

CITY OF BERWYN

**TAX INCREMENT FINANCING
STATUS REPORT**

**TAX INCREMENT FINANCING (TIF) DISTRICT
SOUTH BERWYN CORRIDOR (DEPOT)**

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

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

**SOUTH BERWYN CORRIDOR (Depot) TIF DISTRICT
Designated January 28, 1997
Amended: August 27, 2008**

**CITY OF BERWYN
STATUS REPORT
SOUTH BERWYN CORRIDOR (DEPOT) TIF DISTRICT**

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INTRODUCTION AND BACKGROUND

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 South Berwyn Corridor (Depot) Tax Increment District (“TIF District”, the “Depot TIF District”, or the “RPA”).

The Redevelopment Project Area

The City established the Redevelopment Project Area (“RPA”) in January 1997 and was amended in August 2008. The RPA contains approximately 48 acres. The RPA includes the frontage along the north side of Stanley Avenue between Clinton Avenue and Ridgeland Avenue; the frontage along the south side of Windsor Avenue between Home Avenue and Grove Avenue; the frontage along both sides of Oak Park Avenue between Stanley Avenue and 31st Street; the block generally bounded by Windsor Avenue, Oak Park, 34th Street and Grove Street; the block generally bounded by Windsor Avenue, Oak Park Avenue, 34th Street and Grove Street; the north half of the frontage along the west side of Grove Avenue between Windsor Avenue and 34th Street; and the portion of the Metra railroad right of way generally located between Stanley Avenue and Windsor Avenue and extending from Home Avenue to Ridgeland Avenue.

The RPA is a mixed-use area containing a wide range of land uses in a relatively compact geographic area, including office and service uses and a hospital, retail stores, residential uses, a commuter rail station and several light industrial facilities. A Metra rail line, located between Stanley Avenue and Windsor Avenue, divides the RPA into 2 subareas, with the southern subarea being more intensely developed and containing more retail stores than the northern subarea.

It is proposed that the TIF would be amended in order to provide for a twelve (12) year extension to the original term of twenty-three (23) years, in order to complete redevelopment activities.

The City’s Comprehensive Plan indicates that South Berwyn should continue to function as a business area for the southern part of the community, and should provide sites for a range of office, service, convenience retail and residential uses. The plan also suggests projects to enhance the special character of the Project Area, including the repair of older commercial buildings; storefront improvements; special sidewalk treatments and pedestrian amenities; more extensive landscaping; a small public plaza or park; additional angle parking along side street; and additional off-street parking.

Typical of many mature suburban business areas, 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 RPA, including small, irregularly shaped blocks, obsolete platting of parcels, vacant buildings, deteriorating buildings and site conditions, lack of conveniently located off-street parking, incompatible land-use relationships and buildings characterized by obsolescence.

The TIF Plan was formulated in accordance with the provisions of the TIF Act and is intended to guide improvements and activities within the RPA in order to stimulate private investment. The

goal of the City is that the entire area be revitalized on a comprehensive and planned basis in order to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated rather than piecemeal basis to ensure that the land use, pedestrian access, vehicular circulation, parking service and urban design systems are functionally integrated and meet present-day principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight and conservation are eliminated; and
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

The TIF Plan implementation would allow 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 Project Area. The anticipated benefits include:

A Commitment to Maintaining Healthy and Viable Commercial Corridors

- A demonstrated commitment to the City's commercial corridors.
- Reinforces South Berwyn's special character as a mixed-use community business area.
- Addresses recommendations made in the Comprehensive Plan.

An Improved Business Climate in the Added Project Area

- Reduces physical deterioration and obsolescence.
- Improves and upgrades the image and appearance of the area.
- 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 Added 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.

