FY 2023
ANNUAL TAX INCREMENT FINANCE REPORT

SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

Name of Municipality:	**Lake Zurich**	Reporting Fiscal Year:	**2023**
County:	Lake County	Fiscal Year End:	**12/31/2023**
Unit Code:	**049/100/32**		

FY 2023 TIF Administrator Contact Information-Required

First Name:	**Ray**	Last Name:	**Keller**		
Address:	70 E. Main Street	Title:	Village Manager		
Telephone:	847-438-5141	City:	Lake Zurich	Zip:	60047
E-mail	**ray.keller@lakezurich.org**				

I attest to the best of my knowledge, that this FY 2023 report of the redevelopment project area(s)

in the **City/Village** of: **Lake Zurich**

is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

R.Keller

Written signature of TIF Administrator

8/6/24

Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTICT

Name of Redevelopment Project Area	Date Designated MM/DD/YYYY	Date Terminated MM/DD/YYYY
TIF 1	3/18/2002	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Lake Zurich Downtown Redevelopment

Primary Use of Redevelopment Project Area*: Mixed

*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

If "Combination/Mixed" List Component Types: Retail/Residential

Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one):

Tax Increment Allocation Redevelopment Act	X
Industrial Jobs Recovery Law	______

Please utilize the information below to properly label the Attachments.

	No	Yes
For redevelopment projects beginning prior to FY 2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] **If yes, please enclose the amendment (labeled Attachment A).** For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] **If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A).**	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] **Please enclose the CEO Certification (labeled Attachment B).**		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] **Please enclose the Legal Counsel Opinion (labeled Attachment C).**		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] **If yes, please enclose the Activities Statement (labled Attachment D)**		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] **If yes, please enclose the Agreement(s) (labeled Attachment E).**	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] **If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).**	X	
Were there any reports ***submitted to*** the municipality ***by*** the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] **If yes, please enclose the Joint Review Board Report (labeled Attachment H).**		X
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] **If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J).**	X	
An analysis prepared by a financial advisor or underwriter, chosen by the municipality, setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] **If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter MUST be attached (labeled Attachment J).**	X	
Has a cumulative of $100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) **If yes, please enclose audited financial statements of the special tax allocation fund (labeled Attachment K).**		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than $100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] **If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).**		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] **If yes, please enclose the list only, not actual agreements (labeled Attachment M).**	X	
For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. **If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N).**	X	

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2023

Name of Redevelopment Project Area:

Lake Zurich Downtown Redevelopment

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period	$ (853,038)

SOURCE of Revenue/Cash Receipts:	**Revenue/Cash Receipts for Current Reporting Year**	**Cumulative Totals of Revenue/Cash Receipts for life of TIF**	**% of Total**
Property Tax Increment	$ 1,534,947	$ 24,241,833	25%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	$ 52,563	$ 655,011	1%
Land/Building Sale Proceeds			0%
Bond Proceeds		$ 62,998,576	64%
Transfers from Municipal Sources	$ 1,241,000	$ 13,684,000	14%
Private Sources			0%
Other (identify source _____________; if multiple other sources, attach schedule)		$ (3,473,654)	-4%

All Amount Deposited in Special Tax Allocation Fund	$ 2,828,510		
Cumulative Total Revenues/Cash Receipts		$ 98,105,766	100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	$ 2,619,419
Transfers to Municipal Sources	
Distribution of Surplus	
Total Expenditures/Disbursements	$ 2,619,419
Net/Income/Cash Receipts Over/(Under) Cash Disbursements	$ 209,091
Previous Year Adjustment (Explain Below)	
FUND BALANCE, END OF REPORTING PERIOD*	$ (643,947)

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

SECTION 3.2 A [65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c)]

FY 2023

Name of Redevelopment Project Area:

