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## **Fiscal Impact Study**

**For the Proposed Stonebridge  
Development**

**Village of Lake Bluff, Illinois**

**Prepared For: The Roanoke Group  
Prepared By: Kane, McKenna and Associates, Inc.**

**July 2, 2014**

**FISCAL IMPACT STUDY  
FOR THE PROPOSED STONEBRIDGE DEVELOPMENT  
LAKE BLUFF, ILLINOIS**

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**FISCAL IMPACT ANALYSIS  
FOR THE PROPOSED STONEBRIDGE DEVELOPMENT  
LAKE BLUFF, ILLINOIS**

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## EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (“KMA”), has been retained by Roanoke Group (the “Developer”) to evaluate the fiscal impact of a new residential development to be constructed on a parcel of land located west of Green Bay Road and south of State Highway 176 in Lake Bluff, Illinois (the “Property”) on Lake Bluff School District 65 (“District 65”), Lake Forest High School District 115 (“District 115”), Lake Bluff Park District (the “Park District”) and the Village of Lake Bluff, Illinois (the “Village”).

The Property consists of approximately 47.3 acres of land. The development will consist of the construction of the following 98 units of residential housing (the “Development”):

<u>Number of Units</u>	<u>Description</u>	<u>Weighted Average Market Value<sup>(1)</sup></u>
20	Single Family (Detached) w/2 bedrooms	\$ 751,525
39	Single Family (Detached) w/3 bedrooms	1,026,983
34	Single Family (Detached) w/4 bedrooms	1,272,719
3	Single Family (Detached) w/5 bedrooms	1,639,000
2	Single Family (Attached) w/2 bedrooms	707,500
98	Total	

Source: John Burns Real Estate Consulting

The Property is currently zoned as a planned unit development for up to 85 residential units. However, the Developer has submitted applications for zoning map amendments and plan development approval to the Village of Lake Bluff, Illinois (the “Village”) with respect to the construction of the Development on the Project Site. Therefore, upon approval of such amendments to the zoning map and plan development approvals, the Development would be constructed on the Project Site.

The Developer’s projected absorption schedule for the Development represents an approximate five (5) year period, beginning with site preparation occurring in the second or third quarter of 2015. Construction of the Development is expected to commence in the second or third quarter of 2015 with the first units occupied in the first quarter of 2016, with all units projected to be occupied by December 31, 2019.

<sup>(1)</sup>Based on Pricing and Absorption Analysis provided by John Burns Real Estate Consulting and discussions with Shields Township Assessor relating to assessment procedures, weighted average market value includes the base price for each unit together with average cost of options and premiums for each unit

The fiscal impact of the potential number of additional school age children generated by the construction of the Development on District 65 and District 115 and the potential number of additional residents generated by the construction of the Development on the Park District and the Village was analyzed herein based on the multipliers obtained from the Village (the “Demographic Multipliers”).

The Developer has requested that KMA also evaluate the projected tax revenues that would be generated for the Park District and the additional expenditures that would be incurred by the Park District due to the Development. The Development is expected to include a health club facility together with a swimming pool that would be constructed by the Developer for use only by the residents of the Development and which facilities are to be maintained by a homeowner association.

In addition to the property tax revenues that are expected to be generated by the Development, the Park District should also expect to receive additional fees generated by residents of the Development from the use of certain of the Park District’s recreational facilities and programs (the “Other Park District Revenues”) which are projected to be used to offset any additional expenditures related to any such facilities or programs. Furthermore, the Development is not expected to cause any significant additional expenditures by the Park District with respect to the Development nor is the Development expected to require the Park District to provide for additional facilities or programs. The Development is not expected to require the Park District to add additional administrative, public safety or public works staff or make necessary any additional capital expenditures related thereto.

Furthermore, the Developer has requested that KMA also evaluate the projected tax revenues that would be generated for the Village and the additional expenditures that would be incurred by the Village due to the Development. In addition to the property tax revenues that are expected to be generated by the Development, the Village should also expect to receive additional permit fees, telecom tax revenues, sales tax revenues generated by residents of the Development acquiring goods from Lake Bluff merchants, income tax sharing revenues, motor fuel tax sharing revenues and various other fees (the “Other Village Revenues”). Furthermore, the Development is not expected to cause any significant additional expenditures by the Village with respect to the Development. The streets and other infrastructure improvements will be constructed by the Developer and therefore would not cause the Village to incur any significant additional capital expenditures due to the construction of the Development. Furthermore, the Developer is expected to maintain such streets and infrastructure improvements until the transfer of title to such improvements at the completion of the construction of the Development. The Development is not expected to require the Village to add administrative, public safety or public works staff related thereto.

The findings in this analysis with respect to the property taxes that are projected to be generated by the Development are as follows:

	<u>Development</u>
<u>Total Stabilized Property Market Value</u>	\$104,687,290
<u>Stabilized Equalized Assessed Value</u>	\$34,892,274
<u>Incremental Stabilized Equalized Assessed Value</u>	\$31,821,607

The findings in this analysis with respect to the financial impacts of the Development to District 65, District 115, the Park District and the Village are as follows:

**Stabilized Demographic Impact**

	<u>District 65</u>	<u>District 115</u>	<u>Park District</u>	<u>Village</u>
No. of Additional Elementary School Age Children	52	17	n/a	n/a
No. of Additional Residents	n/a	n/a	287	287

**Annual Property Tax Revenues (Stabilized Year 2020)**

	<u>District 65</u>	<u>District 115</u>	<u>Park District</u>	<u>Village</u>
Annual Base EAV Property Tax Revenues (2014-20133)	66,213	35,254	11,942	20,308
Stabilized (2020) Incremental Property Tax Revenues	848,682	451,867	153,062	260,301

**Annual Incremental Fiscal Impact (Stabilized Year 2020)**

	<u>District 65</u>	<u>District 115</u>	<u>Park District</u>	<u>Village</u>
Stabilized Annual Revenues (Property Tax & Other Income)	864,262	457,832	229,901	357,221
Stabilized Annual Operating Expenses	(514,872)	(222,934)	(82,432)	(128,780)
Stabilized (2020) Annual Fiscal Impact	<b>349,390</b>	<b>234,898</b>	<b>147,469</b>	<b>228,441</b>

**Cumulative Annual Fiscal Impact & Base EAV Prop. Tax Revenues (2014-2033)**

	<u>District 65</u>	<u>District 115</u>	<u>Park District</u>	<u>Village</u>
Cumulative Base EAV Property Tax Revenues (2014-2033)	1,324,255	705,077	238,833	406,164
Cumulative Fiscal Impact (2014-2033)	4,844,057	3,376,260	2,250,828	3,373,806
Cumulative Fiscal Impact and Base EAV Prop. Tax Revenues (2013-2033)	<b>6,168,312</b>	<b>4,081,337</b>	<b>2,489,661</b>	<b>3,779,970</b>

## I. INTRODUCTION

Kane, McKenna and Associates, Inc. (“KMA”), has been retained by The Roanoke Group (the “Developer”) to evaluate the fiscal impact of a new residential development to be constructed on the property located west of Green Bay Road and south of State Highway 176 in Lake Bluff, Illinois (the “Property”) on Lake Bluff School District 65 (“District 65”), Lake Forest High School District 115 (“District 115”), the Lake Bluff Park District (the “Park District”) and the Village of Lake Bluff, Illinois (the “Village”).

The Property consists of approximately 47.3 acres of land (the “Development Site”). The development will consist of the construction of the following 98 units of residential housing (the “Development”):

<u>Number of Units</u>	<u>Description</u>	<u>Weighted Average Market Value<sup>(1)</sup></u>
20	Single Family (Detached) w/2 bedrooms	\$ 751,525
39	Single Family (Detached) w/3 bedrooms	1,026,983
34	Single Family (Detached) w/4 bedrooms	1,272,719
3	Single Family (Detached) w/5 bedrooms	1,639,000
2	Single Family (Attached) w/2 bedrooms	707,500
98	Total	

Source: John Burns Real Estate Consulting

The Property is currently zoned as a planned unit development for up to 85 residential units. However, the Developer has submitted applications for zoning map amendments and plan development approval to the Village of Lake Bluff, Illinois (the “Village”) with respect to the construction of the Development on the Project Site. Therefore, upon approval of such amendments to the zoning map and plan development approvals, the Development would be constructed on the Project Site.

<sup>(1)</sup>Based on Pricing and Absorption Analysis provided by John Burns Real Estate Consulting and discussions with Shields Township Assessor relating to assessment procedures, weighted average market value includes the base price for each unit together with average cost of options and premiums for each unit.

The following Table 1 provides the Developer's anticipated absorption schedule for the Development. Absorption for the Development is expected to occur over an approximately five (5) year period:

**Table 1**  
**Absorption Analysis**

		2014	2015	2016	2017	2018	2019
<b>Absorption Schedule</b>							
	Avg						
<u>Housing Units Sold Per Year</u>	<u>Value/Unit</u>						
Single Family - 2Br (Detached)	751,525	0	0	15	5	0	0
Single Family - 3Br (Detached)	1,026,983	0	0	15	14	10	0
Single Family - 4Br (Detached)	1,272,719	0	0	11	10	7	6
Single Family - 5Br (Detached)	1,639,000	0	0	1	2	0	0
Single Family - 2Br (Attached)	707,500	0	0	2	0	0	0
<b>Total Units Sold Per Year</b>		<b>0</b>	<b>0</b>	<b>44</b>	<b>31</b>	<b>17</b>	<b>6</b>
<b>Cumulative Units Sold</b>							
Single Family - 2Br (Detached)	751,525	0	0	15	20	20	20
Single Family - 3Br (Detached)	1,026,983	0	0	15	29	39	39
Single Family - 4Br (Detached)	1,272,719	0	0	11	21	28	34
Single Family - 5Br (Detached)	1,639,000	0	0	1	3	3	3
Single Family - 2Br (Attached)	707,500	0	0	2	2	2	2
<b>Cumulative Units Sold</b>		<b>0</b>	<b>0</b>	<b>44</b>	<b>75</b>	<b>92</b>	<b>98</b>
	Avg						
<u>% Housing Units Occupied Each Year<sup>(2)</sup></u>	<u>Value/Unit</u>						
Single Family - 2Br (Detached)	751,525	0.0%	0.0%	37.5%	87.5%	100.0%	100.0%
Single Family - 3Br (Detached)	1,026,983	0.0%	0.0%	19.2%	56.4%	100.0%	100.0%
Single Family - 4Br (Detached)	1,272,719	0.0%	0.0%	16.2%	47.1%	72.1%	100.0%
Single Family - 5Br (Detached)	1,639,000	0.0%	0.0%	16.7%	66.7%	100.0%	100.0%
Single Family - 2Br (Attached)	707,500	0.0%	0.0%	50.0%	100.0%	100.0%	100.0%

Notes:

<sup>(1)</sup> Multipliers for average population per household and number of high school age children per household were obtained from Village of Lake Bluff, Illinois

<sup>(2)</sup> Assumes 50% aggregate occupancy for all new units occupied in each year

The purpose of this analysis is to identify the fiscal impact of the Development on District 65, District 115, the Park District and the Village.

No allowances are made in this analysis for the effects of inflation on expenditures, and likewise, no allowances are made for: (i) appreciation of real estate property values and the resulting increase in higher property tax revenues from such appreciation; and (ii) potential changes in property tax rates or assessment rate calculations. The adjustments would call for speculation and would therefore be debatable and distort the objectivity of the analysis. The primary objective is to show the relationship between revenues and expenditures. The amounts shown in future years merely represent this relationship.

Furthermore, no allowances were made for (i) the Disabled Persons' Homestead Exemption, (ii) the Disabled Veteran Exemption, (iii) the Disabled Veterans Standard Homestead Exemption, (iv) the Returning Veterans' Homestead Exemption, (v) the Senior Citizens Homestead Exemption, and (vi) the Senior Citizens Tax Freeze Homestead Exemption. In addition no allowances were made with respect to the determination of the number of school children expected to be generated based on the assumption of any unit being potentially owned by a senior citizen(s) that would avail themselves of either the Senior Citizens Homestead Exemption and/or the Senior Citizens Tax Freeze Homestead Exemption.

