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## Redwood Fox River Grove

### Economic Analysis

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#### Purpose

The Village of Fox River Grove requires an economic impact analysis in relation to Redwood USA LLC's zoning application for Redwood Fox River Grove, an attached, single-family townhome neighborhood situated at 28255 West State Route 22 in Fox River Grove (the "Neighborhood"), to reflect the long-term impact of the proposed development on the Village as an organization. Estimates below are based on current pricing and spending practices and are not escalated for inflation.

#### About the Village

In 2020, the Village of Fox River Grove is estimated to have a population of 4,702 people with a median age of 37.9. According to data provided by SitesUSA REGIS Demographics, the median household income in the Village in 2020 was \$112,917.

REGIS data is pulled from 2010 – 2020 US Census data, Applied Geographic Solutions 11/2021, and TIGER Geography – RFULL9.

#### About the Neighborhood

The Neighborhood will offer 110 single-story, attached single-family townhomes and one office space. Construction is likely to begin in the second quarter of 2023. Starting rents will average \$2,400/month. With an expected market absorption of six homes per month, final build-out is expected in 2025.

Using historical data collected from the 13,800 homes in Redwood's 108-community portfolio, the Neighborhood is expected to welcome 1.65 residents per home, for a total of 182 residents. Redwood expects 8 of those residents will be schoolchildren. *Most residents will come from within a 3-mile radius of the Neighborhood.*

Per REGIS data, the population within a 3-mile radius of the Neighborhood is 23,762 people with a median income of \$121,080. Because most Redwood residents come from within a 3-mile radius of the neighborhood, the analyses below use the \$121,080 income number.

### Income Tax

In the Village, income tax is calculated on a per capita basis, with an estimate of \$128.33 per resident. With 110 homes x 1.65 people/home, the Neighborhood could be expected to generate \$23,291.90 in income tax revenue each year.

### Local Sales Tax

The Village of Fox River Grove levies a 1% local sales tax on eligible products within its corporate limits. The Villages estimates that an average home within its limits generates \$397.60/year in sales tax revenue. With 110 homes, the Neighborhood could be expected to generate \$43,736 in local sales tax revenue per year.

### Use Tax

In 1955, the General Assembly passed the Use Tax Act. Use Tax is a sales tax that the purchaser owes on items bought for use in Illinois. (If the seller does not collect at least 6.25 percent sales tax, the purchase must pay the difference to the Illinois Department of Revenue.) The most common purchases on which the seller does not collect Illinois Use Tax are those made via the internet, from a mail order catalog, or made when traveling outside Illinois. The Village estimates that each resident generates \$41.15/year in Use Tax. With 110 homes x 1.65 people/home, the Neighborhood could be expected to generate \$7,468.73 in Use Tax revenue each year.

### Motor Fuel Tax

The Motor Fuel Tax is imposed on the privilege of operating motor vehicles on public highways and recreational watercraft on waterways in Illinois. It is paid by distributors and suppliers who collect the tax from their customers. The Village estimates that each resident generates \$40.59/year in Motor Fuel Tax. With 110 homes x 1.65 people/home, the Neighborhood could be expected to generate \$7,367.09 in Motor Fuel Tax revenue each year.

### Municipal Utilities Tax

The Village's Municipal Utilities Tax ordinance allows the Village to collect from private utilities 5% of the gross receipts for gas and electricity distributed, supplied, furnished or sold in the Village. Based on historical use in the 13,800 homes in Redwood's portfolio, the Neighborhood is expected to generate \$9,306 in Municipal Utilities Tax annually.

Utility	Yearly			Total Tax
	Yearly Bill per Home	Neighborhood Bill (110 Homes)	Municipal Utility Tax	
Electric	\$1,152	\$126,720	5%	\$6,336
Gas	\$540	\$59,400	5%	\$2,970
<b>Total:</b>	<b>\$1,692</b>	<b>\$186,120</b>		<b>\$9,306</b>

### Utility Franchise Fees

The State allows local municipalities to charge an Excise Tax and Franchise Fee on certain utilities and telecom providers if provided by an investor-owned or public utility. Because it will utilize private utility providers, the Neighborhood will not generate Utility Franchise Fees.

### Simplified Municipal Tax

The Village’s Simplified Municipal Tax ordinance allows the Village to collect from private utilities 5% of the gross receipts for telecommunications distributed, supplied, furnished or sold in the Village. In the Village, the average home is estimated to generate \$30.50/year in Simplified Municipal Tax revenue. With 110 homes, the Neighborhood could be expected to generate \$3,355 in Simplified Municipal Tax revenue per year.