Lake Zurich Downtown Redevelopment

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	**Amounts**	**Reporting Fiscal Year**
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
Accounting Services	440	
Training and Meetings	1,190	
Memberships	650	
		$ 2,280
2. Annual administrative cost.		
		$ -
3. Cost of marketing sites.		
		$ -
4. Property assembly cost and site preparation costs.		
		$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		$ -
6. Costs of the constructuion of public works or improvements.		
		$ -

SECTION 3.2 A
PAGE 2

7. Costs of eliminating or removing contaminants and other impediments.		
		$ -
8. Cost of job training and retraining projects.		
		$ -
9. Financing costs.		
Principal Fees	1,440,000	
Interest Fees	591,978	
Bond Issue Fees	13,000	
Paying Agent Fees	3,053	
		$ 2,048,031
10. Capital costs.		
		$ -
11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.		
Lake Zurich School District	569,108	
		$ 569,108
12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.		
		$ -

SECTION 3.2 A
PAGE 3

13. Relocation costs.		
		$ -
14. Payments in lieu of taxes.		
		$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		$ -
17. Cost of day care services.		
		$ -
18. Other.		
		$ -

TOTAL ITEMIZED EXPENDITURES		**$ 2,619,419**

Section 3.2 B [Information in the following section is not required by law, but may be helpful in creating fiscal transparency.]

FY 2023

Name of Redevelopment Project Area:

Lake Zurich Downtown Redevelopment

List all vendors, including other municipal funds, that were paid in excess of $10,000 during the current reporting year.

Name	Service	Amount
Bank of New York Mellon	Principal/Interest/Agent Fees	$ 2,035,030.00
Lake Zurich School District	Impact Fee	$ 569,107.79

SECTION 3.3 [65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d]

FY 2023

Name of Redevelopment Project Area:

Lake Zurich Downtown Redevelopment

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FUND BALANCE BY SOURCE	$ (643,947)

1. Description of Debt Obligations	**Amount of Original Issuance**	**Amount Designated**
TIF Alternate Revenue Bonds 2009A	$ 13,901,225	$ -
TIF Alternate Revenue Bonds 2014A	$ 7,453,458	$ 829,150
TIF Alternate Revenue Bonds 2015A	$ 18,394,435	$ 14,818,357
TIF Alternate Revenue Bonds 2016A	$ 8,305,546	$ 4,852,124
Advance Due to General Fund	$ 1,746,000	$ 1,435,000
Total Amount Designated for Obligations	$ 49,800,664	$ 21,934,631

2. Description of Project Costs to be Paid	**Amount of Original Issuance**	**Amount Designated**
Total Amount Designated for Project Costs		$ -

TOTAL AMOUNT DESIGNATED	$ 21,934,631
SURPLUS/(DEFICIT)	$ (22,578,578)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2023

Name of Redevelopment Project Area:

Lake Zurich Downtown Redevelopment

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X	**Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area.**

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Lake Zurich Downtown Redevelopment

PAGE 1

Page 1 MUST be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select ONE of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	

2. The municipality **DID** undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.)	X
2a. The total number of **ALL** activities undertaken in furtherance of the objectives of the redevelopment plan:	7
2b. The total number of **NEW** projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Revelopment Project area, if any.	0

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	**11/1/99 to Date**	**Estimated Investment for Subsequent Fiscal Year**	**Total Estimated to Complete Project**
Private Investment Undertaken (See Instructions)	$ 54,120,000	$ -	$ -
Public Investment Undertaken	$ 18,459,493	$ -	$ -
Ratio of Private/Public Investment	2 41/44		0

Project 1 Name: Promenade

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 997,054		
Ratio of Private/Public Investment	0		0

Project 2 Name: Streetscape

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 790,487		
Ratio of Private/Public Investment	0		0

Project 3 Name: Property Acquisitions

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 12,343,933		
Ratio of Private/Public Investment	0		0

Project 4 Name: Concorde Development

Private Investment Undertaken (See Instructions)	$ 54,000,000		
Public Investment Undertaken	$ 4,000,000		
Ratio of Private/Public Investment	13 1/2		0

