

Draft dated October 09, 2018

**CITY OF BERWYN**

**TAX INCREMENT FINANCING STATUS REPORT**

**ROOSEVELT ROAD TAX INCREMENT FINANCING (TIF)  
DISTRICT**

**Prepared for:  
The City of Berwyn, Illinois**

**Prepared Jointly by:  
The Berwyn Development Corporation  
and  
Kane, McKenna and Associates, Inc.**

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**Roosevelt Road TIF District  
Designated January 28, 1997  
Amended in September 2000 and November 2009**

**CITY OF BERWYN  
STATUS REPORT  
ROOSEVELT ROAD TIF DISTRICT**

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## **INTRODUCTION AND BACKGROUND**

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Kane, McKenna and Associates, Inc. (“KMA”) drafted this report at the request of the City of Berwyn (the “City”) to provide a status report of the Roosevelt Road Tax Increment District,” the “Roosevelt Road TIF,” or the “RPA”).

### **The Redevelopment Project Area**

The City established the Redevelopment Project Area (“RPA”) in January 1997. The RPA was also amended in 2000 and 2009. The RPA contains approximately 27.5 acres. The RPA is roughly bounded by the frontage along the south side of Roosevelt Road between Lombard Avenue on the east and Maple Avenue on the west. The area contains mixed uses comprised of industrial, commercial, retail, and residential.

It is proposed that the TIF would be amended in order to provide for the twelve (12) year extension to the original TIF term of twenty-three (23) years. The extension is proposed in order to complete redevelopment activities that were delayed by the Great Recession and the resulting loss of revenues and delays in project implementation. This status report outlines the basis for the extension and a summary of redevelopment to date.

The RPA is an older, intensely developed corridor containing a mix of retail, commercial service and auto-oriented uses. In addition, limited residential and semi-industrial uses are also located along the Roosevelt Road corridor. Land uses are widely distributed along the corridor with minimal concentration of similar activities. Two shopping centers, located at the intersections of Roosevelt Road at Clarence Avenue and Wisconsin Avenue, provide a cluster of convenience retail and service uses. Various other uses along the corridor include the Abbey Home Health Care Facility; One Atrium Court residential development; a funeral home; and several restaurants.

The City’s Comprehensive Plan indicates that Roosevelt Road should continue to function as a general commercial district serving the northern portion of Berwyn as well as Oak Park and surrounding communities. It should continue to provide a range of retail, service, office and “heavy” commercial uses that cater to regional markets. The Comprehensive Plan also suggests the use of C-1: *Limited Commercial* in select locations to preserve certain blocks for neighborhood-oriented, convenience commercial development. To enhance the special character of the RPA, the Comprehensive Plan suggested various projects including: the restoration of historic buildings; storefront improvements; special sidewalk treatments and pedestrian amenities; extensive landscaping; joint use of low-occupancy, off-street parking; and a coordinated signage plan including gateway features at Harlem and Lombard Avenues, street light banners and building signs.

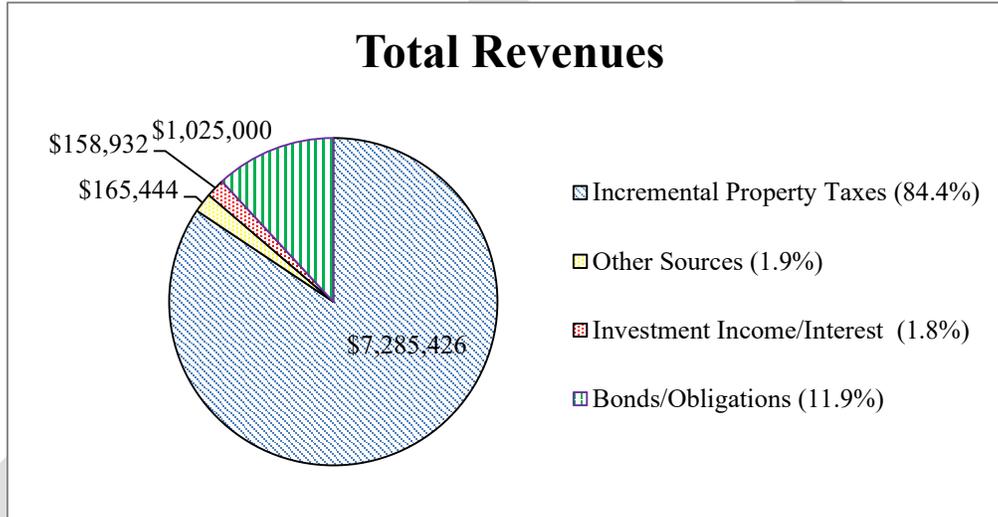
Typical of many mature suburban commercial corridors, development in the RPA occurred on a one-parcel, one building at a time basis, without the benefit or guidance of a comprehensive plan. Numerous manifestations of unplanned growth still exist within the Project Area, including small, irregularly shaped blocks, obsolete platting of parcels, vacant buildings, deteriorating building and site conditions, incompatible land-use relationships and buildings characterized by obsolescence. The TIF Plan implementation was designed to address many of these constraints.