### Property Tax

The development will contain 110 single family attached homes, all of which will be 2-bedroom models, and one leasing office. If the project is approved, construction is likely to begin in the second quarter of 2023. Property tax consultants Ryan, LLC expect that the homes in the Neighborhood will likely appraise at a total of \$6,378,029 for property tax purposes, with total taxes of \$4,563.93 per home:

T A X F O R E C A S T						
	Actual	Forecast	Forecast	Forecast REVAL	Forecast	Forecast
Tax Year	2020	2021	2022	2023	2024	2025
Lien Date	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24	1/1/25
Fair Market Value	\$305,311	\$307,795	\$307,795	\$5,741,000	\$13,395,000	\$19,136,000
Market Value / Units	\$2,936	\$2,960	\$2,960	\$55,202	\$128,798	\$184,000
Assessment Ratio	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Total Assessed Value	\$101,760	\$102,588	\$102,588	\$1,913,475	\$4,464,554	\$6,378,029
Effective Tax Rate	2.443621%	2.455839%	2.468118%	2.455777%	2.468056%	2.480396%
RE Tax	\$7,461	\$7,559	\$7,597	\$140,986	\$330,596	\$474,649
Special Assessments	\$0	\$0	\$0	\$0	\$0	\$0
Total Tax	\$7,461	\$7,559	\$7,597	\$140,986	\$330,596	\$474,649
Total Tax / Units	\$71.74	\$72.68	\$73.05	\$1,355.64	\$3,178.81	\$4,563.93

The 2020 and 2021 FMVs are actual. The 2022 FMV is expected to remain flat. The 2023 value is expected to transition to commercial. The 2023 and 2024 values will be given a partial assessment based on construction completed as of the lien date. 2023 assumes 30% of the full value and 2024 assumes 70%. The 2025 full value is based on values of comparable properties in Lake County. The tax rate is based off the 2020 actual rate of 2.4436%. The rate is assumed to increase 0.5% in non-revaluation years. The rate is expected to decrease 0.5% in revaluation year (2023).

The Village currently receives tax revenues at a rate of .638492 per home. At the first year of build-out, the 110 homes in the Neighborhood are expected to generate \$40,723.20 in property tax revenues for the Village.

## Total Annual Revenue at Build-Out

<b>Annual Revenue at Build-Out</b>	<b>Amount</b>
Income Tax	\$23,291.90
Local Sales Tax	\$43,736.00
Use Tax	\$7,468.73
Motor Fuel Tax	\$7,367.09
Municipal Utilities Tax	\$9,306.00
Simplified Municipal Tax	\$3,355.00
Property Tax	\$40,723.20
<b>Total:</b>	<b>\$135,247.92</b>

## Impact/Connection Fees (One-Time)

As a best management practice, the Village charges various one-time fees for new construction. The Village will collect at the time of each building permit issuance for the Neighborhood a Library Impact fee, a Park Impact Fee, a School Impact Fee, and water and sewer connection fees. The Village also charges plan review and building permit fees that are not included in this analysis.

It is estimated that the Village will collect \$819,681.03 in impact fees during construction of the Neighborhood:

<b>Fee</b>	<b>Amount</b>
Barrington Library District	\$19,600.35
Park Impact Fee (Village)	\$51,334.25
Barrington School District 220	\$88,746.43
Water & Sewer Connection Fees (Village)	\$660,000.00
<b>Total:</b>	<b>\$819,681.03</b>

Appendix A

REGIS Demographic Report for the Area Surrounding the Neighborhood

[on the following page]

## Complete Profile

2010-2020 Census, 2021 Estimates with 2026 Projections  
 Calculated using Weighted Block Centroid from Block Groups