DRAFT

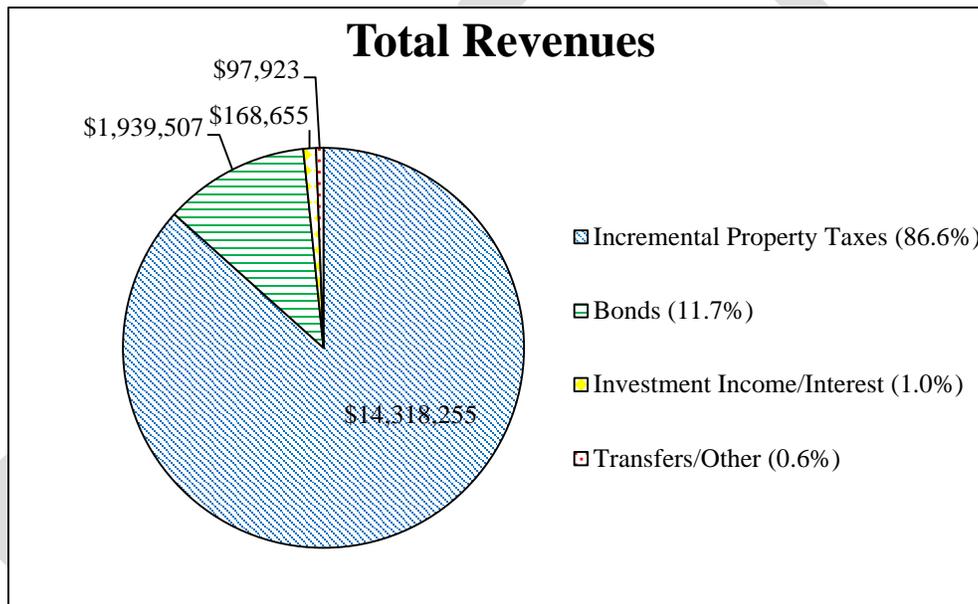
I. Revenue Generated within RPA

The following Table 1 is a summary of the total revenues generated from incremental property taxes generated by the properties in the RPA during the term of the TIF District.

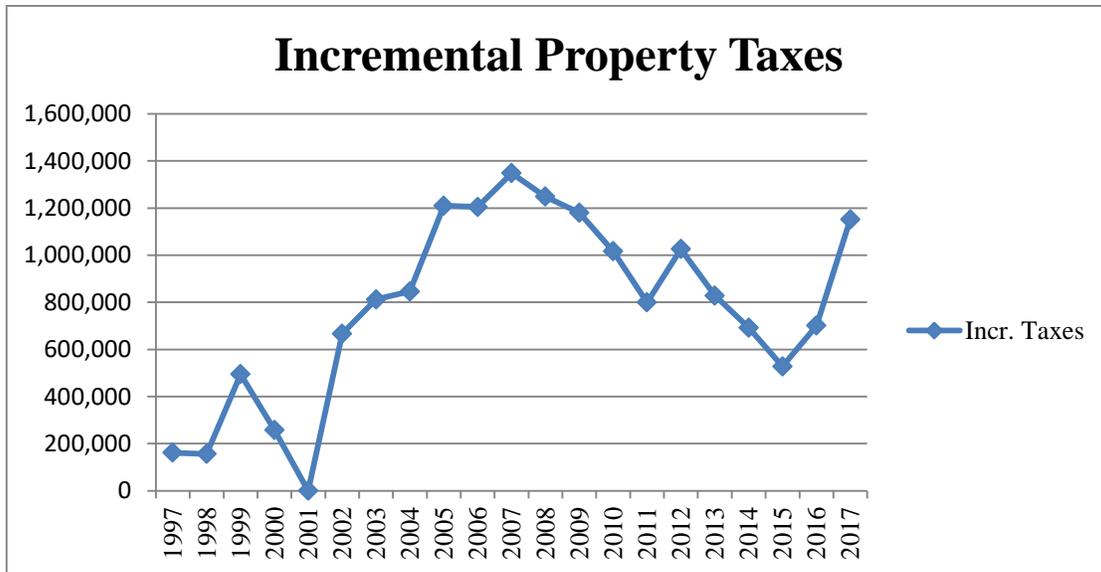
Table 1

<u>Revenue Categories</u>	<u>Revenues</u>
Incremental Property Tax	\$14,318,255
Bonds	\$ 1,939,507
Investment Income/Interest	\$ 168,655
Transfers/Other	\$ 97,923
Total	\$16,524,340

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 \$33,393,312 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.