It is anticipated that the Development will generate substantial new taxes to District 65, District 115, the Park District and the Village. An Executive Summary of the anticipated fiscal impact to District 65, District 115, the Park District and the Village precedes this Introduction.

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Note: Due to the use of Microsoft Excel spreadsheets to provide calculations herein, some figures presented may vary slightly from figures using a calculator due to the rounding difference. The differences are minimal and are not significant to the analysis herein.

**II. POPULATION GENERATED FOR THE PARK DISTRICT AND THE VILLAGE AND STUDENT POPULATION GENERATED FOR DISTRICT 65 AND DISTRICT 115**

The following population projections are based on the multipliers for single-family attached, detached and apartment residences obtained from the Village.

The units within the Development are first expected to be occupied at the beginning of 2016 with the units occupied throughout each year during the projected absorption period reflected in Table 1 and assuming an average occupancy of 50% for such units occupied in each year (ex. for the 44 units occupied in 2016, the analysis assumes that 22 units are occupied the entire year for purposes of calculating the population).

**A. Population Analysis**

**1. General Population**

Based on the absorption schedule in Table 1, we are projecting an ultimate population of 287 residents within the Development by December 31, 2019 (with completion of the Development in 2019) as provided in the following Table 2:

**Table 2  
Projected Population Analysis**

	Year							
		2014	2015	2016	2017	2018	2019	
	Total Units	Pop./Unit <sup>(1)</sup>						
Total Pop. of SF w/2Br (Detached)	20	1.979	0.000	0.000	11.132	34.633	39.580	39.580
Total Pop. of SF w/3Br (Detached)	39	2.801	0.000	0.000	8.080	45.821	109.239	109.24
Total Pop. of SF w/4Br (Detached)	34	3.631	0.000	0.000	6.461	35.883	73.261	123.45
Total Pop. of SF w/5Br (Detached)	3	3.630	0.000	0.000	0.605	7.260	10.890	10.89
Total Pop. of SF w/2Br (Attached)	2	2.077	0.000	0.000	2.077	4.154	4.154	4.154
<b>Adj. Total No. of Residents<sup>(2)</sup></b>	<b>98</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>128</b>	<b>237</b>	<b>287</b>	

Notes:

<sup>(1)</sup> Multipliers for average population per household and number of high school age children per household were obtained from Village of Lake Bluff, Illinois

<sup>(2)</sup> Adjusted for 50% occupancy of additional units added each year

**2. Student Population**

Based on the Demographic Multipliers, the analysis in the following Table 3 projects (i) an additional fifty-two (52) students will attend District 65 schools upon completion of the Development of which eighteen (18) students would attend sixth through and eighth grades, and thirty-four (34) students would attend kindergarten through fifth grade, and (ii) an additional seventeen (17) students would attend District 115 schools upon completion of the Development.

**Table 3  
Projected Student Population**

	Year							
		2014	2015	2016	2017	2018	2019	
Total Units	Pop./Unit <sup>(1)</sup>							
<u>High School Age</u>								
Total Pop. of SF w/2Br (Detached)	20	0.020	0.000	0.000	0.113	0.350	0.400	0.400
Total Pop. of SF w/3Br (Detached)	39	0.142	0.000	0.000	0.410	2.323	5.538	5.538
Total Pop. of SF w/4Br (Detached)	34	0.303	0.000	0.000	0.539	2.994	6.113	10.302
Total Pop. of SF w/5Br (Detached)	3	0.212	0.000	0.000	0.035	0.424	0.636	0.636
Total Pop. of SF w/2Br (Attached)	2	0.037	0.000	0.000	0.037	0.074	0.074	0.074
<b>Total No. High School Age Children</b>		<b>0</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>13</b>	<b>17</b>	
<u>Junior High School (Grades 6-8) Population</u>								
Total Pop. of SF w/2Br (Detached)	20	0.041	0.000	0.000	0.231	0.718	0.820	0.820
Total Pop. of SF w/3Br (Detached)	39	0.138	0.000	0.000	0.398	2.258	5.382	5.382
Total Pop. of SF w/4Br (Detached)	34	0.303	0.000	0.000	0.539	2.994	6.113	10.302
Total Pop. of SF w/5Br (Detached)	3	0.231	0.000	0.000	0.039	0.462	0.693	0.693
Total Pop. of SF w/2Br (Attached)	2	0.077	0.000	0.000	0.077	0.154	0.154	0.154
<b>Total No. Junior High School Children</b>		<b>0</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>14</b>	<b>18</b>	
<u>Elementary School (Grades K-5) Population</u>								
Total Pop. of SF w/2Br (Detached)	20	0.122	0.000	0.000	0.686	2.135	2.440	2.440
Total Pop. of SF w/3Br (Detached)	39	0.346	0.000	0.000	0.998	5.660	13.494	13.494
Total Pop. of SF w/4Br (Detached)	34	0.470	0.000	0.000	0.836	4.645	9.483	15.98
Total Pop. of SF w/5Br (Detached)	3	0.314	0.000	0.000	0.052	0.628	0.942	0.942
Total Pop. of SF w/2Br (Attached)	2	0.095	0.000	0.000	0.095	0.190	0.190	0.19
<b>Total No. Elementary School Children</b>		<b>0</b>	<b>0</b>	<b>3</b>	<b>14</b>	<b>27</b>	<b>34</b>	
<b>Total No. Elementary and Jr. High School Children</b>		<b>0</b>	<b>0</b>	<b>5</b>	<b>21</b>	<b>41</b>	<b>52</b>	
<b>Total No. School Children</b>		<b>0</b>	<b>0</b>	<b>7</b>	<b>28</b>	<b>54</b>	<b>69</b>	
<b>Total No. Elementary and Jr. High School Children Added Per Year</b>		<b>0</b>	<b>0</b>	<b>5</b>	<b>16</b>	<b>20</b>	<b>11</b>	

Notes:

<sup>(1)</sup> Multipliers for average population per household and number of high school age children per household were obtained from Village of Lake Bluff, Illinois

**B. Determination of Number of Students**

The analysis herein is based on the estimates of the number of projected school children that would attend District 65 and District 115 schools for the Development that have been derived from the Demographic Multipliers. The Demographic Multipliers were provided by the Village.

### **III. PROCEDURE FOR ESTIMATING REVENUE GENERATION – PROPERTY TAXES**

Annual property tax collections that are estimated to be generated by the Development are based upon the following assumptions provided by the Developer and pursuant to other internal and external sources available to KMA.

For purposes of calculation of property tax revenues, this Study does not take into account assessments for units that are occupied for portions of tax years. For example, units that are expected to be occupied during 2016 will first be reflected as occupied for property tax assessment purposes at an average occupancy level of 50% in the 2016 tax levy year (ex. for the 44 units occupied in 2016, the analysis assumes that 22 units are occupied the entire year for purposes of calculating the assessed value for such year). Therefore, the year for total absorption of the entire Development for property tax calculation purposes is assumed to be tax levy year 2019. The estimate of the absorption is based upon current market conditions and may be modified as such conditions change. For the purpose of the analysis herein, occupancy and assessment are assumed to occur between January 1 and the end of each calendar year.

The analysis for the Development assumes that the Project Site will be assessed by the Lake County Assessor (commencing with the tax levy year 2014) as vacant land. The analysis assumes that the assessed value of the Project Site will be based on the 2013 assessed value of the Project Site of \$2,482,667. Furthermore, the analysis assumes that the Lake County Assessor will assess 100% of the Project Site as vacant for tax levy year 2014 and 2015 and would be reduced each year thereafter due to absorption of the land for the development.

The following Table 4 describes the Property Index Number assigned to each of the parcels of land comprising the Project Site, and the 2013 tax levy year (the most recent year available) assessed valuation for each parcel:

**Table 4**  
**Base Assessed Value**

Property <u>Index No.</u>	Assessed <u>Value</u>	Property <u>Index No.</u>	Assessed <u>Value</u>	Property <u>Index No.</u>	Assessed <u>Value</u>
12-20-418-001	0.00	12-20-308-013	24,279.00	12-20-309-019	45,275.00
12-20-416-002	0.00	12-20-308-014	24,402.00	12-20-309-018	31,711.00
12-20-416-003	0.00	12-20-308-016	28,372.00	12-20-309-021	42,566.00
12-20-309-009	0.00	12-20-308-015	27,514.00	12-20-309-029	49,606.00
12-20-308-001	0.00	12-20-308-017	24,929.00	12-20-309-028	23,580.00
12-20-309-022	0.00	12-20-308-019	50,519.00	12-20-309-030	46,900.00
12-20-309-020	0.00	12-20-308-020	44,540.00	12-20-309-026	44,994.00
12-20-309-025	0.00	12-20-308-021	26,101.00	12-20-309-027	24,071.00
12-20-309-015	0.00	12-20-308-022	27,951.00	12-20-309-024	25,523.00
12-20-309-002	0.00	12-20-308-023	19,559.00	12-20-309-023	48,672.00
12-20-309-004	0.00	12-20-308-024	22,725.00	12-20-309-016	22,028.00
12-20-308-012	0.00	12-20-308-025	22,586.00	12-20-309-018	31,711.00
12-20-308-018	0.00	12-20-308-026	26,153.00	12-20-309-014	29,997.00
12-20-417-005	544,614.00	12-20-417-002	23,862.00	12-20-309-013	24,580.00
12-20-416-001	213,977.00	12-20-419-004	23,721.00	12-20-309-006	28,408.00
12-20-308-007	24,055.00	12-20-419-005	25,346.00	12-20-309-007	26,502.00
12-20-308-006	25,102.00	12-20-419-007	20,663.00	12-20-309-008	43,037.00
12-20-308-005	30,066.00	12-20-419-006	37,129.00	12-20-309-001	21,731.00
12-20-308-004	29,628.00	12-20-419-002	28,248.00	12-20-309-003	30,592.00
12-20-308-003	21,991.00	12-20-419-003	26,258.00	12-20-309-010	25,503.00
12-20-308-002	44,228.00	12-20-419-001	42,791.00	12-20-309-011	25,346.00
12-20-308-008	26,101.00	12-20-417-004	24,560.00	12-20-309-012	28,758.00
12-20-308-009	22,272.00	12-20-417-003	28,597.00	12-20-309-005	24,090.00
12-20-308-010	27,838.00	12-20-417-001	30,800.00		
12-20-308-011	46,009.00	12-20-309-002	0.00		
				Total AV	2,482,667.00

Source: Lake County Clerk's office

**A. Estimated Total Market Value and Incremental Equalized Assessed Value**

The following Table 5 provides a projection of the equalized assessed value of the Development for the tax levy years 2013 through 2033. The total market value of the Development after completion in 2019 is projected to be \$104,687,290 and the incremental equalized assessed value of the Development after completion is expected to be \$31,821,607.

The incremental equalized assessed value of the Development was calculated by multiplying the market value as determined by the Lake County Assessor by the assessment rate of 33.33%, and further multiplied by the 2013 State Equalization Factor of 1.000 minus the Homeowner Exemption of \$6,000 per unit and the 2013 equalized assessed value of the Property. The market values of each of the residential units were determined based on the projected sale prices of the units as provided by the Developer.