## I. Revenue Generated within RPA

### TIF REVENUES CUMULATIVE TO DECEMBER 31, 2017

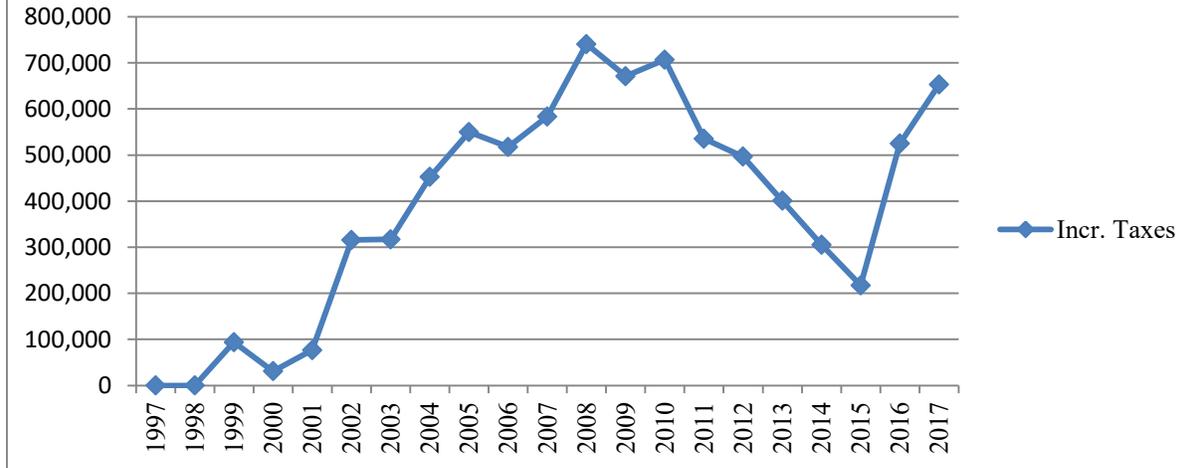
<u>Revenue Categories</u>	<u>Revenues</u>
Incremental Property Taxes	\$7,285,426
Other Sources	165,444
Investment Income/Interest	158,932
Bonds/Obligations	\$1,025,000 (note: prior issues would need to be included as this is a partial amount based on recent allocations)
<b>Total</b>	<b>\$8,634,802</b>

Source: Annual TIF Report FY 2017



The trend chart below identifies the impacts of the Great Recession on the City's TIF performance. EAV growth peaked in 2008 at \$19,600,001 and declined every year until 2016 and 2017. In the last two years, TIF revenues are first starting to move closer to pre - Recession amounts. As result many projects were most likely deferred or delayed due to cash flow.