**City of Berwyn South Berwyn Corridor (Depot) TIF
Valuation and Tax Increment Trends**

Tax Year	Tax Year EAV	% Change	Base EAV	Incremental EAV	Incr. Taxes	% Change
1997	19,255,096		17,793,121	1,461,975	161,738	
1998	19,069,184	-0.97%	17,793,121	1,276,063	156,419	-3.29%
1999	21,897,527	14.83%	17,793,121	4,104,406	494,457	216.11%
2000	19,621,294	-10.39%	17,793,121	1,828,173	258,083	-47.80%
2001	17,075,195	-12.98%	17,793,121	0	0	-100.00%
2002	24,500,220	43.48%	17,793,121	6,707,099	666,752	#DIV/0!
2003	25,687,431	4.85%	17,793,121	7,894,310	812,403	21.84%
2004	26,129,261	1.72%	17,793,121	8,336,140	846,201	4.16%
2005	32,114,139	22.90%	17,793,121	14,321,018	1,209,696	42.96%
2006	31,828,178	-0.89%	17,793,121	14,035,057	1,204,628	-0.42%
2007	33,393,312	4.92%	17,793,121	15,600,191	1,348,324	11.93%
2008	33,732,468	1.02%	17,793,121	15,939,347	1,248,206	-7.43%
2009	32,157,390	-4.67%	17,793,121	14,364,269	1,180,445	-5.43%
2010	30,071,099	-6.49%	17,793,121	12,277,978	1,016,578	-13.88%
2011	25,561,615	-15.00%	17,793,121	7,768,494	799,401	-21.36%
2012	25,144,964	-1.63%	17,793,121	7,351,843	1,026,027	28.35%
2013	22,753,582	-9.51%	17,793,121	4,960,461	828,469	-19.25%
2014	21,376,267	-6.05%	17,793,121	3,583,146	692,138	-16.46%
2015	20,042,522	-6.24%	17,793,121	2,249,401	527,694	-23.76%
2016	21,398,957	6.77%	17,793,121	3,605,836	700,892	32.82%
2017	24,880,725	16.27%	17,793,121	7,087,604	1,152,161	64.38%

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

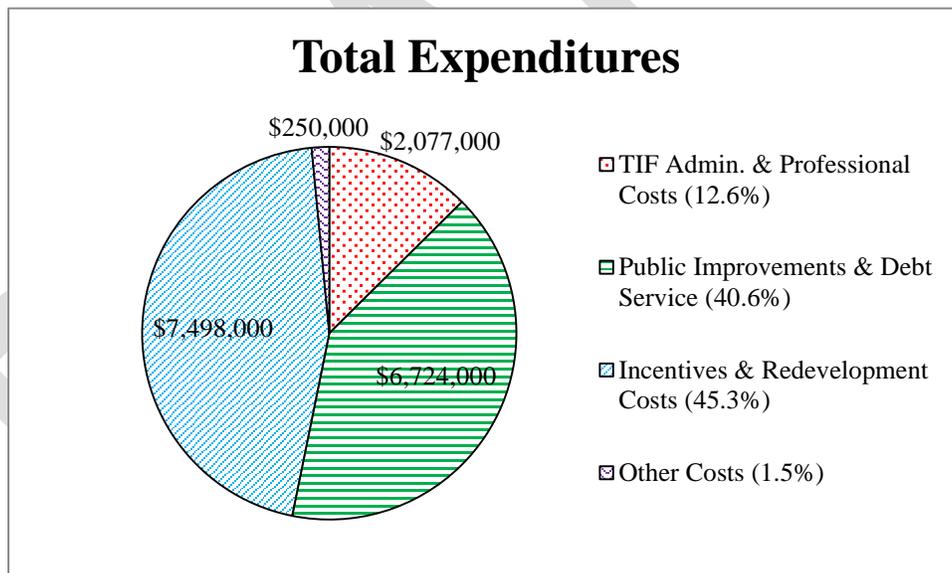
II. Municipal Expenditures for the RPA

The following table is a summary of the expenditures paid from the total revenues described in Table 1 above during the term of the TIF District. 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”

<u>Expenditure Categories</u>	<u>Expenditures*</u>
TIF Administration & Professional Costs	\$2,077,000
Public Improvements and Debt Service	\$6,724,000
Incentives and Redevelopment Costs	\$7,498,000
Other Costs	\$ 250,000
<u>Total</u>	<u>\$16,549,000</u>

*Amounts rounded to nearest thousand

Source: Annual TIF Reports



III. Status of Planned Activities, Goals and Objectives

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

The general goals of the Redevelopment Plan provide the overall framework for guiding decisions during the implementation phases.