Project 5 Name: 20 E. Main St

Private Investment Undertaken (See Instructions)	$ 120,000		
Public Investment Undertaken	$ 12,000		
Ratio of Private/Public Investment	10		0

Project 6 Name: Property Enhancements

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 134,894		
Ratio of Private/Public Investment	0		0

PAGE 2 **ATTACH ONLY IF PROJECTS ARE LISTED**

Project 7 Name: Building Demolitions

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 181,125		
Ratio of Private/Public Investment	0		0

Project 8 Name:

Private Investment Undertaken (See Instructions)	$ -		
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

PAGE 3 **ATTACH ONLY IF PROJECTS ARE LISTED**

Project 16 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

SECTION 6 [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.
SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))]

FY 2023
Name of Redevelopment Project Area:
Lake Zurich Downtown Redevelopment

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

Number of Jobs Retained	Number of Jobs Created	Job Description and Type (Temporary or Permanent)	Total Salaries Paid
			$ -

SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.

Project Name	The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement.		The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement.	
	Temporary	Permanent	Temporary	Permanent

SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.

Project Name	The amount of increment projected to be created at the time of approval of the redevelopment agreement.	The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement.

SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, IF ANY:

Project Name	Stated Rate of Return

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Lake Zurich Downtown Redevelopment

Provide a general description of the redevelopment project area using only major boundaries.

Optional Documents	**Enclosed**
Legal description of redevelopment project area	
Map of District	

SECTION 8 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Lake Zurich Downtown Redevelopment

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area.

Year of Designation	Base EAV	Reporting Fiscal Year EAV
2002	$ 3,032,709	22,511,290

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

X	**Indicate an 'X' if the overlapping taxing districts did not receive a surplus.**

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
County of Lake	$ -
Lake County Forest Preserve	$ -
Ela Township	$ -
Ela Township Road District	$ -
Lake Zurich Community School District #95	$ -
College of Lake County #532	$ -
Ela Public Llibrary	$ -
Village of Lake Zurich	$ -
	$ -
	$ -
	$ -
	$ -
	$ -

FINANCE DEPARTMENT

70 East Main Street
Lake Zurich, Illinois 60047

(847) 438-5141
LakeZurich.org

At the Heart of Community

ATTACHMENT B

August 9, 2024

Members of TIF Joint Review Board
of Effected Taxing Bodies

Re: Lake Zurich Downtown Redevelopment

Please be informed that I, Ray Keller, the duly appointed Chief Executive Officer of the Village of Lake Zurich, County of Lake, State of Illinois, and as such, certify that, to the best of my knowledge the Village of Lake Zurich has complied with all the requirements of the Tax Increment Allocation Redevelopment Act as set forth in the Section 11-74, 4-5 of Chapter 24 of the Illinois Revised Statutes during the municipal fiscal year of January 1, 2023 – December 31, 2023.

Sincerely,

Ray Keller

Ray Keller
Village Manager
Village of Lake Zurich, Illinois

Village of Lake Zurich
Unit Code: 049/100/32

ATTACHMENT C

KTJ
Klein, Thorpe & Jenkins, Ltd.

20 N. Wacker Drive, Ste 1660
Chicago, Illinois 60606-2903
T 312 984 6400 **F** 312 984 6444

15010 S. Ravinia Avenue, Ste 10
Orland Park, Illinois 60462-5353
T 708 349 3888 **F** 708 349 1506

DD 312 984 6421
sfuhler@ktjlaw.com

www.ktjlaw.com

OPINION OF LEGAL COUNSEL
Village of Lake Zurich

RE: Lake Zurich TIF # 1
(Date Designated March 18, 2002)
Section 11-74,4-5(d)(4) Illinois Tax Increment
Allocation Redevelopment Act Review

FROM: Klein, Thorpe & Jenkins, Ltd.

