolition of obsolete structures.

Recommended public improvements anticipated to be undertaken might include streetscape and infrastructure improvements as well as assistance to property owners for facade improvements and building rehabilitation. The costs associated with these improvements may be shared by the City of Crystal Lake and individual developers, pursuant to an agreement between the parties. The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list that are consistent with the objectives of this Redevelopment Plan.

Phasing of Project

The Redevelopment Projects anticipated in this plan may commence immediately. The major projects may be completed within ten (10) years. Facade improvements, building rehabilitations, and other activities on individual properties may occur throughout the life of the Tax Increment Financing District. The City may undertake additional public improvements as necessary throughout the life of the project.

Estimated Project Costs

The following table outlines the estimated costs of the Redevelopment Project:

Table 1: Estimated Redevelopment Project Costs

Expense Categories	Amount
Property assembly and acquisition	\$8,750,000
Environmental and planning studies, surveys, development of engineering and architectural plans, specifications, implementation and administration fees	\$1,000,000
Rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and fixtures through loans, grants, interest subsidy or other financial assistance	\$250,000
Construction or improvement of public improvements	\$20,000,000
Total Estimated Project Costs	\$30,000,000

Financing costs during construction (not to exceed 36 months) may also be included. Over the lifetime of the plan, redevelopment project costs may fluctuate and necessitate a modest change to the individual line items, however such changes will not result in an increase of the total estimated project costs. Such modifications may be made without further amendment to this Plan so long as there is not an overall increase in the total estimated project costs.

Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous project areas, or those separated by only a public right-of-way, that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but do not include redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous project areas or those separated only by a public right-of-way.

Sources of Funds

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

1. Real property tax increment revenues from the Project Area;
2. Tax revenues resulting from the establishment of any Special Service Area districts within the Project Area;
3. Interest earned on temporary investments;
4. Gifts, grants, and contributions;
5. Bond proceeds;

6. Sale or lease of land proceeds;
7. User fees;

The principal source of funds will be the incremental increase in real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the project area over the initial equalized assessed value of each such lot, block, tract or parcel.

There may be other eligible local sources of revenue that the City determines are appropriate to allocate to the payment of redevelopment project costs.

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

Nature and Term of Obligations to Be Issued

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

Certain redevelopment projects may be of such a scale or on such a timetable as to preclude financing on a cash basis. These projects may be funded by the use of tax increment revenue obligations issued pursuant to the Act for a term not to exceed December 31st of the year after the 23rd year. Consistent with the conservative nature of the financial plan for this Redevelopment Program, the highest priority for the issuance of tax increment revenue obligations shall occur when the commitment is in place for private sector investment necessary to fund the amortization of such obligations.

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts in the Project Area.

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

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

1. net revenues of all or part of a Redevelopment Project;
2. taxes levied and collected on any or all property in the municipality;
3. the full faith and credit of the municipality;
4. a mortgage on part or all of the Redevelopment Project;
5. any other taxes or anticipated receipts that the municipality may lawfully pledge.

Equalized Assessed Valuation

Table 2 lists the most recent (2004) equalized assessed valuation of properties in the Project Area by block. The total 2004 equalized assessed valuation of the Project Area is \$4,786,053.

Table 2: Project Area EAVs

Section- Block	2004 Equalized Assessed Value
09 - 100	\$ 652,108
09 - 200	\$ 3,134,076
09 - 226	\$ 999,869
09 - 300	\$ 0
09 - 400	\$ 0
Total	\$ 4,786,053

Upon the completion of the Redevelopment Project it is estimated that the equalized assessed valuation of real property within the Project Area will be in excess of \$96 million in 2004 dollars. This figure is based upon estimates of value for the rehabilitation and redevelopment projects that are anticipated.

Affirmative Action

The City of Crystal Lake will require each private developer entering into an agreement with the City, in connection with the development in the Project Area, to utilize fair employment practices, including an affirmative action program.

Payment in Lieu of Taxes

No payments in lieu of taxes are anticipated for this project.