1. An improved quality of life in the RPA and the City by eliminating the influences and manifestations of physical and economic deterioration and obsolescence within the RPA.
2. An environment within the RPA which will continue more positively to the health, safety and general welfare of the City, and preserve or enhance the value of properties adjacent to the RPA.
3. An increased real estate and sales tax base for the City and other taxing districts having jurisdiction over the RPA.

In addition to the general goals above there were several development and design objectives of Plan which would assist the City in directing and coordinating public improvements and activities with private investment in order to achieve the goals and objectives stated in the TIF Plan.

1. Establish a unique identity for the Project Area which clarifies and enhances the identity and functional role of the corridor and the City;
2. Maintain and expand the range of retail and commercial service activities available within the Project Area;
3. Encourage the corrective maintenance of properties in poor condition;
4. Minimize any negative impact of commercial or industrial activities on neighboring land-use areas;
5. Ensure safe and convenient vehicular access to, and adequate parking in, all commercial and industrial areas;
6. Encourage safe and convenient pedestrian access to shopping and service areas;
7. Improve the image and appearance of all existing commercial and industrial areas;
8. Ensure high standards in the design and construction of new and rehabilitated structures or landscape features;
9. Promote the preservation and protection of properties with local historical and architectural interest;

10. Protect residential areas from encroachment by land-uses and traffic which may create adverse impacts;
11. Require adequate buffering and screening between residential areas and adjacent commercial or industrial uses;
12. Encourage new housing types that are compatible with the existing character and quality of the City;
13. Promote a balanced mix of housing types and residential densities which provide housing opportunities for various socioeconomic groups;
14. Ensure that all roadways in the community have surfaces, curbs and gutters in adequate condition; and
15. Improve the overall appearance of roadway corridors.

Several projects implemented over the years have included:

- Godson's & Hookah Hana, 6910-6912 Windsor Ave—Redeveloped in 2011, this former vacant funeral home utilized TIF to convert the 10,962 square foot building into a mixed-use development with two ground floor retail sites and three residential dwellings on the second floor.
- Automated Lifestyles, 3208 Grove Ave— This project utilized TIF for real estate acquisition in order to facilitate the expansion of their business. Automated Lifestyles has been an industry leader in providing certified, award-winning automation services to residential and commercial clients.
- Reel Art Retail, 6727 Stanley Ave—TIF was utilized for the acquisition and renovation of the property at 6727 Stanley Ave in order to facilitate the expansion of this business. Renovations included roof repair and the conversion of the former construction office into a retail storefront. Reel Art has been in business since 1992 and specializes in retail sales of pop culture collectibles in store, online, and at exhibits and conventions.
- Off the Traxx, 3144 S Oak Park Ave—The primary use of TIF for this redevelopment was for renovations including a complete interior build-out with plumbing, electrical, carpentry, flooring, ceiling, façade improvements, and signage. Off the Traxx is now a 970 square foot sports bar in the heart of the Depot District.
- Windsor Legal Group, 6810-6818 Windsor Ave—TIF was utilized for the renovation of this 12,000 square foot commercial property. Anchored by Perception lounge, this site contains three storefronts. The scope of work included interior remodeling, electrical, fire alarm, HVAC, façade improvements, and an awning.
- Bounce Sportsplex, 3310 S Grove Ave—Bounce Sportsplex occupies the entire first floor of the municipal parking deck. Utilizing just under 16,000 square feet, this facility has become a regional destination for young athletes and travel teams for its indoor soccer, batting cages, basketball, lacrosse, and fitness accommodations.
- Familia Fresh Market, 3308 S Oak Park Ave—TIF funds were utilized for the buildout of the approximately 12,000 square foot building in order to establish a grocery store. When completed, Familia Fresh Market brought twenty-five (25) new jobs—ten (10) full time and fifteen (15) part time—to the Depot.