## Incremental Property Taxes



### City of Berwyn Roosevelt Road TIF Valuation and Tax Increment Trends

Tax Year	Tax Year EAV	% Change	Base EAV	Incremental EAV	Incr. Taxes	% Change
1997	10,450,074		10,944,135	0	0	
1998	10,775,201	3.11%	10,944,135	0	0	
1999	11,656,281	8.18%	10,944,135	712,146	93,732	
2000	11,179,411	-4.09%	10,944,135	235,276	30,999	-66.93%
2001	11,523,611	3.08%	10,944,135	579,476	76,670	147.33%
2002	13,888,041	20.52%	10,944,135	2,943,906	315,586	311.62%
2003	13,732,585	-1.12%	10,944,135	2,788,450	317,121	0.49%
2004	14,974,275	9.04%	10,944,135	4,030,140	452,423	42.67%
2005	16,945,850	13.17%	10,944,135	6,001,715	549,697	21.50%
2006	16,571,366	-2.21%	10,944,135	5,627,231	517,423	-5.87%
2007	17,134,416	3.40%	10,944,135	6,190,281	583,557	12.78%
2008	19,600,001	14.39%	10,944,135	8,655,866	740,509	26.90%
2009	18,579,948	-5.20%	10,944,135	7,635,813	671,187	-9.36%
2010	18,870,577	1.56%	10,944,135	7,926,442	706,959	5.33%
2011	15,649,641	-17.07%	10,944,135	4,705,506	535,298	-24.28%
2012	14,513,442	-7.26%	10,944,135	3,569,307	496,342	-7.28%
2013	13,331,144	-8.15%	10,944,135	2,387,009	400,840	-19.24%
2014	12,454,664	-6.57%	10,944,135	1,510,529	305,326	-23.83%
2015	11,807,828	-5.19%	10,944,135	863,693	217,326	-28.82%
2016	12,857,687	8.89%	10,944,135	1,913,552	524,743	141.45%
2017	14,449,116	12.38%	10,944,135	3,504,981	652,730	24.39%

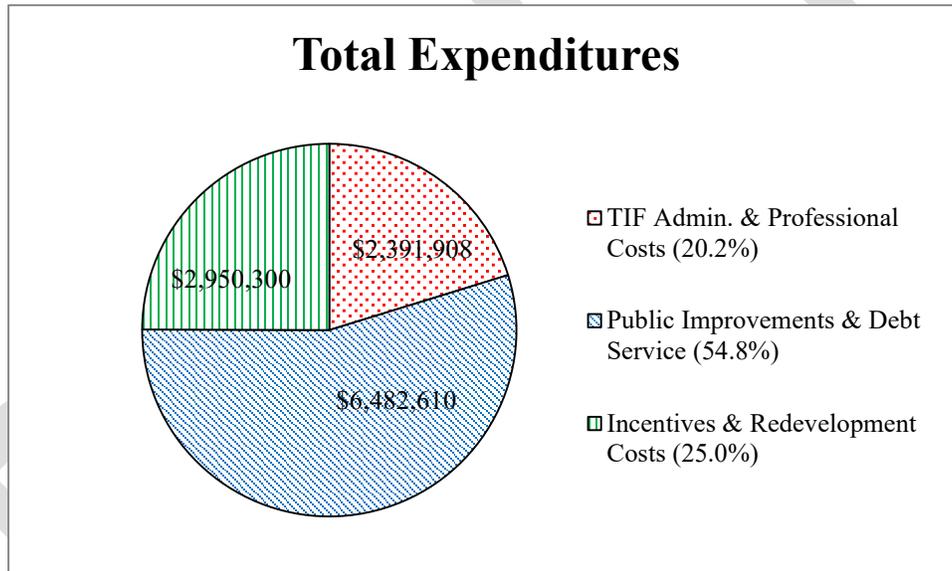
Source: Cook County Clerk's Office Note: Increment indicates the anticipated collections before non payments or protests

## II. Municipal Expenditures for the RPA

### MUNICIPAL EXPENDITURES WITHIN THE RPA

The following summary of expenditures is an approximation of the allocation of TIF revenues over the term of the TIF District. Some of the Public Improvement/Debt Service category may also include amounts for private projects or incentives – so the summary is fairly “high level”

<b>Expenditure Categories</b>	<b>Expenditures</b>
TIF Administration and Professional Costs	\$2,391,908
Public Improvements and Debt Service Costs	\$6,482,610
Incentives and Redevelopment Costs	\$2,950,300
<b>Total</b>	<b>\$11,824,818</b>



### **III. Status of Planned Activities, Goals and Objectives**

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The goals and objectives were designed in accordance with the City's zoning ordinance and comprehensive planning process and redevelopment goals for the Roosevelt Road area.