Provision for Amending the Redevelopment Plan Objectives and Project

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

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

On the basis of the Vulcan Lakes Redevelopment Project Area Eligibility Study and this Redevelopment Plan, the City Council of Crystal Lake, Illinois, can adopt the following findings pursuant to Section 11-74.4-3(n) of the Act.

Project Area Not Subject to Growth

The City finds that the Project Area on the whole has not been subject to growth and redevelopment through investment by private enterprise, based on the physical condition and the lag in growth in property values as follows:

- As described in the Eligibility Study, the physical condition of the Project Area testifies to the lack of maintenance and improvement activities. In particular, the Eligibility Study identifies a prevalence of deterioration both of buildings and surface improvements. Such deterioration is a direct consequence of a lack of investment in the Project Area. While each individual property may not be deteriorated, the Project Area as a whole is characterized by a reasonable extent and meaningful distribution of this lack of investment.
- The total Equalized Assessed Value (EAV) of the Project Area lagged that of the balance of the City of Crystal Lake in 2000, 2001, 2002, 2003, and 2004. Relative to the immediate surroundings, the Project Area has not experienced appropriate growth in the tax base or shown evidence of private investment which increases the value of properties. Further, this is a significant trend that has persisted over a majority of the time period under analysis.

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

Conformance with Comprehensive Plan

This Redevelopment Plan and Program conforms to the City of Crystal Lake Comprehensive Plan, which was adopted by the Mayor and City Council in August of 2001. Within the Comprehensive Plan, the Vulcan Lakes Recreation Area is identified as a "Unique Area," with special design and development objectives identified. The stated goal is... "To establish and maintain a critical natural recreational asset for the citizens of Crystal Lake." Specific objectives and recommended actions for enhancing the Project Area are identified as well, and have served as the basis for many of the redevelopment efforts identified in this Redevelopment Plan.

Date of Completion

The estimated year of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs under no circumstances shall extend beyond December 31, 2029 (The year after the 23rd year from the date of adoption of the ordinance approving the Project Area).

FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan and Project, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors will continue and spread to the adjacent residential neighborhood and commercial areas, and the area as a whole will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

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

Specifically, the following taxing districts cover the proposed redevelopment project area:

1. Algonquin Township
2. Algonquin Township Road and Bridge
3. City of Crystal Lake Fire District
4. Crystal Lake Library District
5. Crystal Lake Park District
6. College District #528
7. McHenry County
8. McHenry County Conservation District
9. School District #47
10. School District #155
11. City of Crystal Lake

Impact On Algonquin Township

The Redevelopment Plan is not anticipated to increase the demands of the current services that the Township offers. The increased demand for any Township provided services resultant from the Redevelopment Plan set forth in this document will be incidental in relation to the total operations of the Township. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact On Algonquin Township Road And Bridge District

The Algonquin Township Road and Bridge District maintains township roads and bridges. No new township roads or bridges are anticipated as a result of this Redevelopment Plan. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact On City Of Crystal Lake Fire District

New and expanded commercial, office, and mixed-use development in the Project Area may increase demand for fire protection. However, this will be balanced by the rehabilitation and removal of hazardous buildings which currently exhibit deterioration and code violations. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact On Crystal Lake Library District

Whereas new commercial development may increase demand for facilities and programs offered by the Library, this increased demand is only related to a small percentage of the total population served by the Library District. While new residential development will increase the number of residents within the District, it is not anticipated to have a substantial impact on the District. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact On Crystal Lake Park District

The increased demands for recreational services resultant from the anticipated commercial and office development should have minimal impacts on the Park District – any increase would only account for a small percentage of the total demands required of the District. As a result of new residential development in the Project Area, the Park District may experience increased demand for services. However, it is anticipated that the recreational opportunities planned within the Project Area will meet the general recreational needs for any new residents. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact On College District #528

Approximately 425 new adult residents may live in the Project Area if residential development occurs. Given the nature and type of residential development proposed, the impact on College District #528 will be incidental, as it is likely that the vast majority of these residents already have obtained the skills they require for their foreseeable future. No program is set forth in the Redevelopment Plan.