- A.W.E.S.O.M.E. Pest Service, 3118 S Oak Park Ave—TIF assistance was utilized for the installation of a new awning and signage, bringing necessary improvements to this storefront. Established in 1997, A.W.E.S.O.M.E. Pest Service is a family owned company.

As a larger scale project, the City Council approved a project construct a 392-car, multi-level municipal parking structure on its Grove Avenue lot, just south of Windsor Avenue (between Windsor and 34th Street). The \$10.5 million project served to encourage future development as commuter and employee parking spaces are relocated into the structure.

An additional redevelopment included an \$18 million, mixed-use, 54-unit condo development also known as Century Station. The development encompassed an entire block, bounded by 32nd Street, Oak Park, Stanley, and Grove Avenues. Harris Bank was retained as the anchor tenant. The BDC served as a catalyst for the redevelopment of the block through the acquisition of properties and the negotiation of the incentive agreement with Sedgwick Properties as the developer.

Additionally, a streetscape beautification project and facade improvements and interior renovations projects totaling almost \$1 million were initiated within the RPA from 2004 to 2007, including various businesses.

Currently under development, the Berwyn Hotel and adjacent lot at 3133-3137 Oak Park Avenue is slated for twenty-eight (28) one and two-bedroom units. The new apartments will offer affordable housing options while maintaining the building's façade in compliance with state historic preservation standards.

The City is also implementing a \$14 million infrastructure and updated streetscape program in the Depot that has yet to be completed.

Another initiative that is fully funded by TIF is the Integrated Marketing Program, otherwise known as the Why Berwyn Campaign. This program has an annual budget of \$80,000 in 2018 for billboards, outdoor ads, search engine marketing, booth activation, and other advertising opportunities. Since 2007, this campaign has seen \$1,104,855 in funding from TIF. The campaign has been a consistent success, serving as a model marketing campaign for municipalities and garnering praise from real estate professionals, publications, and planning agencies. The campaign is being used as a case study for attracting new residents, millennials, and achieving population growth by the Metropolitan Mayors Caucus in partnership with the Metropolitan Planning Council and Chicago Metropolitan Agency for Planning (CMAP).

Additional redevelopment activities undertaken in 2006 and 2007 included;

- The City and BDC initiated a Transit-Oriented Development (TOD) study; and
- The City and BDC initiated an integrated marketing campaign, *Why Berwyn?* for all TIF districts.

The City implemented and helped finance Karasek Park, located at the corner of Kenilworth and Windsor Avenues.

In 2014 to 2017, the City in conjunction with the BDC worked on the following private sector projects:

- Ahimsa Yoga Studio – 3120 Oak Park – TIF assistance was applied to interior build-out and signage improvements of the 1,000 sq. ft. space for a new business in Depot District. Total costs for the project are estimated at just over \$14,182 in order to complete the work. The studio is dedicated to providing a safe, non-competitive, community atmosphere. They have over 30 instructors and staff at the Oak Park location and anticipate creating 15 part-time positions at the Berwyn location.
- The Garage, 3202 Grove Avenue – The building that formerly housed bar Cabin Fever and A.W.E.S.O.M.E. Pest Services in the Depot District was sold to a new restaurant/bar manager in 2014. The new owner updated and expanded the space for the new concept.
- Oliver’s Prime Cuts & Fresh Seafood, 6908 Windsor Avenue – New fine dining restaurant opened next door to Olive or Twist Martini Bar. Oliver’s serves prime cuts, fresh seafood and farm-to-table specialties made from scratch in a casual environment.
- House of Slots, 6823 Stanley Avenue – House of Slots is a gaming café offering slot machines, snacks and beverages.
- The Outta Space, Inc. 6840 32nd Street – The Outta space is a multi-faceted collaborative arts venue that provides artists and the community the opportunity to be actively involved in the arts through in-house exhibitions and performances, pop-up gallery shows, shared studio space, classes, workshops as well as other similar events.
- Lavergne’s Tavern, 6546 Windsor Avenue – The team behind the wildly popular Warren’s Ale House in Wheaton and Ellyn’s Tap & Grill in Glen Ellyn has returned to the city they were born and raised to bring the residents of Berwyn hand-crafted, amazing food, and fantastic artisanal craft beers. Lavergne’s Tavern completed a total rehab of the former Garv’s Inn.
- Careplus Discount Pharmacy, 6840 Windsor Avenue – CarePlus Discount Pharmacy strives to deliver this patient-centric experience with each visit by

offering access to prescription drugs, compounding services, medical equipment and over the counter medicines, holistic vitamins, herbal supplements and teas.