The City in 1997 recognized the need for implementation of a strategy to revitalize properties within the boundaries of the TIF District and to stimulate and enhance private development. Business attraction and expansion are key components of the strategy. The needed private investment was deemed to only be possible as a result of tax increment financing (TIF) adopted in 1997. Incremental property tax revenue generated by the development has and will continue to play a decisive role in encouraging private development. Site conditions that were identified to contain private investment in the past were addressed when revenues were available.

Since the inception of the TIF, the City has coordinated several redevelopment activities including the retention and expansion of the Turano Baking facility, several restaurant redevelopments (Capri, Wing Boss, Culvers) and redevelopment of commercial uses (Fitzgerald's Club, Wine). Activities have also included infrastructure repair, reconstruction and upgrades, streetscape and parking related improvements, and undertaking demolition, site preparation, and remediation efforts. The City redevelopment activities have been part of ongoing activities to increase the utilization of the Downtown area by residents and consumers, and to improve the physical appearance of the TIF District.

The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of this Redevelopment Plan made possible the implementation of a comprehensive program for the redevelopment of the RPA. By means of public investment, the RPA would again attract private investment. Public investment was part of an effort to set the stage for attracting private investment. Through the Redevelopment Plan, the City would serve as the central force for directing assets and energies of the private sector for a unified cooperative public-private redevelopment effort.

The Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the above-stated goal. During the Redevelopment Project implementation, it was expected that the City would, (i) undertake or cause to be undertaken public improvements and activities and (ii) enter into redevelopment agreements with private entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

The Redevelopment Plan specifically described the Project Area and summarized the conservation area factors which qualify the Project Area as a "Conservation Area" as defined in the TIF Act.

Successful implementation of this Redevelopment Plan required that the City utilize Incremental Property Taxes and other resources in accordance with the TIF Act and work cooperatively with the private sector and other governmental agencies. Incremental Property Taxes and other resources will be utilized to stimulate the comprehensive and coordinated revitalization of the RPA. Only through the utilization of TIF would the RPA develop on a comprehensive and coordinated basis, thereby eliminating the conservation area conditions and the threatened blight which have precluded its comprehensive and coordinated revitalization by the private sector.

The use of Incremental Property Taxes by the City permitted the City to direct, implement and coordinate public improvements and activities to stimulate private investments on a comprehensive basis. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the RPA. The anticipated benefits included:

### **A Commitment to Maintaining Healthy and Viable Commercial Corridors**

- A demonstrated commitment to the City's commercial corridors.
- Reinforces Roosevelt Road's special character as a mixed-use commercial corridor.
- Follows up on recommendations made in the Comprehensive Plan.

### **An Improved Business Climate in the Project Area**

- Reduces physical deterioration and obsolescence.
- Improves and upgrades the image and appearance of the corridor.
- Stimulates private investment in building rehabilitation and new development.
- Promotes additional pedestrian traffic.
- Protects historic buildings and districts.

### **Increased Employment and Retail Opportunities for the City's Residents**

- Stabilizes and expands the City's employment base.
- Promotes a wider range of goods and services for the residents of the City.

### **Stabilized and Expanded Tax Revenues Generated within the Project Area**

- Strengthens the non-residential property tax base of the City.
- Strengthens the sales tax base of the City through increased business activity.
- Maintains a healthy balance between the property tax burden borne by homeowners and non-residential properties.

Projects that were assisted utilizing public resources for redevelopment in recent years of the TIF include:

- Homeworks Voigt Development LLC – 6545 W. Roosevelt Road mixed use project redevelopment at the southeast corner of East Avenue and Roosevelt Road.
- Smile Fixation – 7039 W. Roosevelt Road – Rehab assistance for a newly established dentist office.
- Wire – 6815 W. Roosevelt Road – City assistance to a recording studio/bar/music school.
- Schademan Studios – 6729 W. Roosevelt Road – Municipal incentives for a new photography studio.
- 12<sup>th</sup> Street Rag – TIF funding was available for façade improvements.