Impact On McHenry County

As a result of new residential development in the Project Area, the McHenry County may experience increased demand for services. This increased demand should not be so substantial that, on its own, warrants the hiring of additional staff or the need to increase services. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact On McHenry County Conservation District

As a result of new residential development in the Project Area, the McHenry County Conservation District may experience increased demand for services. However, it is anticipated that the recreational opportunities planned within the Project Area will meet the general recreational needs for any new residents. Any impacts on the McHenry County Conservation District will be incidental. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact On School District #47 And #155

Approximately 40 new school-aged children may live in the Project Area if residential development occurs. Given the potential build-out rate for residential development over several years, the number of school age children introduced into the school district is not anticipated to have a significant impact. If the school district provides reasonable evidence to support a claim for

reimbursement as required under Section 11-74.4-3.q.(7.5) the appropriate level of reimbursement will be provided from the collected tax increment as required by the Act. No specific program is set forth in the Redevelopment Plan.

Impact On City Of Crystal Lake

As a result of new development in the Project Area, the City of Crystal Lake may experience increased demand for services such as police protection and fire protection. This increased demand should not be so substantial that, on its own, warrants the hiring of additional police officers or the purchasing of additional fire trucks and related equipment. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

APPENDIX I
ELIGIBILITY STUDY

INTRODUCTION

Situated in the southeastern section of Crystal Lake's municipal limits, the Vulcan Lakes Redevelopment Project Area serves as a gateway to the community. Consisting of 22 parcels totaling approximately 503 acres, approximately 475 acres of which is a former quarry and the remainder housing various industrial and commercial uses, this area has been experiencing a general lack of private investment over the past decade. With the recognized goals of conserving the taxable value of land and buildings and protecting the character and the stability of the commercial, industrial, recreational, and residential areas within Crystal Lake, the City has decided to take direct measures to encourage redevelopment efforts within the Project Area. City officials have determined that, without direct municipal involvement and financial assistance, the City's goals and objectives for this area cannot be met. To encourage new investment in the Vulcan Lakes area, the City of Crystal Lake has decided to explore the feasibility of the use of tax increment financing (TIF) as the financial tool to facilitate development.

Tax increment financing can be used to make the Project Area attractive for redevelopment by eliminating the conditions that inhibit private investment, weaken the City's tax base, affect the safety of community residents, and hinder the City's ability to promote a cohesive development of compatible land uses. Public improvements may be constructed and incentives provided to encourage the type of private investment that will allow the City to achieve its goals for the Vulcan Lakes Redevelopment Area.

Tax Increment Financing

Tax increment financing is permitted in Illinois under the "Tax Increment Allocation Redevelopment Act" (Chapter 65 ILCS 5/11-74.4-1, et seq.) of the Illinois Statutes as amended (hereinafter the "Act"). This financing mechanism is only applicable in areas that meet certain specifications outlined in the Act.

The Act permits municipalities to improve eligible "conservation" or "blighted" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of such public improvements can be repaid with revenues generated by increased equalized assessed values of real estate within the designated project area. The key to this financing is that funding does not rely on the taxing power of the municipality alone. The property taxing power of all taxing districts with jurisdiction over the land within the project area can be employed to pay for certain redevelopment costs and retire the necessary financial obligations, if required. This taxing power is only applied to the increase in equalized assessed valuation within the designated TIF project area.

The Act stipulates specific procedures that must be adhered to in designating a "Redevelopment Project Area." This report addresses the initial step – the determination of the project area's eligibility. According to the Act, an area may be eligible if it meets the conditions for a "Redevelopment Project Area," defined as:

"... an area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas (Section 11-74.4-3)."

Section 11-74.4-3 defines a blighted area as:

"... 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 or if vacant, the sound growth of the redevelopment project area is impaired"

In order to qualify as a "blighted area," an improved area must demonstrate the presence of at least five (5) of the following factors named by the Act and each must be reasonably distributed throughout the designated redevelopment project area: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; need for environmental clean-up; lack of community planning; and the decline of the equalized assessed value ("EAV").