**Table 5**  
**Pro Forma Real Property Tax Analysis**

Tax Levy Year (Year of Occupancy)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tax Collection Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
Current Land Value (Assessor) <sup>(1)</sup>	7,448,746	7,448,746	7,448,746	4,104,411	963,280	58,976	0	0	0	0	0	0
Assessment Rate (Land)	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Assessed Value (Land)	2,482,667	2,482,667	2,482,667	1,368,000	321,061	19,657	0	0	0	0	0	0
Single Family - 2Br (Detached)	0	0	0	4,227,325	13,151,679	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490
Single Family - 3Br (Detached)	0	0	0	2,962,452	16,800,394	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350
Single Family - 4Br (Detached)	0	0	0	2,264,691	12,577,460	25,678,980	43,272,450	43,272,450	43,272,450	43,272,450	43,272,450	43,272,450
Single Family - 5Br (Detached)	0	0	0	273,167	3,278,000	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000
Single Family - 2Br (Attached)	0	0	0	707,500	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000
T total Market Value	0	0	0	10,435,135	47,222,532	87,093,820	104,687,290	104,687,290	104,687,290	104,687,290	104,687,290	104,687,290
Effective Assessment Rate <sup>(2)</sup>	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Assessed Value	0	0	0	3,478,031	15,739,270	29,028,370	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274
T total Assessed Value	2,482,667	2,482,667	2,482,667	4,846,031	16,060,331	29,048,027	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274
2013 State Equalization Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Equalized Assessed Valuation	2,482,667	2,482,667	2,482,667	4,846,031	16,060,331	29,048,027	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274
Less: Homestead Exemption @ \$6,000 Per Unit	0	0	0	68,734	286,448	505,059	588,000	588,000	588,000	588,000	588,000	588,000
Equalized Assessed Value of Land Prior to Construction	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667
<b>Incremental Equalized Assessed Value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,294,630</b>	<b>13,291,216</b>	<b>26,060,301</b>	<b>31,821,607</b>	<b>31,821,607</b>	<b>31,821,607</b>	<b>31,821,607</b>	<b>31,821,607</b>	<b>31,821,607</b>

Notes:

(1) Based on assessed land value (based on 2013 tax year assessed values) during construction period

**Table 5 (cont.)  
Pro Forma Real Property Tax Analysis**

Tax Levy Year (Year of Occupancy)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Tax Collection Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033	2034
Current Land Value (Assessor) <sup>(1)</sup>	0	0	0	0	0	0	0	0	0	0	0
Assessment Rate (Land)	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Assessed Value (Land)	0	0	0	0	0	0	0	0	0	0	0
Single Family - 2Br (Detached)	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490	15,030,490
Single Family - 3Br (Detached)	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350	40,052,350
Single Family - 4Br (Detached)	43,272,450	43,272,450	43,272,450	43,272,450	43,272,450	43,272,450	43,272,450	43,272,450	43,272,450	43,272,450	43,272,450
Single Family - 5Br (Detached)	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000	4,917,000
Single Family - 2Br (Attached)	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000
T total Market Value	104,687,290	104,687,290	104,687,290	104,687,290	104,687,290	104,687,290	104,687,290	104,687,290	104,687,290	104,687,290	104,687,290
Effective Assessment Rate <sup>(2)</sup>	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Assessed Value	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274
T total Assessed Value	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274
2013 State Equalization Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Equalized Assessed Valuation	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274	34,892,274
Less: Homestead Exemption @ \$6,000 Per Unit	588,000	588,000	588,000	588,000	588,000	588,000	588,000	588,000	588,000	588,000	588,000
Equalized Assessed Value of Land Prior to Construction	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667
<b>Incremental Equalized Assessed Value</b>	<b>31,821,607</b>										

Notes:

(1) Based on assessed land value (based on 2013 tax year assessed values) during construction period

**B. Tax Rate Assumptions**

District 65’s 2013 tax rate (2.667 per \$100 of assessed value which includes the levy for the pensions) was used in this analysis to calculate the projected property tax revenues that would be available to District 65 from the Development. District 115’s 2013 tax rate (1.420 per \$100 of assessed value which includes the levy for the pensions) was used in this analysis to calculate the projected property tax revenues that would be available to District 115 from the Development. The Park District’s 2013 tax rate (.481 per \$100 of assessed value which includes the levy for the pensions) was used in this analysis to calculate the projected property tax revenues that would be available to Park District from the Development. The Village’s 2013 tax rate (0.818 per \$100 of assessed value which includes the levy for the police pension and the library fund) was used in this analysis to calculate the projected property tax revenues that would be available to the Village from the Development.

For comparison purposes, the following Table 6 provides the amount of property taxes that were to be received by District 65, District 115, the Park District and the Village with respect to the Project Site in the 2014 tax collection year (based on the 2013 EAV for the Property and the 2013 tax rates):

**Table 6**

<u>Taxing District</u>	<u>2013 Property Tax Collection</u>
District 65	66,212.73
District 115	35,253.87
Park District	11,941.63
Village	<u>20,308.22</u>
Total	133,716.44

**C. Risks Associated with the Projections**

The calculations in this Study hereof present a projection of revenues based upon the construction and occupancy of the Development in accordance with the absorption schedules provided by the Developer. Accordingly, the estimates reflect the Developer’s judgment, based upon present circumstances, of the most likely set of conditions and the most likely course of action. Review also included those procedures considered necessary to evaluate both the assumptions used by the aforementioned sources and the preparation and presentation of the forecast. Changes in assumptions would require revision of the projections.

Legislation and regulations at all levels of government have affected and may continue to affect revenue projections for the Development. These estimates are based upon legislation and regulations currently in effect. If future legislation or regulations related to property tax assessment, collections or distributions or general state aid distribution are enacted, such legislation or regulations could have a material effect on the availability of property taxes and general state aid.

Risks associated with the development and the ultimate generation of property taxes and general state aid include, but are not limited to, the following:

- A. The Lake County's method used to assess such properties may be altered for both the value of new structures and land value, which may result in a potentially reduced or altered valuation in a particular year. The state equalization multiplier is also subject to change annually.
- B. Any changes in the Lake County formulas for determining valuation.
- C. Any changes in local tax rates.
- D. Changes in the formulas or methods by which the State currently distributes general state aid to schools could directly affect the projected general state aid generated by the Development.
- E. Changes in the formulas or methods by which the State currently distributes certain revenues to the Village would directly affect the projected revenues of the Village.

#### **IV. FISCAL IMPACT OF DEVELOPMENT ON DISTRICT 65**

##### **A. Assumptions Relating to Analysis of District 65 Revenues**

Property taxes are collected in arrears with the first year property tax collected in the second year. Therefore, the recurring property taxes from the completed development are not fully realized until the tax levy year 2019 (collectable in 2020).

The analysis of revenues generated by the Development are based on units occupied throughout each year during the projected absorption period and assuming an average occupancy of 50% for such units occupied in each year. Furthermore, property taxes that are levied in one year are collected in the following year. Therefore, the property taxes levied on the first year's residents (occupied in the first quarter of 2016 and first assessed in 2016) will not be realized until 2017.

No additional property tax revenues would be realized in 2014 or 2015.

In fiscal year ended 2014, District 65 received \$218<sup>1</sup> per student in unrestricted general state aid. Based on the formula used by the Illinois Board of Education, the general state aid per student would not be expected to change significantly based on the number of additional students the Development will generate.

Each of the following analyses assume that the property tax revenues will generate interest revenue equal to an amount of 0.5% of the annual property tax revenues.

##### **B. Fiscal Impact - Development**

The following Table 7 summarizes the fiscal impact of the Development on District 65.

###### **1. District 65 Revenues**

The analysis in Table 7 provides a projection of the estimated amount of property tax, general state aid and interest revenues to be generated by the Development for District 65 from tax levy year 2014 (collected in 2015) through tax levy year 2033 (collected in 2034) assuming the fifty-two (52) students from the Development are projected to attend District 65 schools as provided in Table 3.

###### **Property Taxes**

The projections in Table 7 summarize the estimated total amount of property tax revenues to be generated by the Development for District 65 over a period of twenty (20) years. The projection of the total amounts of the property tax revenues for tax levy year 2014 (collected in 2015) through the tax levy year 2033 (collected in 2034) is based on the absorption assumptions provided in Table 1.

<sup>(1)</sup> Amount derived from 2013 Illinois School Report Card.

Table 7  
School District #65 Fiscal Impact

Prop. Tax Levy Year	Base EAV Property Tax			Incremental Equalized Assessed Value			Property Tax			Additional Revenues			Additional Operating Expenses						Total Ann. Fiscal Impact and Base EAV Prop. Tax		Cumulative Total Ann. Fiscal Impact and Base EAV Prop. Tax	
	Base EAV <sup>(1)</sup>	Tax Rate <sup>(2)</sup>	Property Tax <sup>(3)</sup>	Value	Rate <sup>(1)</sup>	Revenue <sup>(4)</sup>	No. New Students	State Aid <sup>(5)</sup> Per Student	Gen. State Aid <sup>(6)</sup>	Interest Earnings <sup>(7)</sup>	Total Revenues	No. New Students	Annual Instr. Exp./Pupil <sup>(8)</sup>	Net Additional Inst. Exp.	Annual Fiscal Impact	Total Ann. Fiscal Impact and Base EAV Prop. Tax	Cumulative Total Ann. Fiscal Impact and Base EAV Prop. Tax					
2013	2,482,667	2.667%	N/A	0	2.667%	0	0	218	0	0	0	0	0	0	0	N/A	N/A					
2014	2,482,667	2.667%	66,213	0	2.667%	0	0	218	0	0	0	9,901	0	0	0	66,213	66,213					
2015	2,482,667	2.667%	66,213	0	2.667%	0	0	218	0	0	0	9,901	0	0	0	66,213	132,425					
2016	2,482,667	2.667%	66,213	2,294,630	2.667%	0	0	218	0	0	5	9,901	49,507	(49,507)	16,706	16,706	149,131					
2017	2,482,667	2.667%	66,213	13,291,216	2.667%	61,198	5	218	1,090	306	21	9,901	207,929	(145,335)	(79,122)	70,009	70,009					
2018	2,482,667	2.667%	66,213	26,060,301	2.667%	354,477	21	218	4,578	1,772	41	9,901	405,957	(45,129)	21,083	91,092	91,092					
2019	2,482,667	2.667%	66,213	31,821,607	2.667%	695,028	41	218	8,938	3,475	52	9,901	514,872	192,570	258,782	349,874	349,874					
2020	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	765,477	765,477					
2021	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	1,181,080	1,181,080					
2022	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	1,596,682	1,596,682					
2023	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	2,012,285	2,012,285					
2024	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	2,427,888	2,427,888					
2025	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	2,843,490	2,843,490					
2026	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	3,259,093	3,259,093					
2027	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	3,674,696	3,674,696					
2028	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	4,090,298	4,090,298					
2029	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	4,505,901	4,505,901					
2030	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	4,921,504	4,921,504					
2031	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	5,337,106	5,337,106					
2032	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	5,752,709	5,752,709					
2033	2,482,667	2.667%	66,213	31,821,607	2.667%	848,682	52	218	11,336	4,243	52	9,901	514,872	349,390	415,603	6,168,312	6,168,312					
Totals			1,324,255			12,992,254			64,961	13,230,526			8,386,469	4,844,057	6,168,312	6,168,312						

Notes:

<sup>(1)</sup>The total equalized assessed value of the Property for the 2013 tax year

<sup>(2)</sup>2013 District #65 Tax Rate (includes tax rate for Pension)

<sup>(3)</sup>Property tax revenues generated by the Property without any development based on the assessed value of the project site and the District 65 Tax Rate for the 2013 tax year

<sup>(4)</sup>Property Tax Revenues are based on Property being assessed in the year of occupancy and collectible the following year

<sup>(5)</sup>Calculation for General State Aid assumes a one year lag

<sup>(6)</sup>General State Aid amount of \$218 per student (Flat Grant amount for FY 2012/13 payable in 2013/14)

<sup>(7)</sup>Interest earnings based on 0.5% of Property Tax Revenue

<sup>(8)</sup>Based on amount provided by 2013 Report Card for fiscal year 2011/12 (\$9,333) as increased by 3% annually through fiscal year 2013/14

With respect to the following analysis, the additional property tax revenues were determined using the District 65's 2013 property tax rate (2.667 per \$100 of assessed valuation which includes the tax rate for the Pensions) as provided by the Lake County Clerk.

