



To: Mayor Robert J. Lovero and the Berwyn City Council  
CC: Brian Pabst, City Administrator  
From: David Hulseberg, Executive Director, Berwyn Development Corporation  
Date: December 5, 2018  
Re: Roosevelt and Depot TIF Extension Activities

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**Overview** On July 21, 2018, the Berwyn Development Corporation (BDC) submitted a memo to Berwyn Mayor Robert J. Lovero and City Council. The memo provided a background on both the Roosevelt and Depot TIF districts. The memo also sought guidance from City Council for the next steps. This memorandum represents a fulfillment of the prior directives of city council and recommends extending the Roosevelt and Depot TIF districts by twelve (12) years.

**Initial TIF Memos** As outlined in the initial TIF memo, the Roosevelt and Depot TIF districts were created in January of 1997. Due to the 23-year lifespan of a TIF, both these districts will expire in 2020, with last payment received in 2021.

The memo made it clear that while the TIF's have achieved several of their goals and objectives, the great recession that began in December of 2007 took much away from the redevelopment opportunity. As such, some eight (8) years of the 23-year life were lost. Extending the TIF would give additional life to prospective development projects and allow a funding source to leverage investment.

In addition to leveraging investment, an extension of the TIF districts would allow existing eligible City debt to be funded from added increment. Some of these sizable debts include IDOT road/infrastructure improvements on Roosevelt Road and TIF GO Bond Payments, which total in excess of \$11 million.

The memo outlined options for ending, extending, or reconstituting the TIF districts. Given the information available, the initial TIF memo recommended the City extend the Roosevelt and Depot TIF districts.

In the second TIF Memo, presented to the City of Berwyn Committee of the Whole on November 13, 2018, BDC staff outlined additional steps taken to better understand the issues, questions, and concerns surrounding the Roosevelt and Depot TIF districts.

**Consultant Draft Reports** The BDC commissioned two independent draft reports which outlined the progress, revenue generated, and expenditures of each TIF. The draft reports also indicated the status of planned activities, goals, and objectives of each TIF. Most importantly, the draft reports highlighted the total private investment leveraged by TIF funds in each district.

The following documents have been shared previously with City Council:

- A. BDC Memo to City Council, July 21, 2018
- B. Roosevelt TIF Consultant Report
- C. Depot TIF Consultant Report
- D. TIF Open House Power Point Presentation
- E. Frequently Asked Questions
- F. Draft Finish Line Grant Application and Guidelines
- G. Draft Pay as You Go Program Guidelines



**Public Outreach**

Utilizing information from the consultant draft reports, BDC staff created a packet of materials and power point presentation (Attachment D) for public outreach. BDC staff held 3 public forums, met individually with anyone requesting additional information, and sent email updates to interested parties. Additionally, BDC staff published all relevant information on our website, including the draft reports, original memo, and power point. BDC also created a Q&A section (Attachment E) to respond to any additional questions raised during our public outreach. All information on TIF districts and BDC outreach can be found at <https://www.berwyn.net/tax-increment-financing-tif>.

**Recommended Budget**

Utilizing the Consultant Draft Reports, as well as input received from our public outreach efforts, BDC staff created recommended 4-year budgets for the Roosevelt and Depot TIF districts.