Lat/Lon: 42.1919/-88.1956

28855 W State Rte 22 Barrington, IL 60010	1 mi radius		3 mi radius		5 mi radius	
<b>Population</b>						
Estimated Population (2021)	2,899		23,635		82,473	
Projected Population (2026)	2,825		23,136		81,083	
Census Population (2020)	2,839		23,701		83,052	
Census Population (2010)	2,881		23,841		82,671	
Projected Annual Growth (2021-2026)	-	-74 -0.5%	-499 -0.4%	-1,390 -0.3%		
Historical Annual Growth (2020-2021)	-	60 -	-66 -0.3%	-579 -0.7%		
Historical Annual Growth (2010-2020)	-	-42 -0.1%	-140 -	381 -		
Estimated Population Density (2021)	psm	923 psm	836 psm	1,051 psm		
Trade Area Size	sq mi	3.1 sq mi	28.3 sq mi	78.5 sq mi		
<b>Households</b>						
Estimated Households (2021)	1,064		8,758		30,405	
Projected Households (2026)	1,071		8,856		30,874	
Census Households (2020)	1,047		8,803		30,545	
Census Households (2010)	1,054		8,613		29,448	
Projected Annual Growth (2021-2026)	-	7 0.1%	98 0.2%	469 0.3%		
Historical Annual Change (2010-2021)	-	10 -	145 0.2%	957 0.3%		
<b>Average Household Income</b>						
Estimated Average Household Income (2021)	\$170,543		\$161,534		\$153,054	
Projected Average Household Income (2026)	\$208,849		\$199,275		\$189,959	
Census Average Household Income (2010)	\$131,615		\$121,790		\$117,763	
Census Average Household Income (2000)	\$135,510		\$114,117		\$110,447	
Projected Annual Change (2021-2026)	-	\$38,305 4.5%	\$37,741 4.7%	\$36,905 4.8%		
Historical Annual Change (2000-2021)	-	\$35,033 1.2%	\$47,417 2.0%	\$42,607 1.8%		
<b>Median Household Income</b>						
Estimated Median Household Income (2021)	\$135,508		\$121,080		\$117,533	
Projected Median Household Income (2026)	\$157,334		\$140,327		\$136,246	
Census Median Household Income (2010)	\$100,079		\$92,455		\$90,104	
Census Median Household Income (2000)	\$91,858		\$84,152		\$84,597	
Projected Annual Change (2021-2026)	-	\$21,826 3.2%	\$19,247 3.2%	\$18,713 3.2%		
Historical Annual Change (2000-2021)	-	\$43,649 2.3%	\$36,928 2.1%	\$32,936 1.9%		
<b>Per Capita Income</b>						
Estimated Per Capita Income (2021)	\$62,708		\$59,899		\$56,471	
Projected Per Capita Income (2026)	\$79,280		\$76,321		\$72,377	
Census Per Capita Income (2010)	\$48,137		\$43,998		\$41,948	
Census Per Capita Income (2000)	\$46,189		\$39,533		\$37,845	
Projected Annual Change (2021-2026)	-	\$16,571 5.3%	\$16,422 5.5%	\$15,906 5.6%		
Historical Annual Change (2000-2021)	-	\$16,519 1.7%	\$20,366 2.5%	\$18,626 2.3%		
Estimated Average Household Net Worth (2021)	\$1.61 M		\$1.29 M		\$1.17 M	
<b>Monthly Household Consumer Expenditure (2021)</b>						
Total Household Expenditure	\$8,687		\$8,408		\$8,052	
Total Non-Retail Expenditure	-	\$4,633 53.3%	\$4,467 53.1%	\$4,272 53.1%		
Total Retail Expenditures	-	\$4,054 46.7%	\$3,941 46.9%	\$3,780 46.9%		
Apparel	-	\$315 3.6%	\$303 3.6%	\$290 3.6%		
Contributions	-	\$323 3.7%	\$304 3.6%	\$287 3.6%		
Education	-	\$321 3.7%	\$297 3.5%	\$280 3.5%		
Entertainment	-	\$513 5.9%	\$493 5.9%	\$472 5.9%		
Food and Beverages	-	\$1,239 14.3%	\$1,208 14.4%	\$1,160 14.4%		
Furnishings and Equipment	-	\$316 3.6%	\$304 3.6%	\$291 3.6%		
Gifts	-	\$252 2.9%	\$234 2.8%	\$220 2.7%		
Health Care	-	\$696 8.0%	\$683 8.1%	\$656 8.2%		
Household Operations	-	\$356 4.1%	\$341 4.1%	\$326 4.0%		
Miscellaneous Expenses	-	\$167 1.9%	\$161 1.9%	\$154 1.9%		
Personal Care	-	\$116 1.3%	\$113 1.3%	\$108 1.3%		
Personal Insurance	-	\$69 0.8%	\$66 0.8%	\$62 0.8%		
Reading	-	\$19 0.2%	\$19 0.2%	\$18 0.2%		
Shelter	-	\$1,813 20.9%	\$1,752 20.8%	\$1,679 20.9%		
Tobacco	-	\$41 0.5%	\$41 0.5%	\$40 0.5%		
Transportation	-	\$1,549 17.8%	\$1,514 18.0%	\$1,454 18.1%		
Utilities	-	\$582 6.7%	\$575 6.8%	\$554 6.9%		