Based upon a total projected incremental stabilized equalized assessed value of \$31,821,607 after completion of the Development, the Development is projected to generate \$848,682 of incremental annual property tax revenues after completion of the Development. Furthermore, the Development is projected to generate \$12,992,254 of total incremental property tax revenues over a twenty-year period (tax collection year 2014 through 2033) for District 65. In addition, based upon the current equalized assessed value of \$2,482,667 of the Development Site, the Development is projected to continue to generate \$66,213 of annual property tax revenues prior to and after the completion of the Development and \$1,324,255 of total property tax revenues over a twenty-year period (tax collection year 2014 through 2033) for District 65 (the "District 65 Base EAV Property Taxes").

### General State Aid

Based upon the expectations that the Development will generate 52 additional students upon full completion, the Development is projected (as provided in Table 7) to generate \$11,336 of annual general state aid upon completion of the Development and \$173,310 of total general state aid over a twenty-year period (2014 through 2033). The analysis estimates a one-year delay for each of the students in realizing any additional general state aid.

### Interest Revenue

Upon completion of the Development, the Development is projected (as provided in Table 7) to generate \$4,243 of annual interest revenue and \$64,961 of total interest revenues over a twenty-year period (collectable in 2014 through 2033).

The projection of the amount of interest revenue in Table 7 is based on the assumption that the property tax revenues will generate interest revenue equal to an amount of 0.5% of the annual property tax revenues.

## **2. District 65 Expenditures**

The expenditures per pupil for District 65 used in the analysis in Table 8 were derived from the 2013 Illinois School Report Card (the "District 65 Report Card") and are based on the 2011-12 school year. The following are the expenditures per pupil for District 65 as provided in the District 65 Report Card:

Instructional Expenditures	Operating Expenditures
<u>Per Pupil</u>	<u>Per Pupil</u>
\$9,333	\$16,774

The Instructional Expenditures Per Pupil are direct costs of teaching pupils or the interaction between teachers and pupils. The Operating Expenditures Per Pupil include the gross operating cost of a school district excluding summer school, adult education, bond principal retired and capital expenditures.

The potential amount of additional students from the Development (an approximate 5.9% increase in the student population based on the student population provided in the District 65 Report Card) is not expected to increase the amount of other operating costs (e.g., additional administrative staff, additional building maintenance, etc.). Therefore, the amounts relating to Instructional Expenditures Per Pupil are used for the analysis herein.

Furthermore, the analysis in Table 7 assumes the additional expenditure for each student in the year the student is projected to commence attending school. No adjustment is made for the fact that school districts budget for a current need in another fiscal year.

The analysis in Table 7 assumes an additional fifty-two (52) students from the Development would attend District 65 schools as calculated pursuant to the Demographic Multipliers (Table 3). The analysis in Table 7 also assumes that the 2011-12 Instructional Expenditures Per Pupil of \$9,333 as reported by District 65 to the Illinois State Board of Education is adjusted to reflect an annual increase of 3% through the 2013-2014 fiscal year to estimate what current expenditures would be. Based on an adjusted Instructional Expenditures Per Pupil of \$9,901, the analysis in Table 7 projects annual instructional expenditures of \$514,872 upon completion of the Development and \$8,386,469 of total additional instructional expenditures over a twenty-year period (2014 through 2033).

### **3. Net Fiscal Impact to District 65**

The analysis in the Table 7 indicates that the projected annual operating revenues will exceed annual operating expenditures for District 65 by \$349,390 (the “District 65 Annual Fiscal Impact”) in the years following the completion of the Development. The analysis in Table 7 also indicates that the cumulative fiscal impact to District 65 is projected to be \$4,844,057 over a twenty year period (the “District 65 Total Fiscal Impact”). Furthermore the analysis in Table 7 indicates that the total of the District 65 Annual Fiscal Impact and the District 65 Base EAV Taxes are projected to be \$415,063 in the years following the completion of the Development with a cumulative amount of the District 65 Fiscal Impact and District 65 Base EAV Taxes of \$6,168,312 over a twenty year period.

The surplus may be used by District 65 to maintain or increase the quality of education at a lower cost to the residents to District 65. This study does not attempt to evaluate the need for the construction of additional facilities since the number of students estimated to be generated by the Development is not substantial.

### **C. Summary**

The Development is expected to generate net revenue substantially in excess of the Development’s share of the proportionate costs that may be incurred by District 65, and such excess may be used by District 65 in providing for the education of the additional students and the construction of additional capital improvements and/or for the lowering of District 65’s tax rate.

## **V. FISCAL IMPACT OF DEVELOPMENT TO DISTRICT 115**

### **A. Assumptions Relating to Analysis of District 115 Revenues**

Property taxes are collected in arrears with the first year property tax collected in the second year. Therefore, the recurring property taxes from the completed development are not fully realized until the tax levy year 2019 (collectable in 2020).

The analysis of revenues generated by the Development are based on units occupied throughout each year during the projected absorption period and assuming an average occupancy of 50% for such units occupied in each year. Furthermore, property taxes that are levied in one year are collected in the following year. Therefore, the property taxes levied on the first year's residents (occupied in 2016 and first assessed in 2016) will not be realized until 2017.

No additional property tax revenues would be realized in 2014 or 2015.

In fiscal year ended 2014, District 115 received \$218<sup>1</sup> per student in unrestricted general state aid. Based on the formula used by the Illinois Board of Education, the general state aid per student would not be expected to change significantly based on the number of additional students the Development will generate.

Each of the following analyses assume that the property tax revenues will generate interest revenue equal to an amount of 0.5% of the annual property tax revenues.

### **B. Fiscal Impact - Development**

The following Table 8 summarizes the fiscal impact of the Development on District 115.

#### **1. District 115 Revenues**

The analysis in Table 8 provides a projection of the estimated amount of property tax, general state aid and interest revenues to be generated by the Development for District 115 during the absorption period (Table 1) from tax levy year 2014 (collected in 2015) through tax levy year 2033 (collected in 2034) assuming the seventeen (17) students from the Development projected to attend District 115 schools as provided in Table 3.

#### **Property Taxes**

The projections in Table 8 summarize the estimated total amount of property tax revenues to be generated by the Development for District 115 over a period of twenty (20) years. The projection of the total amounts of the property tax revenues for tax levy year 2014 (collected in 2015) through the tax levy year 2033 (collected in 2034) is based on the absorption assumptions provided in Table 1.

<sup>(1)</sup> Amount derived from 2013 Illinois School Report Card.

**Table 8**  
**High School District #115 Fiscal Impact**

Prop. Tax Levy Year	Tax Collect. Year	Base EAV Revenues			Incremental Equalized Assessed Value			Additional Revenues			Additional Operating Expenses					Cumulative		
		Base EAV	Property Tax Rate <sup>(2)</sup>	Property Tax <sup>(1)</sup>	Incremental Equalized Assessed Value	Property Tax Rate <sup>(2)</sup>	Property Tax Revenue <sup>(1)</sup>	No. New Students	State Aid Per Student <sup>(6)</sup>	Gen. State Aid <sup>(6)</sup>	Interest Earnings <sup>(7)</sup>	Total Revenues	No. New Students	Instr. Exp./Pupil <sup>(8)</sup>	Annual Net Additional Inst. Exp.	Annual Fiscal Impact	Total Ann. Fiscal Impact and Base EAV Prop. Tax	Total Ann. Fiscal Impact and Base EAV Prop. Tax
2013	2014	2,482,667	1.420%	N/A	0	1.420%	0	0	218	0	0	0	0	0	0	N/A	N/A	N/A
2014	2015	2,482,667	1.420%	35,254	0	1.420%	0	0	218	0	0	0	0	0	0	35,254	35,254	35,254
2015	2016	2,482,667	1.420%	35,254	0	1.420%	0	0	218	0	0	0	0	0	0	35,254	70,508	70,508
2016	2017	2,482,667	1.420%	35,254	2,294,630	1.420%	0	0	218	0	0	2	13,114	26,228	(26,228)	9,026	79,534	79,534
2017	2018	2,482,667	1.420%	35,254	13,291,216	1.420%	32,584	2	218	436	163	7	13,114	91,796	(91,796)	55,980	56,174	56,174
2018	2019	2,482,667	1.420%	35,254	26,060,301	1.420%	188,735	7	218	1,526	944	13	13,114	170,479	(170,479)	187,060	112,154	112,154
2019	2020	2,482,667	1.420%	35,254	31,821,607	1.420%	370,056	13	218	2,834	1,850	17	13,114	222,934	(222,934)	151,806	299,214	299,214
2020	2021	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	55,980	55,980
2021	2022	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	270,152	270,152
2022	2023	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	507,044	507,044
2023	2024	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	741,938	741,938
2024	2025	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	976,836	976,836
2025	2026	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	1,211,734	1,211,734
2026	2027	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	1,446,632	1,446,632
2027	2028	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	1,681,530	1,681,530
2028	2029	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	1,916,428	1,916,428
2029	2030	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	2,151,326	2,151,326
2030	2031	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	2,386,224	2,386,224
2031	2032	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	2,621,122	2,621,122
2032	2033	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	2,856,020	2,856,020
2033	2034	2,482,667	1.420%	35,254	31,821,607	1.420%	451,867	17	218	3,706	2,259	17	13,114	222,934	(222,934)	234,898	3,090,918	3,090,918
Totals				705,077			6,917,511			56,680	34,588			3,632,518		4,081,337	4,081,337	4,081,337

Notes:

- <sup>1)</sup>The total equalized assessed value of the Property for the 2013 tax year
- <sup>2)</sup>2013 District #115 Tax Rate (includes tax rate for Pension)
- <sup>3)</sup>Property tax revenues generated by the Property without any development based on the assessed value of the project site and the District 115 Tax Rate for the 2013 tax year
- <sup>4)</sup>Property Tax Revenues are based on property being assessed in the year of occupancy and collectible the following year
- <sup>5)</sup>Calculation for General State Aid assumes a one year lag
- <sup>6)</sup>General State Aid amount of \$218 per student (Flat Grant amount for FY 2012/13 payable in 2013/14)
- <sup>7)</sup>Interest earnings based on 0.5% of Property Tax Revenue
- <sup>8)</sup>Based on amount provided by 2013 Report Card for fiscal year 2011/12 (\$12,536) as increased by 3% annually through fiscal year 2013/14

With respect to the following analysis, the additional property tax revenues were determined using the District 115's 2013 property tax rate (1.420 per \$100 of assessed valuation which includes the tax rate for the Pensions) as provided by the Lake County Clerk.

Based upon a total projected stabilized incremental equalized assessed value of \$31,821,607 after completion of the Development, the development is projected to generate \$451,867 of annual incremental property tax revenues upon stabilization. Furthermore, the Development is projected to generate \$6,917,511 of total incremental property tax revenues over a twenty-year period (tax collection year 2014 through 2033) for District 115. In addition, based upon the current equalized assessed value of \$2,482,667 of the Development Site, the Development is projected to continue to generate \$35,254 of annual property tax revenues prior to and after the completion of the Development and \$705,077 of total property tax revenues over a twenty-year period (tax collection year 2014 through 2033) for District 115 (the "District 115 Base EAV Property Taxes").

### General State Aid

Based upon the expectations that the Development will generate 17 additional students upon full completion, the Development is projected (as provided in Table 8) to generate \$3,706 of annual general state aid upon completion of the Development and \$56,680 of total general state aid over a twenty-year period (2014 through 2033). The analysis estimates a one-year delay for each of the additional students in realizing any general state aid.

### Interest Revenue

Upon completion of the Development, the Development is projected (as provided in Table 8) to generate \$2,259 of additional annual interest revenue and \$34,588 of total interest revenues over a twenty-year period (collectable in 2014 through 2033).

The projection of the amount of interest revenue in Table 8 is based on the assumption that the property tax revenues will generate interest revenue equal to an amount of 0.5% of the annual property tax revenues.

## **2. District 115 Expenditures**

The expenditures per pupil for District 115 used in the analysis in Table 8 were derived from the 2013 Illinois School Report Card (the "District 115 Report Card") and are based on the 2011-12 school year. The following are the expenditures per pupil for District 115 as provided in the District 115 Report Card:

Instructional Expenditures	Operating Expenditures
<u>Per Pupil</u>	<u>Per Pupil</u>
\$ 12,361	\$ 21,977

The Instructional Expenditures Per Pupil are direct costs of teaching pupils or the interaction between teachers and pupils. The Operating Expenditures Per Pupil include the gross operating cost of a school district excluding summer school, adult education, bond principal retired and capital expenditures.