August 14, 2024

We serve as general legal counsel to the Village of Lake Zurich. We have had the opportunity to review that information related to the above tax increment financing district in the Village that has been provided to us by Village staff and the Village TIF consultants. Pursuant to Section 11-74,4-5(d)(4) of the Illinois Tax Increment Redevelopment Allocation Act, based on such information and to the best of our knowledge and belief, it is our opinion the Village of Lake Zurich is in compliance with the applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act for the fiscal year beginning January 1, 2023 and ending December 31, 2023, for the above tax increment financing district.

Klein, Thorpe & Jenkins, Ltd.

// Scott F. Uhler //

Scott F. Uhler

565003_1
2017671_1

FINANCE DEPARTMENT

70 East Main Street
Lake Zurich, Illinois 60047

(847) 438-5141
LakeZurich.org

At the Heart of Community

August 9, 2024

ATTACHMENT D

Office of the Illinois Comptroller
Local Government Division
Suite 15-500
100 W. Randolph Street
Chicago, Illinois 60601

To Whom It May Concern:

Statement of Activities

Background

The Village of Lake Zurich created the Tax Increment Financing (TIF) district on March 18, 2002. The TIF district is now comprised of approximately a 55-acre area. It is designed to re-establish the downtown as a vibrant, mixed-use area, and strengthen the economic well-being and quality of life in the downtown by providing resources for redevelopment. Also, it provides resources for additional parking, streetscaping and landscaping to create a distinct area and to link its diverse land uses. In addition, the TIF facilitates the improvement and expansion of existing public facilities, such as parks and parking.

The TIF district was originated with the following objectives:

- Maintain and support the distinct character of the downtown
- Promote a thriving commercial and residential environment
- Create a pedestrian-friendly environment
- Develop a public promenade along the waterfront
- Enhance accessibility to Breezewald Park
- Create a "face" of the Village along Route 22

Lake Zurich had a successful project implementation in the TIF district with the Grace-Dearborn property, an industrial land property that stood empty and uninhabited for many years. This property was reinvented and it is now an established residential community with 275 homes.

The Village's downtown streetscape and lakefront promenade were renovated thanks to TIF funds. The Village created a variety of landscape and infrastructure improvements that make the lakefront the new focal point of the downtown.

During FY 2015 an innovative plan was formulated in order to save the downtown TIF from decreasing property values and high debt payments. The Village succeeded in receiving approval from local taxing bodies and state legislators to restructure the TIF district. The original 70-acre TIF district was restructured. The approval allowed the Village to remove undevelopable parcels that were hurting property tax increases. Of the original 576 parcels, 302 parcels were removed. The downtown TIF district now sits on the southeast corner of the lake, most parcels between Main St and Route 22. The restructuring allowed the Village to spread the $1 million in debt payments the Village was facing. The approval of the restructuring effectively added an additional 12 years of life to the original TIF district and in turn spread the debt over the new longer life. A new TIF district, TIF #2 was added from 181 parcels, most of which were removed from the original TIF district.

As of the end of FY 2015, prior properties reported now fall under TIF #2 per the boundary change.

- Block A
- Block C

2023 Activities

Block G – Corner of Route 22 and Old Rand Road

The development of Canterbury Townes completed construction of its nine buildings. All of the units have sold.

The Village has not acquired any new property within the TIF during FY 2023.

Future Activities

Currently, there are no concrete plans for the development of any other properties within TIF #1.

Financial

The Village received approximately $1,587,510 in revenues for fiscal year 2023, an increase of 11.2% from last fiscal year. The majority of revenues, $1,534,947, was from real estate taxes. The remaining $52,563 was from investment income.

Expenditures totaled $2,619,419, an increase of 1% from last fiscal year 2022. Expenditures include $650 for memberships, $440 for accounting services, $1,190 for training and meetings, and $569,108 for school district impact fee, as well as $2.0M for debt service due to a refunding bond series issued during the fiscal year.