- Mindful Wellness, LLC. 3245 Grove Avenue-Mindful Wellness focuses on developing treatment plans that serve each individual, including the identification of wrap around services for the family system when needed.

- Strive 4 Fitness, 6735 W. Stanley Avenue – Strive 4 Fitness is an independently owned and operated studio fitness facility that offers a variety of classes and personal/partner training including Spin, TRX, HIIT, Bootcamp, Cycle N’ Lift, Body Bar and much more.

- Goldiloxx Hair Studio, 3214 S. Grove Avenue – Goldiloxx Hair Studio is an independently owned and operated hair studio that offers a variety of services, from men’s and women’s cuts to Brazilian blowouts and hair coloring.

- Brows by Lucy, 6834 W. Windsor Avenue – Brows by Lucy is a boutique focused on shaping the eyebrows through a variety of services including threading, waxing, and microblading. Brows by Lucy has been featured on WGN Morning News’ Around Town with Ana Belaval and on Univison Chicago’s Despierta Con Zoe with Coach Zoe Torres.

- Flapjack Brewery 6833 W. Stanley Avenue – The BDC discovered Flapjack Brewery at the inaugural Berwyn Brew Fest. Since that time, the City of Berwyn and BDC supported the project with assistance on site selection and maneuvering through local requirements to include amending the zoning ordinance to allow microbrew uses in Berwyn. The vacant building has been substantially renovated and transformed into Flapjack Brewery, Berwyn’s first small batch brewery and tasting room. The adaptive reuse project offered unique features including on-site brewing, a comfortable bar with eight rotating taps and a wood-fired Neapolitan pizza oven.

- Conga Cuban Café, 6836 W. Windsor Avenue – Conga Cuban Café is a family owned and operated café serving up authentic Cuban and Puerto Rican dishes as well as coffee drinks and food menu.

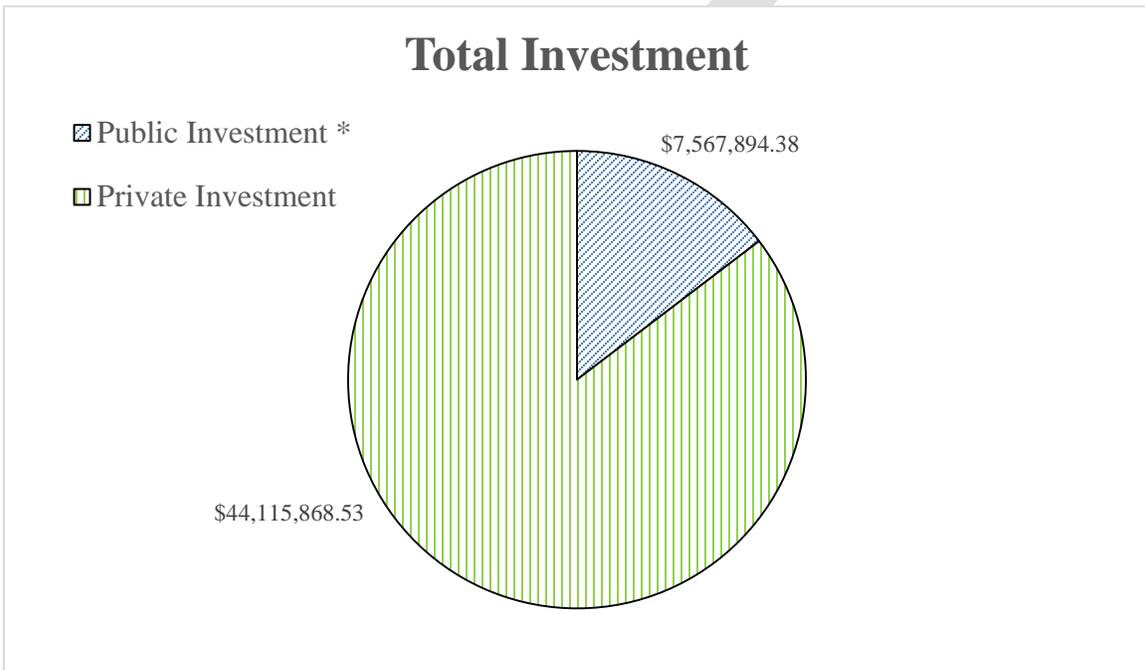
- Audrey’s Esthetics, 6923 W. Stanley Avenue – Audrey’s Esthetics offered a number of services including specialty facials, waxing, lash extensions, and 3D permanent makeup.