The potential amount of additional students from the Development (an approximate 1.0% increase in the student population based on the student population provided in the District 115 Report Card) is not expected to increase the amount of other operating costs (e.g., additional administrative staff, additional building maintenance, etc.). Therefore, the amounts relating to Instructional Expenditures Per Pupil are used for the analysis herein.

Furthermore, the analysis in Table 8 assumes the additional expenditure for each student in the year the student is projected to commence attending school. No adjustment is made for the fact that school districts budget for a current need in another fiscal year.

The analysis in Table 8 assumes an additional seventeen (17) students from the Development would attend District 115 schools as calculated pursuant to the Demographic Multipliers (Table 3). The analysis in Table 8 also assumes that the 2011-12 Instructional Expenditures Per Pupil of \$12,361 as reported by District 115 to the Illinois State Board of Education is adjusted to reflect an annual increase of 3% through the 2013-2014 fiscal year to estimate what current expenditures would be. Based on an adjusted Instructional Expenditures Per Pupil of \$13,114, the analysis in Table 8 projects additional annual instructional expenditures of \$222,934 upon completion of the Development and \$3,632,518 of total additional instructional expenditures over a twenty-year period (2014 through 2033).

### **3. Net Fiscal Impact to District 115 from Development**

The analysis in the Table 8 indicates that the projected annual operating revenues will exceed annual operating expenditures for District 115 by \$234,898 (the “District 115 Annual Fiscal Impact”) in the years following the completion of the Development. The analysis in Table 8 also indicates that the cumulative fiscal impact to District 115 is projected to be \$3,376,260 over a twenty-year period (the “District 115 Total Fiscal Impact”). Furthermore the analysis in Table 8 indicates that the total of the District 115 Annual Fiscal Impact and the District 115 Base EAV Taxes are projected to be \$270,152 in the years following the completion of the Development with a cumulative amount of District 115 Total Fiscal Impact and District 115 Base EAV Taxes of \$4,081,337 over a twenty year period.

The surplus may be used by District 115 to maintain or increase the quality of education at a lower cost to the residents to District 115. This study does not attempt to evaluate the need for the construction of additional facilities since the number of students estimated to be generated by the Development is not substantial.

**C. Summary**

The Development is expected to generate net revenues in excess of the Development's share of the proportionate costs that may be incurred by District 115, and such excess may be used by District 115 in providing for the education of the additional students and the construction of additional capital improvements and/or for the lowering of District 115's tax rate.

## **VI. FISCAL IMPACT OF DEVELOPMENT TO THE PARK DISTRICT**

The Park District's revenues and expenses in this study reflect recurring annual revenues and expenses related to the new population generated by the Development. Unless otherwise stated herein, the fiscal impact to the Park District is based upon the Park District's fiscal year end December 31, 2014 Budget (the "Park District Budget") for the Park District's Funds.

The Development is expected to include a health club facility, a swimming pool, a playground, trails and gardens which are to be constructed by the Developer together with a significant amount of open space for use by the residents of the Development and which space and facilities are to be owned and maintained by a homeowner association.

### **A. Park District Revenues**

The analysis herein provides that the Park District shall receive property tax revenues, generated by the Development together with various fees from projected new residents generated by the Development. We have recognized that the collection of some revenues are delayed such as the property taxes.

#### Property Tax Revenues

The analysis in the following Table 9 provides a projection of the estimated total amount of property tax revenues to be generated by the Development for the Park District over a period of twenty (20) years. With respect to the analysis in Table 9, the additional property tax revenues were determined using the Park District's 2013 property tax rate (.481 per \$100 of assessed valuation which includes the tax rate for the Pensions) as provided by the Lake County Clerk. Property taxes are collected in arrears with the first year property tax collected in the second year. Therefore, the recurring property taxes from the completed development are not fully realized until the tax levy year 2019 (collected in 2020).

Based upon a total projected incremental stabilized incremental assessed value of \$31,821,607 after completion of the Development, the Development is projected to generate \$153,062 of annual incremental property tax revenues upon stabilization. Furthermore, the Development is projected to generate \$2,343,185 of total incremental property tax revenues over a twenty (20) year period (tax levy years 2014 through 2033).

In addition, based upon the current equalized assessed value of \$2,482,667 of the Development Site, the Development is projected to continue to generate \$11,942 of property tax revenues prior to and after the completion of the Development and \$250,774 of total property tax revenues over a twenty-year period (tax collection year 2014 through 2033) for the Park District (the "Park District Base EAV Property Taxes").

**Table 9  
Annual Property Tax Revenues to Lake Bluff Park District**

Tax Levy Year (Year of Occupancy) Tax Collection Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Incremental Equalized Assessed Value	0	0	0	2,294,630	13,291,216	26,060,301	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607
2013 Park District Tax Rate <sup>(1)</sup>	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%
Total Property Tax Revenue	0	0	0	0	11,037	63,931	125,350	153,062	153,062	153,062	153,062	153,062
Base Equalized Assessed Value	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667
2013 Park District Tax Rate <sup>(1)</sup>	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%
Base Property Tax Revenue	N/A	11,942	11,942	11,942	11,942	11,942	11,942	11,942	11,942	11,942	11,942	11,942

Notes:

<sup>(1)</sup>Includes tax rate for Pension

**Table 9 (cont.)**

**Annual Property Tax Revenues to Lake Bluff Park District**

Tax Levy Year (Year of Occupancy) Tax Collection Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Totals
Incremental Equalized Assessed Value	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	
2013 Park District Tax Rate <sup>(1)</sup>	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	
Total Incr. Property Tax Revenue	153,062	153,062	153,062	153,062	153,062	153,062	153,062	153,062	153,062	153,062	153,062	2,343,185
Base Equalized Assessed Value	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	
2013 Park District Tax Rate <sup>(1)</sup>	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	0.481%	
Base Property Tax Revenue	11,942	11,942	11,942	11,942	11,942	11,942	11,942	11,942	11,942	11,942	11,942	238,833

Notes:

<sup>(1)</sup>Includes tax rate for Pension

## Park District Fees

Park District fees connected to the proposed Development are estimated utilizing a model based upon incremental increases in fees due to anticipated growth in Park District population. This model assumes that one way to measure incremental costs in proportional fees for Park District residents is to calculate current per capita fees, given Park District's current population and fees. Excluded are (i) property taxes which are calculated separately herein and (ii) any fees that would be potentially derived from additional use of the aquatic and health club facilities based on an assumption that the residents of the Development will use the swimming pool and health club facilities that are expected to be a part of the Development.

The following Table 10 provides the overall operating budget factors that will be used to estimate the increases to fees that are anticipated to be generated by the new residents of the Development. These estimates are based on the per capita fee approach explained above, with adjustments provided for the exclusive calculation of projected incremental property taxes.

**Table 10**  
**Operating Budget Analysis (Revenues)**

All Major Activities Summary	Revenues	Less Other Adjustments <sup>(2)</sup>	Total Adjusted Revenues
<b>District General Fund<sup>(1)</sup></b>			
Subfund-Administration			
Tax Receipts	816,281	816,281 <sup>(3)</sup>	0
Interest	2,250	2,250 <sup>(3)</sup>	0
Miscellaneous	0	0	0
Subfund-Park Maintenance			
Miscellaneous	14,200	0	14,200
<b>Recreation Fund</b>			
Subfund-Administration			
Tax Receipts	766,484	766,484 <sup>(3)</sup>	0
Miscellaneous	5,000	5,000	0
Donations	0	0	0
Subfund-Facility Services			
Fees and Admissions	52,496	0	52,496
Rentals	14,800	0	14,800
Concessions	7,200	0	7,200
Subfund-Recreation Programs			
Miscellaneous	8,200	0	8,200
Programs	932,975	0	932,975
Subfund-Sunrise Park & Beach			
Fees and Admissions	20,190	20,190	0
Rentals	7,400	7,400	0
Concessions	250	250	0
Programs	21,500	21,500	0
Subfund-Health and Fitness Center			
Fees and Admissions	369,595	369,595	0
Rentals	9,000	9,000	0
Miscellaneous	0	0	0
Donations	0	0	0
Programs	57,300	57,300	0
Lessons	110,000	110,000	0
Subfund-Paddle Club			
Fees and Admissions	87,965	0	87,965
Rentals	1,729	0	1,729
Merchandise	10,368	0	10,368
Programs	85,680	0	85,680
Lessons	0	0	0
Subfund-Aquatic Facility			
Fees and Admissions	96,543	96,543	0
Rentals	11,286	11,286	0
Concessions	15,000	15,000	0
Miscellaneous	900	900	0
Programs	63,499	63,499	0

**Table 10 (cont.)  
Operating Budget Analysis (Revenues)**

All Major Activities Summary	Revenues	Less Other Adjustments	Total Adjusted Revenues
Subfund-Golf Club			
Fees and Admissions	786,884	0	786,884
Rentals	38,065	0	38,065
Concessions	73,500	0	73,500
Merchandise	108,000	0	108,000
Miscellaneous	0	0	0
Programs	18,000	0	18,000
Lessons	13,000	0	13,000
Audit Fund			
Tax Receipts	3,000	3,000 <sup>(3)</sup>	0
Social Security Fund			
Tax Receipts	162,000	162,000 <sup>(3)</sup>	0
IMRF			0
Tax Receipts	173,005	173,005 <sup>(3)</sup>	0
Special Recreation Fund			
Subfund-Administration			
Tax Receipts	220,073	220,073 <sup>(3)</sup>	0
Liability Fund			
Tax Receipts	175,662	175,662 <sup>(3)</sup>	0
Debt Service Fund			
Subfund-Administration			
Tax Receipts	363,433	363,433 <sup>(3)</sup>	0
Bond Proceeds	0	0 <sup>(4)</sup>	0
Capital Master Plan Fund			
Miscellaneous	0	0	0
Bond Proceeds	0	0 <sup>(4)</sup>	0
<b>Total Adjusted Revenues</b>	<b>5,722,713</b>	<b>3,469,651</b>	<b>2,253,062</b>

Notes:

<sup>(1)</sup>Based on Park District's FY 2014 Budget

<sup>(2)</sup>Adjustments were made to reflect that the Development will include the construction of a swimming pool and health club facility for use by the residents of the Development which would limit revenues for the Village's aquatic program and health and fitness center

<sup>(3)</sup>Property tax receipts were analyzed separately based on the projected values of the additional units

<sup>(4)</sup>The construction of the additional units is not anticipated to cause the District to issue additional debt

The analysis in the following Table 11 provides an analysis of the amount of fees that each new resident is expected to generate (\$265) for the Park District as determined by dividing the Total Adjusted Revenues (\$2,253,062) by the Park District's estimated population (8,500). The Development is projected to generate \$76,074 of annual fees upon completion of the Development.

**Table 11**  
**Estimated New Revenues**

Year of Occupancy	2013	2014	2015	2016	2017	2018	2019
<u>Residential</u>							
Total Number of New Residents <sup>(1)</sup>	0	0	0	28	128	237	287
Additional Operating Revenues Per Resident <sup>(2)</sup>	265	265	265	265	265	265	265
Adjusted Additional Operating Revenues	0	0	0	7,422	33,928	62,821	76,074

Notes:

<sup>(1)</sup> Reflects the addition of 98 units to the on the Property commencing in 2016

<sup>(2)</sup> Determined by dividing the Total Adjusted Revenues by the District's Estimated Population Total Population (8,500)

### Interest Revenue

Upon completion of the Development, the Development is projected (as provided in Table 14) to generate \$765 of additional annual interest revenue and \$11,716 of total interest revenues over a twenty-year period (collectable in 2014 through 2033).

The projection of the amount of interest revenue in Table 14 is based on the assumption that the property tax revenues will generate interest revenue equal to an amount of 0.5% of the annual property tax revenues.