As applied to vacant redevelopment project areas, or portions thereof, the Act states that such designation of "blight" can be further determined if the area is impaired by the presence of at least one (1) of the following factors (generally stated as): the area consists of one or more unused quarries, mines, or strip mine ponds; contains unused railyards, rail tracks, or railroad rights-of-way; is subject to chronic flooding; consists of an unused or illegal disposal site; prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant; or the area qualified as a blighted improved area prior to becoming vacant.

The Act further states that to meet such qualifying standards for vacant project areas, such instances must be documented and must be reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains.

Statement of Designation

Determination of eligibility of the Vulcan Lakes TIF Redevelopment Project Area for tax increment financing was based on a comparison of data gathered through field observation by Teska Associates, Inc. (TAI), document and archival research, and information provided by the City of Crystal Lake, against the eligibility criteria set forth in the Act.

TAI has determined that the Vulcan Lakes TIF Redevelopment Project Area ("the Project Area") is eligible for designation as a "blighted area" based on the combination of the following two (2) factors:

1. The presence of approximately 475 acres of former quarry land which is currently vacant land; and

2. The predominance and extent of parcels exhibiting the following five (5) characteristics: *Obsolescence, Deterioration, Presence of Structures Below Minimum Code Standards, Lack of Community Planning, and Decline of the Equalized Assessed Value ("EAV")*.

Both of these factors contributes significantly towards the decline of the Project Area as a whole and, when combined, qualify the Project Area as a "blighted area."

Description of the Project Area

The Project Area is generally bound by Route 14 to the north, Pingree Road to the east, James R. Rakow Road to the south, and S. Main Street to the west. Consisting of 22 parcels that cover approximately 503 acres and contain a total of 16 structures, the Project Area supports a mixture of land use types including commercial and industrial uses. Also included is approximately 475 acres of vacant, former quarry land which was annexed by the City of Crystal Lake in the early 1980s. Upon completion of all mining and reclamation work, the City took full possession of the former quarry. Since that time, the City has developed plans that will convert this vacant land into the Vulcan Lakes Recreation Area, which will contain two (2) lakes (one at about 300 acres and another at 45 acres) and will support such public activities as hiking, fishing, boating, swimming, biking, and wildlife viewing. As identified in the Crystal Lake 2020 Vision Comprehensive Land Use Plan, the remainder of the Project Area will continue to support commercial and industrial uses.

Exhibit 1 illustrates the boundaries of the Project Area.

ELIGIBILITY FINDINGS

Teska Associates, Inc. conducted two (2) field surveys of every property in the Project Area. Surveys occurred on May 28, 2004 and June 30, 2004. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. Photographs further documented the observed conditions. Field observations were further supplemented with information provided by City Staff and the Township Assessors office.

Eligibility for the Project Area was determined on two (2) levels - the first being the qualification of the vacant, former quarry site based upon the aforementioned qualification factors, and the second being the qualification of the remainder of properties. Both on their own and when combined, such observed and documented instances contribute to the qualification of the Project Area as a "blighted area."

Qualification Part 1

As stated in the Act, the qualification of blight in vacant parcels must be resultant from impairment of the redevelopment project area due to the presence of one (1) of the following factors:

1. The area consists of one or more unused quarries, mines, or strip mine ponds.
2. The area consists of unused railyards, rail tracks, or railroad rights-of-way.
3. The area is subject to chronic flooding.
4. The area consists of an unused or illegal disposal site.
5. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant.
6. The area qualified as a blighted improved area prior to becoming vacant.

Such instance must be documented, to a meaningful extent so that the City may reasonably find that the factor is clearly present within the intent of the Act and that its presence is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains.