- Culver's Restaurant – assisted in relocation and property assembly in order to site the new restaurant.
- Taco Yo – façade rehabilitation grant.
- Gina's Station Ace – façade rehabilitation grant.
- Capri Ristorante & Catering, 6613 West Roosevelt Road – A vacated restaurant space was renovated using TIF funds to bring back a former Berwyn business and add a fine dining experience to Roosevelt Road.
- Big Guys Sausages, 7021 West Roosevelt Road (featured on the Food Network) – Big Guys serves a variety of sausages and meats in a quick-casual format. The owner renovated a former hot dog stand using TIF funding, upgrading a tired facade, interior, and adding necessary life safety systems.
- Wing Boss, 6625 West Roosevelt Road – A recently vacated ice cream space was converted into a fast food delivery restaurant. TIF funding went toward interior upgrades, life-safety systems and signage.
- American Legion, Commodore Barry Post #256, 6919 Roosevelt Road – This social service organization utilized TIF funding for a much needed facade repair.
- Autre Monde, 6727 Roosevelt Road – Autre Monde utilized Berwyn's commercial loan program for a revamping and freshening up of the restaurant after being in business for five years. The loan was used for remodeling of the dining room and operational improvements.
- Krew Rock Lounge, 6319 Roosevelt Road – Krew Rock Lounge is uniquely laid out so that the venue and its bar have full separation from the main bar and lounge area. The lounge sets a clear tone with the addition of other provocative rock and roll forward quotes adorning the ceiling. Krew Rock is the fourth music venue on Roosevelt Road.
- Shelby's, 6601 Roosevelt Road – Shelby's is a neighborhood café and gathering place for adults to enjoy a light meal, beverage and gaming in a warm and welcoming environment.
- Face2Face Spa Studio, 6805 Roosevelt Road – Face2Face Spa Studio offers the best in skin care, makeup, micro blading, massage, waxing, body sculpting and contouring to achieve beautiful, healthy skin.
- Hope Houses Workshop, Inc., 6311 Roosevelt Road – Hope Houses Workshop, Inc. is a mission-based dollhouse manufacturer and retailer. For each Hope House sold, another is sent to a child through one of their Give Partners.
- Bueno Beef – rehab of building including corporate headquarters.

- Turano Bakery – upgrade facility as to new equipment and additional production capacity.

Additionally, the City completed the Roosevelt Road streetscape project in conjunction with the Village of Oak Park and the Town of Cicero. This interjurisdictional project was a complete overhaul of the street and sidewalks to include: new paving, stamped concrete, benches, lighting, trash cans, in-road lighting systems and planters over an eight year program. The remainder of the balance of this initiative (\$345,388) was paid off in July of 2018.

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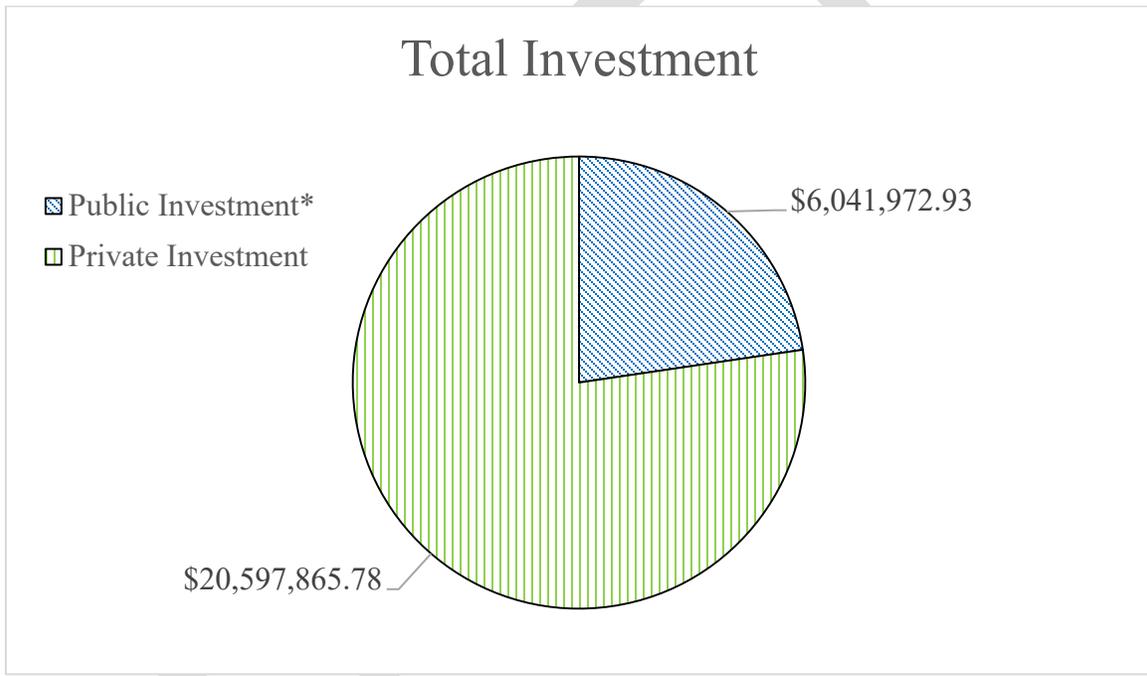
#### IV. Total Investment within the RPA