### **B. Park District Expenditures**

Park District expenditures connected to the proposed Development are estimated utilizing a model based upon incremental increases in services required due to anticipated growth in Park District population. This model assumes that one way to measure incremental costs in proportional park district services for Village residents is to calculate current per capita expenses, given the Park District's estimated population and service levels.

This approach, in part, relies upon utilization of the Park District's most recent estimate of its operating expenditures, which in the case of the Park District, is the Fiscal Year End 2014 Park District Budget.

Notwithstanding this proportional/per capita approach to estimating increased Park District expenditures due to residential population growth, adjustments are made for expected costs due to the Development for debt service expenses only. This is due primarily to the relatively small size of the Development and that the Developer will provide funds for the costs related to the initial infrastructure improvements that will be necessary to provide for the construction of the park facilities on the Property.

The Development is not expected to require the Park District to add significant additional administrative or other work staff or require the Park District to make any capital expenditures related thereto. The infrastructure improvements within the Development will be constructed by the Developer. Furthermore, the residents of the Development are expected to use the health club facilities and swimming pool to be constructed as part of the Development and therefore are not expected to add to the costs of operating the aquatic or health club facilities of the Park District. The result in this case is that the Park District anticipates relatively modest need to increase services in connection with the Development.

The following Table 12 provides the overall operating budget factors that will be used to estimate the increases to Park District operating expenditures that are anticipated to be caused by the Development. These estimates are based on the per capita approach explained above, with adjustments made only for the Park District's existing debt service expense. Expenses of the Park District with respect to the Development are estimated based a determination of the expenses reflected in the Budget for the Park District's Funds that would be affected by the construction of the Development. Table 12 provides an analysis of the expenses in the Village's Funds that are expected to increase due to the Development.

This study does not attempt to evaluate the need for the construction of additional facilities since the number of residents estimated to be generated by the Development is not substantial.

**Table 12**  
**Operating Budget Analysis (Expenses)**

All Major Activities Summary	Expenditures	Less Other Adjustments(1)	Total Adjusted Expenditures
District General Fund <sup>(2)</sup>			
Subfund-Administration			
Personnel Services	184,071	184,071	0
Commodities	6,720	6,720	0
Contractual Services	217,530	217,530	0
Capital Improvements	0	0	0
Subfund-Park Maintenance			
Personnel Services	217,393	0	217,393
Commodities	94,399	0	94,399
Contractual Services	57,750		57,750
Recreation Fund			
Subfund-Administration			
Personnel Services	350,460	350,460	0
Commodities	28,183	28,183	0
Contractual Services	201,919	201,919	0
Debt Service	352,688	352,688	0
Subfund-Facility Services			
Personnel Services	47,709	47,709	0
Commodities	3,888	3,888	0
Subfund-Recreation Programs			
Personnel Services	448,952	0	448,952
Commodities	51,544	0	51,544
Contractual Services	99,317	0	99,317
Capital Improvements	0	0	0
Subfund-Sunrise Park & Beach			
Personnel Services	74,000	74,000	0
Commodities	24,114	24,114	0
Contractual Services	46,252	46,252	0
Subfund-Health and Fitness Center			
Personnel Services	250,330	250,330	0
Commodities	34,700	34,700	0
Contractual Services	98,090	98,090	0
Debt Service	0	0	0
Subfund-Paddle Club			
Personnel Services	121,384	0	121,384
Commodities	20,260	0	20,260
Contractual Services	34,225	0	34,225
Capital Improvements	0	0	0
Debt Service	56,477	56,477	0
Subfund-Aquatic Facility			
Personnel Services	123,386	123,386	0
Commodities	38,795	38,795	0
Contractual Services	35,743	35,743	0
Debt Service	0	0	0

**Table 12 (cont.)  
Operating Budget Analysis (Expenses)**

All Major Activities Summary	Expenditures	Less Other Adjustments	Total Adjusted Expenditures
Subfund-Golf Club			
Personnel Services	577,591	0	577,591
Commodities	307,718	0	307,718
Contractual Services	227,144	0	227,144
Capital Improvements	0	0	0
Debt Service	201,196	201,196	0
Audit Fund			
Contractual Services	15,300	15,300	0
Social Security Fund			
Personnel Service	186,000	186,000	0
IMRF			
Personnel Services	0	0	0
Contractual Services	182,100	182,100	0
Special Recreation Fund			
Subfund-Administration			
Personnel Services	19,091	19,091	0
Commodities	5,000	5,000	0
Contractual Services	95,034	95,034	0
Capital Improvements	79,863	79,863	0
Subfund-Park Maintenance			
Personnel Services	13,873	0	13,873
Liability Fund			
Personnel Services	0	0	0
Commodities	0	0	0
Contractual Services	169,809	0	169,809
Debt Service Fund			
Subfund-Administration			
Contractual Services	0	0	0
Debt Service	418,637	418,637	0
Capital Master Plan Fund			
Contractual Services	1,500	1,500	0
Capital Improvements	81,000	81,000	0
Debt Service	0	0	0
<b>Total Adjusted Expenditures</b>	<b>5,901,135</b>	<b>3,459,776</b>	<b>2,441,359</b>

Notes:

<sup>(1)</sup>Adjustments were made to reflect that the (i) Development will include the construction of a swimming pool and health club facility for use by the residents of the Development and (ii) a relatively small addition of 98 residential units would not require the Park District to incur additional costs other than for recreation programs and maintenance of park facilities within the Development

<sup>(2)</sup>Based on Park District's FY 2014 Budget

The potential amount of additional residents from the Development (an approximate 3.5% increase in the population that the Park District currently serves) is not expected to significantly increase the amount of other operating costs (e.g., additional administrative staff, additional building maintenance, etc.).

The analysis in the following Table 13 assumes an additional two hundred eighty-seven (287) residents from the Development would be able to use the facilities of and participate in the programs of the Park District. Based on the Operating Expense Per Resident of \$287 as provided by the Park District, the analysis in Table 13 projects additional annual expenditures of \$82,432 upon completion of the Development.

**Table 13**  
**Estimated New Expenses**

Year of Occupancy	2013	2014	2015	2016	2017	2018	2019
<u>Residential</u>							
Total Number of New Residents <sup>(1)</sup>	0	0	0	28	128	237	287
Additional Operating Expense Per Resident <sup>(2)</sup>	287	287	287	287	287	287	287
Adjusted Additional Operating Expenditures	0	0	0	8,042	36,764	68,071	82,432

Notes:

<sup>(1)</sup>Reflects the addition of 98 units to the on the Property commencing in 2016

<sup>(2)</sup>Determined by dividing the Total Adjusted Expenditures by the District's Estimated Population Total Population (8,500)

### **C. Net Fiscal Impact to the Park District from Development**

The analysis in the following Table 14 indicates that the projected annual operating revenues will exceed annual operating expenditures for the Park District by \$147,469 (the “Park District Annual Fiscal Impact”) in the years following the completion of the Development. The analysis in Table 14 also indicates that the cumulative fiscal impact to the Park District is projected to be \$2,250,828 over a twenty-year period (the “Park District Total Fiscal Impact”). Furthermore the analysis in Table 14 indicates that the total of the Park District Annual Fiscal Impact and the Park District Base EAV Taxes are projected to be \$159,411 in the years following the completion of the Development with a cumulative amount of Park District Total Fiscal Impact and Park District Base EAV Taxes of \$2,489,661 over a twenty year period.

The surplus may be used by the Park District to maintain or increase the quality of the Park District’s park facilities and programs at a lower cost to the residents of the Park District. This study does not attempt to evaluate the need for the construction of additional facilities since the Development (i) will include a significant amount of duplicative facilities that would be available to the additional residents of the Development, and (ii) will likely result in a small increase in the projected number of additional residents (a 3.3% increase in residents).

Table 14  
Lake Bluff Park District Fiscal Impact

Prop. Tax Levy Year	Base EAV Revenues			Incremental Equalized Assessed Value			Additional Revenues				Additional Expenses				Total Ann. Fiscal Impact and Base EAV Prop. Tax		Cumulative Total Ann. Fiscal Impact and Base EAV Prop. Tax	
	Base EAV <sup>(1)</sup>	Tax Rate <sup>(2)</sup>	Property Tax <sup>(3)</sup>	Value	Tax Rate <sup>(2)</sup>	Property Tax Revenue <sup>(4)</sup>	No. New Residents	Avg. Fees Per Resident <sup>(5)</sup>	Total Fees	Interest Earnings <sup>(6)</sup>	Total Revenues	No. New Residents	Annual Exp./Resident <sup>(5)</sup>	Annual Additional Exp.	Net Annual Exp.	Total Ann. Fiscal Impact and Base EAV Prop. Tax	Total Ann. Fiscal Impact and Base EAV Prop. Tax	
2013	2,482,667	0.481%	N/A	0	0.481%	0	0	0	0	0	0	0	287	0	N/A	N/A	N/A	
2014	2,482,667	0.481%	11,942	0	0.481%	0	0	0	0	0	0	0	287	0	11,942	11,942	11,942	
2015	2,482,667	0.481%	11,942	0	0.481%	0	0	0	0	0	0	0	287	0	11,942	11,942	23,883	
2016	2,482,667	0.481%	11,942	2,294,630	0.481%	0	28	265	7,422	0	7,422	28	287	8,042	11,321	11,321	35,205	
2017	2,482,667	0.481%	11,942	13,291,216	0.481%	11,037	128	265	33,928	55	45,021	128	287	36,764	20,198	20,198	55,403	
2018	2,482,667	0.481%	11,942	26,060,301	0.481%	63,931	237	265	62,821	320	127,071	237	287	68,071	70,942	70,942	126,345	
2019	2,482,667	0.481%	11,942	31,821,607	0.481%	125,350	287	265	76,074	627	202,051	287	287	82,432	131,561	131,561	257,906	
2020	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	417,317	
2021	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	576,728	
2022	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	736,139	
2023	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	895,550	
2024	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	1,054,961	
2025	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	1,214,372	
2026	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	1,373,783	
2027	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	1,533,194	
2028	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	1,692,605	
2029	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	1,852,016	
2030	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	2,011,427	
2031	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	2,170,838	
2032	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	2,330,250	
2033	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	2,489,661	
2034	2,482,667	0.481%	11,942	31,821,607	0.481%	153,062	287	265	76,074	765	229,901	287	287	82,432	159,411	159,411	2,649,072	
			238,833			2,343,185			1,245,281	11,716	3,600,182			1,349,353	2,250,828	2,250,828	2,250,828	

Notes:

<sup>(1)</sup>The total equalized assessed value of the Property for the 2013 tax year

<sup>(2)</sup>2013 Park District Tax Rate (includes tax rate for Pension)

<sup>(3)</sup>Property tax revenues generated by the Property without any development based on the assessed value of the project site and the Park District Tax Rate for the 2013 tax year

<sup>(4)</sup>Property Tax Revenues are based on property being assessed in the year of occupancy and collectible the following year

<sup>(5)</sup>Based on information provided by Park District and Park District's FYE 2014 Budget

<sup>(6)</sup>Interest earnings based on 0.5% of Property Tax Revenue

## **VII. FISCAL IMPACT OF DEVELOPMENT TO VILLAGE OF LAKE BLUFF**

The Village's revenues and expenses in this study reflect recurring annual revenues and expenses related to the new population generated by the Development. Unless otherwise stated herein, the fiscal impact to the Village is based upon the Village's fiscal year end April 30, 2015 Preliminary Budget (the "Budget") for the Village's Corporate Fund.

We have excluded revenues from tap on fees, building permits, inspection fees, and other non-recurring fees since such revenues are assumed to meet costs of the services related thereto. Furthermore, we have assumed that all revenues related to enterprises of the Village (i.e. water and sewer services) are structured to meet the expenditures of such enterprises.

All public infrastructure improvements are expected to be constructed by the Developer and ownership of such improvements will be transferred to the Village upon completion of the Developer. Therefore, the assumption in this analysis is that the Village is not expected to incur additional capital expenditures related to the Development. Furthermore, even though the analysis herein provides for operation and maintenance costs related to the Development prior to completion of the Development, such costs are expected to be incurred by the Developer during such period.