As previously stated, approximately 475-acres of land located within the approximate 503-acre Project Area is classified as unused, vacant quarry land – this property accounts for approximately 94% of the total acreage of the Project Area. As stated in the City of Crystal Lake 2020 Vision Comprehensive Land Use Plan, the property has been mined for gravel and sand since the 1950's by Vulcan Materials, Inc. In the 1980's, the quarry was annexed by the City and in 1991, a formal agreement was made between both parties to deed the property to the City, while allowing Vulcan Materials, Inc. to continue mining the site.

A major component of this agreement is that Vulcan Materials, Inc. is to stabilize the land, create beaches, provide funds for a wildlife habitat area and perform other reclamation activities to ready the area for future recreational uses. Between 1994 and 1998, the Vulcan Lakes Study Committee (VLSC), which was formed by the City Council, worked with the local community, Vulcan Materials, Inc. representatives, and private consultants to develop a master plan for the quarry site, with plans of implementation once mining activities are ceased.

After 2001, all mining activities on the quarry land located within the Project Area ended. Since that time, reclamation efforts have continued to occur, however, the site continues to remain vacant and unused for any formal activities. Additionally, this property is well distributed throughout the vacant part of the redevelopment project area, accounting for 94% of the total acreage of the Project Area. Due to such documented evidence of the presence of...“one or more unused quarries, mines, or strip mine ponds,” the approximate 475-acres located within the project area containing the unused, vacant quarry is qualified as a “blighted area,” as defined in Section 11-74.4-3(a)(3) of the Act.

Qualification Part 2

After it has been established that the existing vacant, quarry land meets the Statute requirements for designation as a “blighted area” due to its former use as a quarry, it must be determined if the remainder of the Project Area qualifies as either a “conservation area” or “blighted area.” In order to be designated as a blighted area, a combination of five (5) or more of the following factors must be present to a meaningful extent and reasonably distributed throughout the Project Area.

1 – DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that major repairs are required or, the defects are so serious and so extensive that the buildings must be removed.

Whereas there is noted dilapidation in some structures within the Project Area, such incidents are not substantial enough to designate the Project Area as blighted. Therefore, ***Dilapidation does not qualify*** as a contributing factor of blight.

2 – OBSOLESCENCE

Per State Statute, obsolescence is “the condition or process of falling into disuse,” and conditions in which “structures have become ill-suited for their original use.”

The Project Area shows obsolescence – particularly along South Main Street and in several structures in the northeast section of the Project Area, along the south side of Route 14. Obsolescence occurs on eight (8) of the fourteen (14) non-quarry parcels, or 57% of the all parcels, and is distributed throughout the Project Area to the extent that it has an impact on adjacent properties and have the potential to adversely impact the overall marketability of the area for investment. Therefore, ***Obsolescence contributes to*** the designation of the Vulcan Lakes Project Area as a blighted area. Exhibit 3 illustrates the presence and distribution of “Obsolescence” in the Project Area.

3 – DETERIORATION

With respect to buildings, State statute defines deterioration as “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 evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding though paved surfaces.”

Deterioration of Structures:

Buildings in a state of deterioration exhibit defects which are not easily correctable in the course of normal maintenance. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and down spouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, heating, ventilation, lighting and plumbing, etc.), respectively.

As defined by the Act, structural deterioration was observed in eight (8) of the 16 total buildings (or 50%) in the Redevelopment Project Area. Such instances of deterioration cannot be corrected with normal maintenance and, in many instances, will require significant investment to correct. These structures also create a visible environment of deterioration throughout the Project Area, causing owners of other nearby properties to be less inclined to invest in their own buildings. Evidence of structural deterioration is well distributed throughout the Project Area, primarily along Route 14, and South Main Street.

Deterioration of Surface Improvements:

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also exhibit evidence of deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface.

Deteriorated surface improvements were observed on approximately 36% (5 of 14) of the total parcels within the Project Area. Such noted instances include depressions in the gravel parking lots and access roads, potholes, unkempt vacant parcels with trash and litter, cracked asphalt, unkempt, unscreened, and scattered outdoor storage.

Due to such noted instances of deteriorated structures and deteriorated surface improvements, **Deterioration contributes to** the designation of the Project Area as a blighted area. Exhibit 4 illustrates the presence and distribution of “Deterioration” in the Project Area.