For fiscal year 2023, the total principal and interest for TIF debt was $2,031,978. Additionally, bond proceeds of $1,241,000 were recorded as an other financing source. Debt service accounts for 78% of total expenses and cash disbursements. There is currently $17.0M in outstanding principal for TIF related debt. Including scheduled interest and an advance from

General Fund, the total debt obligation for TIF debt is currently $21.9M. Annual payments will remain around the $1.6M to $2.1M per year mark until December of 2034, when the current debt will all be paid off.

While the original frozen equalized assessed valuation (EAV) was $12,606,191 the removal of 302 parcels reduced the frozen EAV to $3,032,709. The 2023 (2022 Tax Year) EAV reported was $22,511,290, an increase of about 6.2% from the 2022 (2021 Tax Year) EAV. The Village is pleased the restructuring of the TIF Districts is promoting stable values as well as providing focus for development activities for the TIF districts.

The Village of Lake Zurich.

VILLAGE OF LAKE ZURICH
JOINT REVIEW BOARD for the VILLAGE OF LAKE ZURICH
Tax Increment Financing Redevelopment Project Area #1 – Concord Village TIF

70 East Main Street
Thursday, August 31, 2023 10:00 am

1. **CALL TO ORDER** by Village Manager Ray Keller at 10.05am.
2. **ROLL CALL** Village of Lake Zurich – Mayor Thomas M. Poynton, Lake County – No representative; Ela Township – Township Manager Ted Marciniak; Community College District No. 532 – No representative; Ela Area Public Library – Natalie Ziarnik; Community School District No. 95 – Dr. Dean Romero. Guests: - David Williams, Elvira Michalek, Orlando Stratman. Staff present: - Michael Duebner, Management Services Dir., Community Development Sarosh Saher and Kyle Kordell, Asst to the Village Manager.
3. **NOMINATION AND SELECTION OF PUBLIC MEMBER.** A motion was made by Ted Marciniak, seconded by Dean Romero, to appoint Dave Williams as the Public Member.
   AYES: 4; NAYS: 0; ABSENT: 2. VOICE VOTE
   MOTION CARRIED.
4. **NOMINATION AND SELECTION OF CHAIRPERSON** A motion was made by Mayor Poynton, seconded by Dean Romero, to nominate V.M. Ray Keller as chairperson.
   AYES: 4; NAYS: 0; ABSENT: 2. VOICE VOTE MOTION CARRIED.
5. **PUBLIC COMMENT**
   There were none.
6. **APPROVAL OF JOINT REVIEW BOARD MINUTES, AUGUST 31, 2022.**
   Motion was made by Mayor Poynton, seconded by Natalie Ziarnick, to approve the minutes of 8/31/22.
   AYES: 5; NAYS: 0; ABSENT: 2. VOICE VOTE MOTION CARRIED.
7. **REVIEW OF TIF FINANCIAL REPORT**
   Finance Dir. Amy Sparkowski presented the financial report, highlighting the Financial part of Attachment D as reported to the Illinois Comptroller and **8. JOINT REVIEW BOARD DISCUSSION -** V.M. Ray Keller explained the reorganization of TIF #1 and TIF #2 and stated the TIF #1 carries the debt which will be paid by 2034. The almost finished Canterbury Estates will be on next year's roll. Lake Zurich Lumber property is being offered for sale but no buyers.
9. **ADJOURNMENT.** Motion to adjourn the meeting at 10.15am was made by Ted Marciniak, seconded by Dean Romero.
   AYES: 5; NAYS: 0; ABSENT: 2. VOICE VOTE MOTION CARRIED.

Respectfully submitted:
Kathleen Johnson, Village Clerk of Lake Zurich.