### **A. Village Revenues**

The analysis herein provides that the Village shall receive property tax revenues, telecom tax revenues, sales tax revenues, vehicle permit revenues, state income tax sharing revenues, motor fuel tax sharing revenues and state use tax sharing revenues. We have recognized that the collection of some revenues are delayed such as the property taxes and the State redistributed revenues. Furthermore, the State redistributed revenues are based on population which additional population from the Development will not be reflected until the 2020 Census.

#### **Property Tax Revenues**

The analysis in the following Table 15 provides a projection of the estimated total amount of property tax revenues to be generated by the Development for the Village over a period of twenty (20) years. With respect to the analysis in Table 15, the additional property tax revenues were determined using the Village's 2013 property tax rate (.818 per \$100 of assessed valuation which includes the tax rate for the Pension Fund and the Library Fund) as provided by the Lake County Clerk. Property taxes are collected in arrears with the first year property tax collected in the second year. Therefore, the recurring property taxes from the completed development are not fully realized until the tax levy year 2019 (collected in 2020).

Based upon a total projected incremental stabilized incremental assessed value of \$31,821,607 after completion of the Development, the Development is projected to generate \$260,301 of annual incremental property tax revenues upon stabilization. Furthermore, the Development is projected to generate \$3,984,876 of total incremental property tax revenues over a twenty (20) year period (tax levy years 2014 through 2033). In addition, based upon the current equalized assessed value of \$2,482,667 of the Development Site, the Development is projected to continue to generate \$20,308 of property tax revenues prior to and after the completion of the Development and \$406,164 of total property tax revenues over a twenty-year period (tax collection year 2014 through 2033) for the Village (the “Village Base EAV Property Taxes”).

**Table 15  
Annual Property Tax Revenues to Village of Lake Bluff**

Tax Levy Year (Year of Occupancy) Tax Collection Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Incremental Equalized Assessed Value	0	0	0	2,294,630	13,291,216	26,060,301	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607
2013 Village Tax Rate <sup>(1)</sup>	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%
Total Incremental Property Tax Revenue	0	0	0	0	18,770	108,722	213,173	260,301	260,301	260,301	260,301	260,301
Base Equalized Assessed Value	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667
2013 Village Tax Rate <sup>(1)</sup>	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%
Base Property Tax Revenue	N/A	20,308	20,308	20,308	20,308	20,308	20,308	20,308	20,308	20,308	20,308	20,308

Notes:

<sup>(1)</sup>Includes tax rate for Library and Pension

**Table 15 (cont.)  
Annual Property Tax Revenues to Village of Lake Bluff**

Tax Levy Year (Year of Occupancy) Tax Collection Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Totals
Incremental Equalized Assessed Value	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	31,821,607	
2013 Village Tax Rate <sup>(1)</sup>	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	
Total Incremental Property Tax Revenue	260,301	260,301	260,301	260,301	260,301	260,301	260,301	260,301	260,301	260,301	260,301	3,984,876
Base Equalized Assessed Value	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	2,482,667	
2013 Village Tax Rate <sup>(1)</sup>	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	0.818%	
Base Property Tax Revenue	20,308	20,308	20,308	20,308	20,308	20,308	20,308	20,308	20,308	20,308	20,308	406,164

Notes:

<sup>(1)</sup>Includes tax rate for Library and Pension

## Local Sales Tax Revenues

The analysis in the following Table 16 provides a projection of the estimated total amount of additional local sales tax sharing revenues to be generated by the Development for the Village over a period of twenty (20) years. The Development is projected to generate \$28,526 of annual sales tax revenues upon completion of the Development and \$489,309 of total sales tax revenues over a twenty (20) year period (tax collection years 2014 through 2033) as a result of spending by the residents in existing local retail establishments.

We base the estimate of such sales tax revenues on the following:

- 1) Household income of \$242,568 per unit (projected household income based on affordability of proposed housing);
- 2) 20% of income is spent on convenience goods (i.e. groceries, restaurants) and 10% of income is spent on comparison goods (i.e. appliances, clothing, vehicles);
- 3) 40% of convenience goods and 20% of comparison goods are purchased in Village;
- 4) 100% of all goods are taxable; and
- 5) Collections are based on Village's 1% share of state sales tax and 1.0% home rule sales tax.

The above only assumes that residents from the Development will purchase goods from existing businesses. However, such analysis does not consider the potential for the creation of demand for new businesses within the Village.

**Table 16**  
**Additional Local Sales Tax Revenues (New Households)**

Year of Occupancy	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Average											
Cumulative Additional Residential Units Occupied	0	0	0	44	75	92	98	98	98	98	98
Household Income <sup>(1)</sup>	0	0	0	10,673,006	18,192,625	22,316,286	23,771,696	23,771,696	23,771,696	23,771,696	23,771,696
Convenience Goods Spending	0	0	0	2,134,601	3,638,525	4,463,257	4,754,339	4,754,339	4,754,339	4,754,339	4,754,339
Comparison Goods Spending	0	0	0	1,067,301	1,819,262	2,231,629	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170
Convenience Goods Spending Locally	0	0	0	853,841	1,455,410	1,785,303	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736
Comparison Goods Spending Locally	0	0	0	213,460	363,852	446,326	475,434	475,434	475,434	475,434	475,434
Taxable Share, Convenience Goods	0	0	0	853,841	1,455,410	1,785,303	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736
Taxable Share, Comparison Goods	0	0	0	213,460	363,852	446,326	475,434	475,434	475,434	475,434	475,434
Local Taxable Spending	0	0	0	1,067,301	1,819,262	2,231,629	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170
Additional Sales Tax Revenue from New Households (Local Share State Sales Tax) <sup>(2)</sup>	0	0	0	10,673	18,193	22,316	23,772	23,772	23,772	23,772	23,772
Additional Sales Tax Revenue from New Households (Home Rule Sales Tax) <sup>(3)</sup>	0	0	0	2,135	3,639	4,463	4,754	4,754	4,754	4,754	4,754
Total Additional Sales Tax Revenues from New Households	0	0	0	12,808	21,831	26,780	28,526	28,526	28,526	28,526	28,526

Notes:

(1) Projected household income based on affordability of proposed housing

(2) Assumes Convenience Goods and Comparison Goods are subject to State Sales Tax of which 1% is the Local Share of the State Sales Taxes

(3) Assumes Only Comparison Goods are subject to Village Home Rule Tax of 1%

**Table 16 (cont.)  
Additional Local Sales Tax Revenues (New Households)**

Year of Occupancy	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Totals
Cumulative Additional Residential Units Occupied	98	98	98	98	98	98	98	98	98	98	
Household Income <sup>(1)</sup>	23,771,696	23,771,696	23,771,696	23,771,696	23,771,696	23,771,696	23,771,696	23,771,696	23,771,696	23,771,696	23,771,696
Convenience Goods Spending	4,754,339	4,754,339	4,754,339	4,754,339	4,754,339	4,754,339	4,754,339	4,754,339	4,754,339	4,754,339	4,754,339
Comparison Goods Spending	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170
Convenience Goods Spending Locally	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736
Comparison Goods Spending Locally	475,434	475,434	475,434	475,434	475,434	475,434	475,434	475,434	475,434	475,434	475,434
Taxable Share, Convenience Goods	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736	1,901,736
Taxable Share, Comparison Goods	475,434	475,434	475,434	475,434	475,434	475,434	475,434	475,434	475,434	475,434	475,434
Local Taxable Spending	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170	2,377,170
Additional Sales Tax Revenue from New Households (Local Share State Sales Tax) <sup>(2)</sup>	23,772	23,772	23,772	23,772	23,772	23,772	23,772	23,772	23,772	23,772	23,772
Additional Sales Tax Revenue from New Households (Home Rule Sales Tax) <sup>(3)</sup>	4,754	4,754	4,754	4,754	4,754	4,754	4,754	4,754	4,754	4,754	4,754
Total Additional Sales Tax Revenues from New Households	28,526	28,526	28,526	28,526	28,526	28,526	28,526	28,526	28,526	28,526	28,526
											489,309

Notes:

- <sup>(1)</sup> Projected household income based on affordability of proposed housing
- <sup>(2)</sup> Assumes Convenience Goods and Comparison Goods are subject to State Sales Tax of which 1% is the Local Share of the State Sales Taxes
- <sup>(3)</sup> Assumes Only Comparison Goods are subject to Village Home Rule Tax of 1%

## Other Revenues

The analysis in the following Table 17 provides a projection of the estimated total amount of additional utility tax revenues (including telecom tax, natural gas tax and electricity tax), state income tax sharing revenues, motor fuel tax sharing revenues and state use tax sharing revenues to be generated by the Development for the Village over a period of twenty (20) years.

The analysis in Table 17 assumes that the (i) average annual utility tax per household is projected to be \$291.27, (ii) state income tax distribution would be \$97.20 per resident (based on the fiscal year 2014 distribution – *Illinois Municipal Review*, April, 2014), (iv) motor fuel tax distribution would be \$24.65 per resident (based on the fiscal year 2014 distribution – *Illinois Municipal Review*, April, 2014) and (v) state local use tax distribution would be \$17.00 per resident (based on the fiscal year 2014 distribution – *Illinois Municipal Review*, April, 2014).

The average annual utility tax per household was determined by allocating the utility taxes budgeted by the Village for fiscal year ended April 30, 2015 (\$713,440) between residential users and all other users by the percentage of equalized assessed value applicable to each (89% residential) and dividing the residential portion of the utility taxes by the Village's total housing units of 2,180 (2008-2012 American Community Survey 5 Year Estimate).

The Development is projected to generate \$68,394 of other revenues annually after completion of the Development and \$1,007,669 of total other revenues over a twenty (20) year period (tax collection years 2014 through 2033).

**Table 17  
Other Village Revenues**

Year of Occupancy	Total No.		Utility Tax Revenues		State Income Tax <sup>(1)</sup>		Motor Fuel Tax <sup>(1)</sup>		State Use Tax <sup>(1)</sup>		Total Other Tax Revenues
	Residents	Households	Utility Taxes Per Household <sup>(2)</sup>	Total Utility Taxes	Share Per Resident <sup>(3)</sup>	Total Income Taxes	Share Per Resident <sup>(3)</sup>	Total MFT	Share Per Resident <sup>(3)</sup>	Total State Use Tax	
2013	0	0	291.27	0	0.00	0	0.00	0	0.00	0	0
2014	0	0	291.27	0	0.00	0	0.00	0	0.00	0	0
2015	0	0	291.27	0	0.00	0	0.00	0	0.00	0	0
2016	28	44	291.27	12,816	0.00	0	0.00	0	0.00	0	12,816
2017	128	75	291.27	21,845	0.00	0	0.00	0	0.00	0	21,845
2018	237	92	291.27	26,797	0.00	0	0.00	0	0.00	0	26,797
2019	287	98	291.27	28,544	0.00	0	0.00	0	0.00	0	28,544
2020	287	98	291.27	28,544	0.00	0	0.00	0	0.00	0	28,544
2021	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2022	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2023	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2024	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2025	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2026	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2027	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2028	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2029	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2030	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2031	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2032	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
2033	287	98	291.27	28,544	97.20	27,896	24.65	7,075	17.00	4,879	68,394
Totals				489,619		362,653		91,969		63,427	1,007,669

Notes:

- (1) Based on incremental units occupied; revenues relating to taxes shared by State are not assumed to be collected until after the 2020 Census
- (2) Determined by allocating the utilities taxes (gas, electric, telecommunications) budget for FY 2015 of \$713,440 between residential users and all other users by the percentage of EAV applicable to each (89% residential) and dividing the residential portion of the utility taxes by the Village's total housing units of 2,180 (2008-2012 American Community Survey 5-Yr. Est.)
- (3) Based on projected FY 2014 State Distributions (Illinois Municipal Review, April, 2014)

## **B. Village Expenditures**

Municipal expenditures connected to the proposed Development are estimated utilizing a model based upon incremental increases in services required due to anticipated growth in Village population. This model assumes that one way to measure incremental costs in proportional municipal services for Village residents is to calculate current per capita expenses, given Village population and service levels.