IV. Total Investment within the RPA (1997-2017)

<u>Investment Categories</u>	<u>Investments</u>
Public Investment *	\$7,567,894.38
Private Investment	\$44,115,868.53
Total	\$51,683,762.91

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

*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	
Metric	Data
2017 Equalized Assessed Valuation (EAV)	\$24,880,725
Base EAV	\$18,251,797

Potential Redevelopment Opportunities

The Depot District is primed for commercial and multifamily development reinvestment. Historically, as seen in the City’s most recent Comprehensive Plan, the Depot has been identified as an opportunity to create a regional “live, work, play” destination in Berwyn because of its pedestrian friendly layout, proximity to mass transit, and MacNeal Hospital as an anchor. While vehicular traffic counts will not be as high as other corridors in the city, by leveraging visibility from the BNSF Metra Line, the area is best suited for Transit Oriented Development. A key component of this will be establishing greater foot traffic by increasing density in the area. These factors have resulted in the Depot District receiving a walkability score of 83 according to walkscore.com

Multifamily Development

There is a great opportunity to establish various multifamily developments within the South Berwyn TIF District. The Depot has already seen multifamily redevelopments in the past with Century Station at Oak Park and 32nd, the condo development on Grove, and the ongoing Berwyn Hotel redevelopment.

One site that makes sense for multifamily development is the Berwyn State Bank building at Windsor Ave and Oak Park Ave. By capitalizing on the burgeoning art community in Berwyn, this site would be ideal for artist lofts. Currently being leased for office space by Loyola, a conversion to artist lofts with ground floor commercial space would be a step in the right direction for establishing the Depot as a regional destination.

There are also dated multifamily developments that currently line Stanley Ave that are due for reinvestment as well. As a way to mitigate displacement, these sites would be perfect for façade improvements as opposed to complete redevelopment. There are also various underutilized light industrial and one-story commercial sites along Stanley Ave that could make way for row houses to diversify the housing stock within the district. With prime visibility along the railroad, these developments would also serve as marketing to commuters traveling to and from Chicago.

Commercial Development

The Depot is also an ideal site for commercial improvements. Commercial sites within the Depot are concentrated along Stanley Ave, Windsor Ave, and Oak Park Ave. Façade and other TIF eligible improvements can be implemented in all of the existing retail and office spaces as a means to create a more desirable commercial node. As previously mentioned, there are longer stretches of single story commercial and light industrial spaces along Stanley Ave that can be utilized for more significant revitalization efforts. These sites offer a myriad of options for redevelopment in addition to residential

uses. There is always a need for commercial sites within Berwyn, but other uses like shared workspaces, community kitchens, and even communal brewery facilities can be established here. These are the type of destination businesses that can help establish the Depot District as a regional entertainment hub.

There are other, larger sites that can also facilitate more significant revitalization efforts. The Byline Bank building and adjoining parking lot at 3322 S Oak Park Ave offers a large parcel of land for redevelopment opportunities right across MacNeal Hospital. With the recent acquisition of MacNeal by Loyola, there may be an immediate need and desire for them to acquire and redevelop this site.