##### TOTAL INVESTMENT WITHIN THE RPA (1997-2017)

<u>Investment Categories</u>	<u>Investments</u>
Public Investment*	\$ 6,041,972.93
Private Investment	\$ 20,597,865.78
<b>Total</b>	<b>\$ 26,639,838.71</b>

Source: City of Berwyn Building Permit Data (1/1/1997-12/31/2017), TIF Data

\*Includes only direct investment to private projects, does not include infrastructure or other public costs.



## V. Other Performance Data and Future Projects

### OTHER PERFORMANCE DATA

<u>Metric</u>	<u>Data</u>
2017 Equalized Assessed Valuation (EAV)	\$14,449,116
Base EAV	\$ 10,944,135

The investments made both in accordance with the Redevelopment Plan, and through Tax Increment Financing assistance, has re-energized the Roosevelt Road corridor. Bringing older buildings to production reuse or consolidating properties after many years of deferred maintenance was deemed a priority for the City, and a loan and grant program for both architectural assistance and exterior/interior improvements was initiated.

#### **Potential Redevelopment Opportunities**

With its pedestrian friendly streetscape and acclaimed music venues, restaurants, and bars, the Roosevelt Road Corridor has been identified as an entertainment district with a neighborhood feel. Past initiatives such as the interjurisdictional streetscape effort and anchor establishments like Fitzgerald's, The Wire, Autre Monde, and Friendly Tap have all contributed to this identity. That said, there has been a slow-down in new development and an overall need to attract new businesses in order to reinvigorate the corridor. There are various target sites that are ideal for redevelopment that can help further progress the character of the Roosevelt Road Corridor.

-6931 Roosevelt Rd—This City-owned parcel adjacent to Culver's has been a target site for new development. At 0.23 acres, this vacant lot is best suited for a single tenant, single story commercial use and can accommodate a drive-thru if necessary. The City currently has a \$300,000 loan for this property with TIF paying interest only payments on it.

-Former La Rosita site (6609 Roosevelt Rd)—This former grocery store offers the potential for redevelopment. Having been vacant for several years, the redevelopment of site will be a much needed boost to this end of the corridor. Previous proposals have included mixed use developments with ground floor commercial space and multifamily dwelling units to further build upon the neighborhood feel.

-7025 Roosevelt Rd—This former bank has been vacant for years. The site itself is newer construction and has a drive-thru and parking lot—two features that are a commodity along Roosevelt Rd. At 0.32 acres, this site has the potential to accommodate a multitude of new developments.

Roosevelt Rd also contains a number of aging properties that have had issues with long term vacancy and blight. These stretches of development should be prioritized and targeted for mixed use redevelopment that focuses on boutique establishments, unique restaurants, and multifamily dwellings that will revitalize the character of the corridor and diversify its housing stock.

- 6911-6917 Roosevelt Rd
- 6839-6843 Roosevelt
- 6809-6813 Roosevelt Rd

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**Exhibit A**  
**TIF Boundary Map**

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**Exhibit B**  
**Most Recent Annual Report**