4 – PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards include all structures that do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from this type of occupancy, to be safe for occupancy against fire and similar hazards, and/or establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

As indicated in correspondence with City Staff, most of the properties on the south side of Route 14 and east side of Main Street within the Project Area were developed under County regulations and were annexed to the City of Crystal Lake “as-built.” Recognizing that County standards were less stringent than those of the municipality, 12 out of 14, or 86%, of non-quarry parcels in the project area exhibit instances in which current City code standards are not met. Noted code deficiencies include the following:

1. A lack of sidewalks in the Project Area;
2. Unpaved parking areas;
3. Parking lots that do not meet setback requirements;
4. A lack of compliance with interior and perimeter landscaping requirements;
5. A lack of on-site stormwater management;

For all the noted reasons, **this factor is a major contributor** to the designation of the Vulcan Lakes Project Area as a blighted area. Exhibit 5 illustrates the presence and distribution of “Structures Below Minimum Code” in the Project Area.

5 – ILLEGAL USE OF INDIVIDUAL STRUCTURES

This factor applies to the use of structures in violation of applicable national, state, or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to the following:

- Illegal home occupation
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors.
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal conforming uses.
- Uses in violation of national, state or local environmental and occupational safety and health regulations.
- Uses involving manufacture, sale, storage or use of dangerous explosive firearms.

Due to limited documentation and limited observances of illegal land use within the Project Area, it is **not a contributing factor** the designation of the district as a blighted area.

6 – EXCESSIVE VACANCIES

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portion of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Although this factor is present, **it is not distributed enough to contribute** to the designation of the Project Area as a blighted area.

7 – LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

Many older structures fail to provide adequate ventilation, light, or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code, Building Officials Code of America (BOCA), and the Model Housing Code of the American Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health of building occupants (residents, employees, visitors, etc.).

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in space/rooms without windows (i.e., bathrooms) and dust, odors, or smoke producing activity areas.
- Adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios.
- Adequate sanitary facilities, which includes garbage/storage enclosure, bathroom facilities, hot water, and kitchens.
- Adequate ingress and egress to and from all rooms and units.

No structures within the Project Area exhibit such characteristics and therefore **this factor does not contribute** to blighting conditions within the Redevelopment Project Area.

8 – INADEQUATE UTILITIES

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

According to the Public Works Department the infrastructure located within the Project Area was installed in the late 1980's and is in good condition.

Given the age of the existing infrastructure and no noted instances of the need for additional utilities, this is **not a contributing factor** to the designation of the Project Area as a blighted area.

9 – EXCESSIVE LAND COVERAGE AND OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

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

Excessive land coverage and the overcrowding of structures and community facilities was not observed in the project area. Based on these observations, excessive land coverage and the overcrowding of structures and community facilities **is not a contributing factor** toward the designation of the Project Area as a blighted area.

10 – DELETERIOUS LAND USE OR LAYOUT

State statute defines deleterious land use or layout as “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.”

Only one non-quarry parcel can be characterized as a deleterious land use or layout. Based on these observations deleterious land use **does not appear to be a significant contributing factor** to the designation of the district as a blighted area and therefore does not contribute to eligibility.

11 – ENVIRONMENTAL CLEAN-UP

This factor is relevant when the area has incurred Illinois 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.

Due to no noted environmental concerns within the Project Area and no known studies or investigations from either the Illinois Protection Agency, United States Environmental Protection Agency, or any independent consultant, environmental clean-up **is not a contributing factor** to the classification of the Redevelopment Project Area as a blighted area.