Roosevelt	2018	2019	2020	2021
Prior Year Balance	\$75,488.00	(\$301,399.50)	(\$127,594.56)	\$0.00
TIF Revenues	\$587,896.38	\$605,533.27	\$623,699.27	\$642,410.25
Interest Income	\$579.52			
<b>Total Revenues</b>	<b>\$663,963.90</b>	<b>\$304,133.77</b>	<b>\$496,104.71</b>	<b>\$642,410.25</b>
<b>Expenses</b>				
Finish Line Grant Program		(\$50,000.00)	(\$145,000.00)	(\$256,423.45)
Support Pay As You Go Incentive		Yes	Yes	Yes
Future Infrastructure				
Existing Debt				
Roosevelt - Street Beautification	(\$345,388.55)			
Roosevelt - Land Acquisition (Culvers)	(\$47,500.00)	(\$15,000.00)	(\$15,000.00)	(\$165,000.00)
Roosevelt Road GO Debt Service (2020 Payoff)	(\$277,434.00)	(\$293,395.00)	(\$286,825.00)	
Professional Services		(\$10,000.00)	(\$10,000.00)	(\$10,000.00)
BDC Funding	(\$281,310.00)		(\$5,946.38)	(\$177,653.47)
Consultants		(\$30,000.00)		
Why Berwyn? Campaign/Marketing	(\$13,730.85)	(\$33,333.33)	(\$33,333.33)	(\$33,333.33)
Existing Incentive Obligations				
Reserve for Tax Appeals				
Surplus Returned to Taxing Bodies				
<b>Total Expenses</b>	<b>(\$965,363.40)</b>	<b>(\$431,728.33)</b>	<b>(\$496,104.71)</b>	<b>(\$642,410.25)</b>
<b>Projected Ending Fund Balance</b>	<b>(\$301,399.50)</b>	<b>(\$127,594.56)</b>	<b>\$0.00</b>	<b>(\$0.00)</b>



Depot	2018	2019	2020	2021
Prior Year Balance	(\$333,184.00)	(\$155,037.40)	\$0.00	\$0.00
TIF Revenues	\$902,128.53	\$929,192.39	\$957,068.16	\$985,780.20
Interest Income	\$487.40			
<b>Total Revenues</b>	<b>\$569,431.93</b>	<b>\$774,154.99</b>	<b>\$957,068.16</b>	<b>\$985,780.20</b>
Expenses				
Finish Line Grant Program		(\$50,000.00)	(\$105,015.33)	(\$133,704.37)
Support Pay As You Go Incentive		Yes	Yes	Yes
Future Infrastructure				
Depot Above Ground Infrastructure				
Existing Debt				
2016 Bond (Through 2021)	(\$454,679.00)	(\$536,167.00)	(\$536,167.00)	(\$536,190.00)
Sedgwick Project Debt Service	(\$160,980.00)			
Professional Services		(\$10,000.00)	(\$10,000.00)	(\$10,000.00)
BDC Funding	(\$94,997.00)	(\$114,654.66)	(\$272,552.50)	(\$272,552.50)
Consultants		(\$30,000.00)		
Why Berwyn? Campaign/Marketing	(\$13,813.33)	(\$33,333.33)	(\$33,333.33)	(\$33,333.33)
Existing Incentive Obligations				
Reserve for Tax Appeals				
Surplus Returned to Taxing Bodies				
<b>Total Expenses</b>	<b>(\$724,469.33)</b>	<b>(\$774,154.99)</b>	<b>(\$957,068.16)</b>	<b>(\$985,780.20)</b>
<b>Projected Ending Fund Balance</b>	<b>(\$155,037.40)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Aldermanic Outreach**

BDC staff met with each Alderman individually to discuss the proposed budget. BDC staff also introduced Aldermen to the newly proposed Finish Line Grant (Attachment F) and Pay as You Go Program (Attachment G). The recommended budget would allow for each to be supported and funded starting in 2019.

BDC staff took suggestions, and integrated recommendations into the draft applications for the Finish Line Grant and Pay as You Go Program. These recommendations are reflected in final recommended budget.

Should the recommended budget be approved by City Council, the Finish Line Grant and Pay as You Go Programs would return to City Council at a future meeting for separate approval.

**Recommendation**

That the Berwyn City Council extend the Roosevelt Tax Increment Financing District by twelve years and authorize the BDC to take all steps necessary and proper to accomplish the same.

That the Berwyn City Council extend the Depot Tax Increment Financing District by twelve years and authorize the BDC to take all steps necessary and proper to accomplish the same.