This approach, in part, relies upon utilization of the Village's most recent estimate of its operating expenditures, which in the case of the Village, is the Fiscal Year End 2015 Preliminary Annual Budget ("Budget"). The proportions of the budget assigned to residential versus non-residential development is based upon the most recently available data for the Village's EAV by land use classification. Based on this data for the 2013 tax year, the Village's EAV was comprised of approximately 89% residential and approximately 11% non-residential (see Table 5). Thus, this study assumes that 89% of Village services are assigned to residential uses, and 11% to non-residential

Based upon interviews with both Village and the Developer, and notwithstanding this proportional/per capita approach to estimating increased municipal expenditures due to residential population growth, major discounts or adjustments are made for expected costs due to the Development. This is due primarily to the relatively small size of the Development and that the Developer will provide funds for the costs related to the initial infrastructure improvements that will be necessary to provide for the construction of the Development.

The Development is not expected to require the Village to add additional administrative, public safety or public work staff or require the Village to make any capital expenditures related thereto. The streets and other infrastructure improvements within the Development will be constructed by the Developer. The result in this case is that the Village anticipates relatively modest need to increase municipal services in connection with the Development.

The following Table 18 provides the overall operating budget factors that will be used to estimate the increases to municipal operating expenditures that are anticipated to be caused by the Development. These estimates are based on the proportional EAV approach explained above, with major discounts and/or adjustments allowed for the Development. Expenses of the Village with respect to the Development are estimated based a determination of the expenses reflected in the Budget for the Village's Funds that would be affected by the construction of the Development. Table 18 provides an analysis of the expenses in the Village's Funds that are expected to increase due to the Development. Additional expenditures for the Village are only expected to relate to Finance Department, Street and Bridge, Sanitation, Forestry, Parks & Parkways, Street Lighting, and Sewers accounted for in the Village's General Fund. The other expense categories within the General Fund are not expected to be impacted by the Development nor are the expenses accounted for in the Pension Fund and the Lake Bluff Library Fund due to the minimal number of additional residents projected to be generated by the Development (approximately 5% increase in population). The analysis in Table 18 further provides for a further adjustment to reflect the amount of expenses that relate to the residential portion of the Village.

The analysis herein also assumes that the Water Fund will continue to be operated as an enterprise fund of the Village. Based on the assumption that the Village is expected to charge sufficient fees in order to provide for the operation and maintenance of the water system, the Development is assumed to contribute sufficient revenues that would be available to provide for the operation and maintenance with respect to the Development.

Furthermore, the analysis assumes that all other recapture fees, permit fees and licensing fees imposed by the Village will be used to provide for the payment of all related costs of the Development.

**Table 18  
Operating Budget Analysis**

All Major Activities Summary <sup>(1)</sup>	Expenditures	Less Other Adjustments	Total Adjusted Expenditures	Residential Portion of Total Adjusted Expend. <sup>(8)</sup>	Non-Residential Portion of Total Adjusted Expend. <sup>(8)</sup>
Village General Fund <sup>(2)</sup>					
Administrator's Office	1,531,180	1,531,180 <sup>(5)</sup>	0	0	0
Finance	468,265		468,265	416,756	51,509
Boards & Commissions	60,840	60,840 <sup>(5)</sup>	0	0	0
Community Development	347,390	347,390 <sup>(5)</sup>	0	0	0
Village Hall Building	92,500	92,500 <sup>(5)</sup>	0	0	0
Village Properties	3,600	3,600 <sup>(5)</sup>	0	0	0
Police Sworn Officers	2,720,130	2,525,130 <sup>(6)</sup>	195,000 <sup>(6)</sup>	173,550	21,450
Police Dispatch Operations	717,550	717,550 <sup>(5)</sup>	0	0	0
Crossing Guards	9,600	9,600 <sup>(5)</sup>	0	0	0
Fire Division	767,975	365,100 <sup>(7)</sup>	402,875 <sup>(7)</sup>	358,559	44,316
Public Safety Building	100,750	100,750 <sup>(5)</sup>	0	0	0
Streets, Bridges & Lighting	610,730	0	610,730	543,550	67,180
Sanitation	617,610	0	617,610	617,610 <sup>(7)</sup>	0
Forestry	186,735	0	186,735	166,194	20,541
Parks & Parkways	112,585	0	112,585	100,201	12,384
Sewers	214,730	0	214,730	191,110	23,620
Public Works Center	104,135	104,135 <sup>(5)</sup>	0	0	0
Commuter Station	91,725	91,725 <sup>(5)</sup>	0	0	0
Public Works Cap. Imp.	748,800	748,800 <sup>(5)</sup>	0	0	0
Police Pension Fund <sup>(3)</sup>	875,947	875,947 <sup>(5)</sup>	0	0	0
IL Mun. Retirement Fund	194,205	194,205 <sup>(5)</sup>	0	0	0
Social Security Fund	233,460	233,460 <sup>(5)</sup>	0	0	0
Lake Bluff Public Library <sup>(4)</sup>	884,866	884,866 <sup>(5)</sup>	0	0	0
<b>Total Adjusted Expenditures</b>	<b>11,695,308</b>	<b>6,698,300</b>	<b>2,808,530</b>	<b>2,567,529</b>	<b>241,001</b>

Notes:

<sup>(1)</sup>Excludes analysis of special revenue funds that use special revenues to provide for expenditures (i.e. Water Fund, E911 Fund, Spec. Fire, Motor Fuel Tax, Debt Service, Capital Project)

<sup>(2)</sup>Based on Village's Tentative FYE 2015 Budget - the remaining funds have not been included: each of which funds have either special sources of revenues or receive transfers from the General Fund and which have expenses that equal the revenues received

<sup>(3)</sup>Reflects budgeted expenditures minus miscellaneous sources of revenues

<sup>(4)</sup>Based on Tentative FYE 2015 Budget for Lake Bluff Public Library - the remaining funds have not been included each of which funds have a special sources of revenues

<sup>(5)</sup>Adjustments were made to reflect that the relatively small addition of 98 residential units would not have an impact on various general government expenses nor would the construction of the units cause the Village to incur any additional capital expenditures

<sup>(6)</sup>Due to relatively small addition of 98 residential units, only additional overtime by the Police Department is assumed to be necessary

<sup>(7)</sup>Due to relatively small addition of units added, additional expenses related to the pay for volunteer firefighters and the contractual ambulance services are assumed to be necessary

<sup>(8)</sup>Other than for Sanitation (which is solely for residential service), the Residential Portion (89%) is determined by dividing the Village's 2013 Residential EAV (\$432,581,864) by the Village's Total 2013 EAV (\$484,263,512) with the remaining portion assumed to be commercial, industrial and farm

The analysis in the following Table 19 provides an analysis of the amount of expenses that each new resident is expected to generate (\$449) for the Village as determined by dividing the Total Adjusted Expenditures (\$2,567,529) by the Village’s population (5,722). Upon completion of the Development, the Village is projected to have additional annual expenses of \$128,780.

**Table 19**  
**Estimated New Expenses**

Year of Occupancy	2013	2014	2015	2016	2017	2018	2019
<b>Residential</b>							
Total Number of New Residents <sup>(1)</sup>	0	0	0	28	128	237	287
Additional Operating Expense Per Resident <sup>(2)</sup>	449	449	449	449	449	449	449
Adjusted Additional Operating Expenditures	0	0	0	12,564	57,435	106,345	128,780

Notes:

<sup>(1)</sup> Reflects the addition of 98 units to the on the Property commencing in 2016

<sup>(2)</sup> Determined by dividing the Residential Portion of Total Adjusted Expenditures by the Village's 2010 Census Total Population (5,722)

**C. Net Fiscal Impact To Village**

The analysis in the following Table 20 indicates that the projected annual operating revenues will exceed annual operating expenditures for Village by \$228,441 (the “Village Annual Fiscal Impact”) in the years following the completion of the Development and the 2020 U.S. Census. The analysis in Table 20 also indicates that the cumulative fiscal impact is projected to be \$3,373,806 over a twenty-year period (the “Village Total Fiscal Impact”). Furthermore, the analysis in Table 20 indicates that the total Village Annual Fiscal Impact and the Village Base EAV Taxes are projected to be \$248,749 in the years following the completion of the Development with a cumulative amount of Village Total Fiscal Impact and Village Base EAV Property Taxes of \$3,779,970 over a twenty year period.

The surplus may be used by the Village to maintain or increase the quality of the Village’s infrastructure, facilities and services at a lower cost to the residents of the Village. This study does not attempt to evaluate the need for the construction of additional facilities since the Development (i) will include new infrastructure improvements, and (ii) will likely result in a small increase in the projected number of additional residents (a 4.8% increase in residents).

**Table 20**  
**Village Fiscal Impact**

Year of Occupancy	Base EAV Revenues			Additional City Revenues										Annual Fiscal Impact		Cumulative	
	Base EAV <sup>(1)</sup>	Tax Rate <sup>(2)</sup>	Property Tax <sup>(3)</sup>	Property Taxes	Sales Taxes	Utility Taxes	State Inc. Tax Share	MFT Share	State Use Tax Share	Total Tax Revenues	Additional Operating Expenses	Annual Fiscal Impact	Total Ann. Fiscal Impact and Base EAV Prop. Tax	Total Ann. Fiscal Impact and Base EAV Prop. Tax			
2013	2,482,667	0.818%	N/A	0	0	0	0	0	0	0	0	0	N/A	N/A			
2014	2,482,667	0.818%	20,308	0	0	0	0	0	0	0	0	0	20,308	20,308			
2015	2,482,667	0.818%	20,308	0	0	0	0	0	0	0	0	0	20,308	40,616			
2016	2,482,667	0.818%	20,308	0	12,808	12,816	0	0	0	25,623	12,564	13,059	33,368	73,984			
2017	2,482,667	0.818%	20,308	18,770	21,831	21,845	0	0	0	62,446	57,435	5,011	33,368	99,303			
2018	2,482,667	0.818%	20,308	108,722	26,780	26,797	0	0	0	162,298	106,345	55,954	76,262	175,565			
2019	2,482,667	0.818%	20,308	213,173	28,526	28,544	0	0	0	270,243	128,780	141,463	161,771	337,337			
2020	2,482,667	0.818%	20,308	260,301	28,526	28,544	0	0	0	317,371	128,780	188,591	208,899	546,235			
2021	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	794,984			
2022	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	1,043,733			
2023	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	1,292,482			
2024	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	1,541,231			
2025	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	1,789,979			
2026	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	2,038,728			
2027	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	2,287,477			
2028	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	2,536,226			
2029	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	2,784,975			
2030	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	3,033,723			
2031	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	3,282,472			
2032	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	3,531,221			
2033	2,482,667	0.818%	20,308	260,301	28,526	28,544	27,896	7,075	4,879	357,221	128,780	228,441	248,749	3,779,970			
Totals			406,164	3,984,876	489,309	489,619	362,653	91,969	63,427	5,481,854	2,108,048	3,373,806	3,779,970	3,779,970			

<sup>(1)</sup>The total equalized assessed value of the Property for the 2013 tax year

<sup>(2)</sup>2013 Village Tax Rate (includes tax rate for Library and Pension)

<sup>(3)</sup>Property tax revenues generated by the Property without any development based on the assessed value of the project site and the Village Tax Rate for the 2013 tax year

## **APPENDIX A**

### **Sources Utilized For Analysis**

## Appendix A

### Sources Utilized for Analysis

- 1) Lake County Assessor's Office
- 2) Lake County Clerk's Office
- 3) Village of Lake Bluff, Illinois
- 4) The Roanoke Group
- 5) Lake Forest High School District 115
- 6) Lake Bluff School District 65
- 7) Illinois State Board of Education
- 8) John Burns Real Estate Consulting Pricing and Absorption Analysis
- 9) Kane, McKenna and Associates, Inc. File Comparable Material