Approved by:

______________________________ __________
Name Date.

ATTACHMENT K

VILLAGE OF LAKE ZURICH, ILLINOIS

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2023

	TIF SPECIAL TAX ALLOCATION	TIF DEBT SERVICE	**CONSOLIDATED TOTAL**
ASSETS			
Cash and Investments	$ 362,705	$ 428,348	**$ 791,053**
Property Taxes Receivable	1,531,877	-	**1,531,877**
Accrued Interest Receivable	-	-	**-**
Prepaid Expenses	-	-	**-**
TOTAL ASSETS	$ 1,894,582	$ 428,348	**$ 2,322,930**
LIABILITIES & FUND BALANCES			
Accounts Payable	$ -	$ -	**$ -**
Advance From Other Funds	135,000	1,300,000	**1,435,000**
Property Taxes Levied for Future Periods	1,531,877	-	**1,531,877**
TOTAL LIABILITIES & DEFERRED INFLOWS	$ 1,666,877	$ 1,300,000	**$ 2,966,877**
FUND BALANCES	$ 227,705	$ (871,652)	**$ (643,947)**
TOTAL LIABILITIES AND FUND BALANCES	**$ 1,894,582**	**$ 428,348**	**$ 2,322,930**

Village of Lake Zurich
Unit Code: 049/100/32

ATTACHMENT K

VILLAGE OF LAKE ZURICH, ILLINOIS

CONSOLIDATED STATEMENT OF OPERATIONS

DECEMBER 31, 2023

	TIF SPECIAL TAX ALLOCATION	TIF DEBT SERVICE	TIF CAPITAL PROJECTS	**CONSOLIDATED TOTAL**
REVENUES				
Property Taxes	$ 1,534,947	$ -	$ -	**$ 1,534,947**
Reimbursements - Bond Overpayment	-	-	-	**-**
Interest Income	34,986	17,577	-	**52,563**
TOTAL REVENUES	$ 1,569,933	$ 17,577	$ -	**$ 1,587,510**
EXPENDITURES				
Legal Services	$ -	$ -	$ -	**$ -**
Other Professional Services	440	-	-	**440**
Training and Meetings	1,190	-	-	**1,190**
Memberships and Subscriptions	650	-	-	**650**
School District 95 TIF Recovery Costs	569,108	-	-	**569,108**
Debt Service - Principal	-	1,440,000	-	**1,440,000**
Debt Service - Interest	-	591,978	-	**591,978**
Paying Agent Fees	-	3,053	-	**3,053**
Bond Issuance Costs	-	13,000	-	**13,000**
TOTAL EXPENDITURES	$ 571,388	$ 2,048,031	$ -	**$ 2,619,419**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 998,545	$ (2,030,454)	$ -	**$ (1,031,909)**
OTHER FINANCING SOURCES (USES)				
Transfers (To)| From	$ (845,000)	$ 2,086,000	$ -	**$ 1,241,000**
Proceeds from bond issuance, at par	-	-		**-**
Payment to escrow agent	-	-		**-**
TOTAL OTHER FINANCING SOURCES (USES)	$ (845,000)	$ 2,086,000	$ -	**$ 1,241,000**
FUND BALANCES, JAN 1	$ 74,160	$ (927,198)	$ -	**$ (853,038)**
FUND BALANCES, DECEMBER 31	**$ 227,705**	**$ (871,652)**	**$ -**	**$ (643,947)**

Village of Lake Zurich
Unit Code: 049/100/32

ATTACHMENT L

Independent Auditors' Compliance Report

To the Honorable President and
Members of the Board of Trustees of
Village of Lake Zurich, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Lake Zurich, Illinois, as of and for the year ended December 31, 2023, and have issued our report thereon dated June 26, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Village failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, insofar as it relates to accounting matters for the Lake Zurich Downtown Redevelopment Tax Increment Financing District, the Downtown Tax Increment Financing District #2 Redevelopment and Rand Road Tax Increment Financing District. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the Board of Trustees, management, the State of Illinois, and others within the Village and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly US, LLP

Oak Brook, Illinois
June 26, 2024