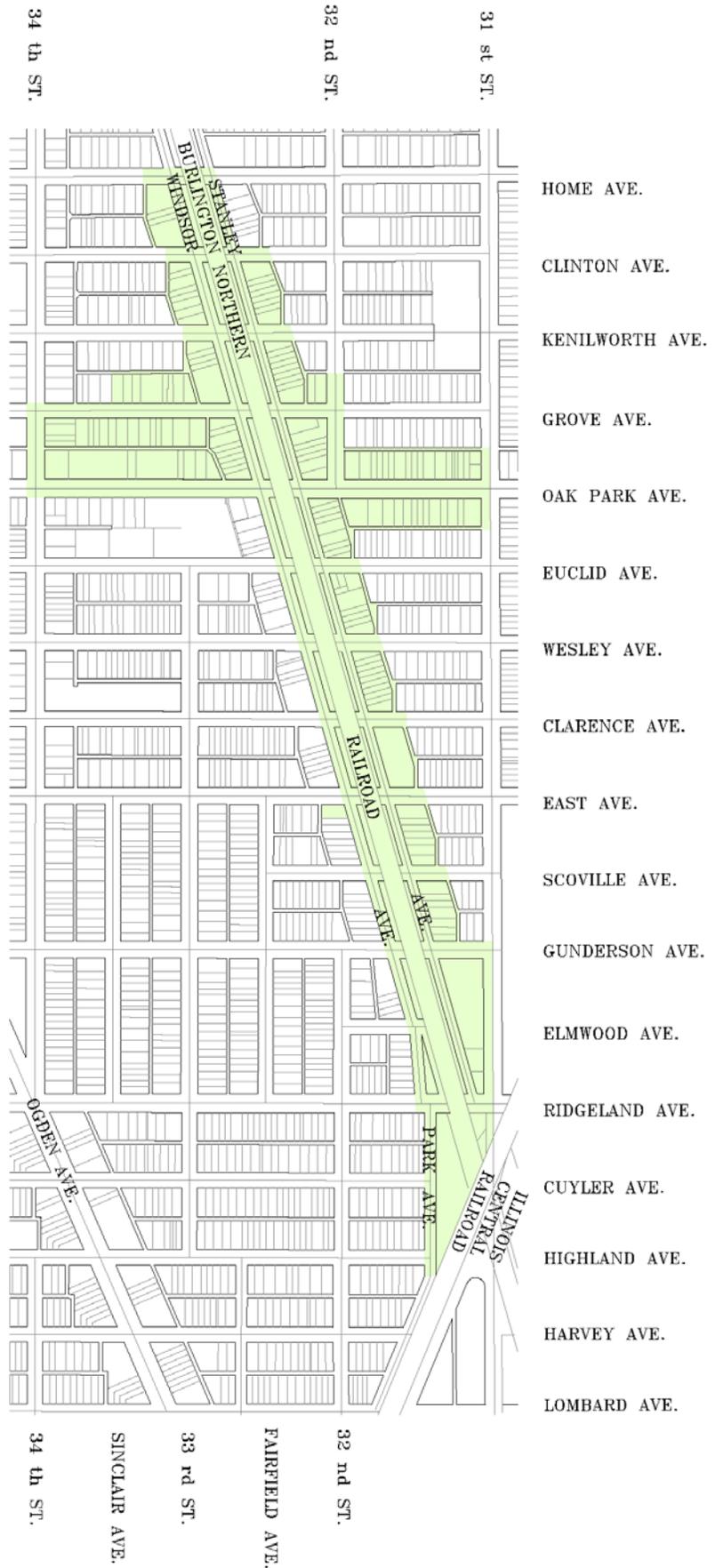
Another larger site with potential is the lot storage impound at Windsor Ave and Ridgeland Ave. This site is a blank slate with great potential as a 58,326 square foot parcel adjacent to the Laverne Metra station.

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Exhibit A
TIF Boundary Map

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CITY OF BERWYN, ILLINOIS DEPOT DISTRICT TIF DISTRICT MAP



EXISTING TIF DISTRICT

DATE: AUG., 2008

SCALE	1" = 100'
DATE	AUG., 2008
DRAWN BY	[Name]
CHECKED BY	[Name]
APPROVED BY	[Name]



NW FALKER KNOX GROUP AND ASSOCIATES, INC.
CITY ENGINEER

DRAFT

Exhibit B
Most Recent Annual Report