12 – LACK OF COMMUNITY PLANNING

This may be a significant factor if the proposed Project Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the time of the area's development. This, of course, may be documented by establishing the date of adoption of the City's master plan (or other plans which may be relevant) and determining whether the area developed before or after that date. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

Per City records, properties located south of Route 14 within the Project Area were developed when they were under the jurisdiction of McHenry County. The first Land Use Plan Map for McHenry County was adopted in 1971, which was followed in 1979 by the adoption of the Year 2000 Land Use Plan. The Year 2000 Plan was the first County Plan to include text, a plan map, and a technical appendix. It attempted to guide development activity and land conversion in the County. In short, the Year 2000 Land Use Plan presented the first true guide for the development of commercial, industrial, and residential land uses concurrent with the protection of County resources. Per building age records obtained from the Township Assessor, approximately 27% of all parcels (including vacant and quarry parcels), were developed prior to the County's first "comprehensive" land use plan.

As previously stated, a majority of the properties within the Project Area were developed when they were in the County and annexed to the City of Crystal Lake "as built." The City of Crystal Lake's first Comprehensive Plan was adopted in December of 1958 with an update occurring in 1988. Neither the 1958 nor the 1988 Comprehensive Plans addressed the Vulcan Lakes Project Area with any specificity other than a designated land use classification.

As a result of this "lack of guidance" from any community or formally adopted plan, the following characteristics are prevalent throughout the Project Area: the presence of multiple buildings on one lot; one building over multiple lots; parcels of inadequate size; parcels without frontage; the lack of sidewalks; the presence of unpaved parking lots; parking lots that do not meet setback requirements; and properties developed without stormwater management.

Per requirements of the Act, a general lack of community planning is evident in the Project Area and therefore **contributes to** its designation as a blighted area. Exhibit 6 illustrates the presence and distribution of “Lack of Community Planning” in the Project Area.

13 – DECLINE OF THE EQUALIZED ASSESSED VALUE (“EAV”)

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

CITY OF CRYSTAL LAKE EAV DATA: YEARS 1999 – 2004						
Year	2004	2003	2002	2001	2000	1999
Total Equalized Assessed Value of the Project Area	\$4,786,053	\$4,454,214	\$4,162,816	\$3,936,842	\$3,796,374	\$3,714,241
Percent Change in Project Area EAV from Prior Year	7.45%	7.00%	5.74%	3.70%	2.21%	- %
Equalized Assessed Value of the City of Crystal Lake (excluding Project Area)	\$1,089,817,779	\$1,013,647,230	\$927,138,031	\$849,418,412	\$793,957,060	\$742,127,348
Percent Change in City EAV from Prior Year	7.51%	9.33%	9.15%	6.99%	6.98%	- %
<i>Growth Less than City?</i>	Yes	Yes	Yes	Yes	Yes	-

As indicated in the above table, the percent change in the EAV for the Project Area was less than the percent change for the City of Crystal Lake in the years 2000, 2001, 2002, 2003, and 2004. Relative to the immediate surroundings, the Project Area has not experienced appropriate growth to the tax base or shown evidence of private investment, which increases the value of properties. Based on this evidence, lag in growth of EAV **is a contributing factor** toward the designation of the Project Area as a blighted area.

Conclusion

Based on the results of the field investigation by TAI and information provided by City of Crystal Lake, it is the finding of TAI that the Redevelopment Project Area qualifies as a "blighted area," as described in the Act. The Redevelopment Project Area, as depicted in Exhibit 1, meets the criteria to be eligible as a "blighted area" based on: 1) the area consisting of one or more unused quarries, mines, or strip mine ponds, and 2) the predominance and extent of parcels and structures exhibiting the following characteristics:

- Obsolescence
- Deterioration
- Structures Below Minimum Code Standards
- Lack of Community Planning
- Decline in Equalized Assessed Value

Each of these factors contributes significantly to the eligibility of the Redevelopment Project Area as a blighted area. All of these characteristics point to the need for designation of the Project Area as a Tax Increment Financing district that will make possible public intervention in order that redevelopment might occur.

Insert

Exhibit

1

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Parcel

Boundary

Map

Insert Exhibit 2 – Vacant Quarry Designation Map

Obsolescence Map: Insert Exhibit 3

Deterioration Map: Insert Exhibit 4

Structures Below Minimum Code Map: Insert Exhibit 5

Lack of Planning Map: Insert Exhibit 6