Application form:
RTA Community Planning Program and
CMAP Local Technical Assistance Program

DEADLINE: Noon on Thursday, June 29, 2017

This application form is online at www.rtachicago.org/applications. You may submit the form by email to applications@rtachicago.org. Upon receipt of application, you will receive an e-mail verifying that your application has been received.

1. Name of Applicant

The North Avenue District

2. Main Contact for Application

Name: Judith Alexander
Title: Chair, The North Avenue District (See attached mission statement and fact sheet)
Phone number: 708-772-3702
Email: jalexander@n-ave.com

3. Type of Applicant (please check any that apply)

_____ Local government

_____ Multijurisdictional group* Please list the members of the group (including government and nongovernmental organizations):


____X_ Nongovernmental organization* Name of local government partner(s):
City of Chicago, 29th Ward
Village of Oak Park
See attached letters of support
The Chicago Department of Planning and Development and Department of Planning and Development have also made verbal commitments to coordinate with regard to the proposed study.
*Applications submitted by multijurisdictional groups and nongovernmental organizations must include a letter indicating support from each relevant local government. See the FAQs for more information. Nongovernmental applicants are strongly encouraged to contact CMAP or the RTA prior to submitting their application to discuss their project and the demonstration of local support.

4. Project Type (please check any that apply)

Please check all statements below that describe characteristics of your project.

- [x] My project involves preparation of a plan.
- [ ] My project involves updating an already existing plan.
- [ ] My project helps to implement a past plan.
- [x] My project links land use, transportation, and housing. (CDOT is reapplying to IDOT for a grant funded by federal SPR funds. The grant will fund a North Ave. transportation study evaluating, among other things, how transportation resources can bolster the district’s economic development. The proposed redevelopment/land use plan will inform the transportation study. IDOT approved the transportation study initially, but funds were not disbursed due to the state budget crisis. It is expected to approve the re-application as well.)
- [ ] My project has direct relevance to public transit and supports the use of the existing transit system.
- [ ] My project is not directly related to transportation or land use, but implements GO TO 2040 in other ways.

5. Local Match Requirement (please initial to indicate you are aware of the local match requirements)

I am aware that a local match will be required for most projects, and understand that if my project is selected it is up to the project applicant to contribute a local match. (See the program guide for further details on local match requirements.)

- [x] Yes, I understand that applicants will be required to contribute a local match.

The Village of Oak Park has set aside adequate funds to cover the local match for both the city and the village. (This is appropriate because CDOT plans to cover the entire local match for the North Avenue transportation study if their reapplication for the grant is approved as expected.)

6. Project Location

Please provide a brief description of the location of your project. You may include a map if that helps to describe location, but this is not required. If your project helps to implement a past plan, please include a link to that plan.

The North Avenue District includes North Avenue (IL Route 64) from Austin Blvd. to Harlem Ave., from the street to the east-west alleys running parallel to it. It is the border between Chicago to the north and Oak Park to the south, and therefore is part of both municipalities. It also includes the entire Sears site bounded by North Avenue (to the south), Wabansia (to the north), Nordica (to the east) and Harlem (to the west).

7. Project Description

Please tell us what you would like to do in your community, and what assistance is needed. If you have more than one idea, please submit a separate application for each project. Please be specific, but also brief (less than two pages per project idea)—we simply want to have a basic understanding of what you
want to do. For plan updates please tell us how you will be building upon (or replacing) the previous work. Program staff will follow-up with you if we need any additional information to fully understand your proposed project.

See attached document, “Proposed Redevelopment/Land Use Plan for The North Avenue District”.

8. Previous Plan Implementation Efforts
Please describe actions you have taken to implement previous plans in your community – whether your efforts were successful or not – to achieve infrastructure improvements, development investment, policy changes, advocacy, volunteer involvement, or other actions. If you do not have experience implementing previous planning work, please describe what you will do to make sure that your plan is implemented. Illustrating a commitment to implement plan recommendations is very important to both agencies as we consider new planning projects.

Because there is no plan for North Avenue, The North Avenue District (T-NAD) has no plan implementation experience as an organization.

However, ours is something of a blue ribbon board, with members experienced in construction management, entrepreneurship, marketing, public architecture, real estate investment, zoning law, etc. (See attached fact sheet.) We have drawn on this experience to, for example, advocate for district zoning changes we believe will support economic development or prevent negative uses. Many of these recommendations have been accepted. Similarly, we are currently making a number of parking-related recommendations. We have also supported applications for zoning variances, helping enable two new projects and a new business. We helped a popular new restaurant obtain a Chicago liquor license. We successfully prevented two negative businesses from opening on the Chicago side of North Ave. (unlicensed nightclubs pretending to be a banquet hall and a restaurant, respectively). In addition, we keep the public informed through a monthly e-newsletter, a website, two Facebook pages and two Facebook community groups.

In terms of implementation, we are currently pursuing establishment of a Chicago-side SSA and are beginning to work with Oak Park on establishment of a BID, SSA and/or TIF. We plan to function as Service Provider, ideally funded 50% by each side of the district/service area. We anticipate sufficient funding to hire an executive director and to implement some aspect s of the redevelopment plan. Working with the ED, we will pursue implementation grants as well.

9. Additional Strategic Partnerships
Please list any additional partners you may want to include in this planning project. Please specify if you have made contact with them in advance of submitting this application.

The Austin Chamber of Commerce, North Avenue Business Association and Oak Park-River Forest Chamber of Commerce should be included as key informants for interviews.

We are in contact with all three organizations, but have not yet discussed our CMAP application with them.

(Please include any additional information that is relevant, preferably by providing links to online documents.)
Once a thriving commercial corridor, The North Avenue District (between Austin and Harlem Avenues) has been declining for decades. There’s been a proliferation of vacancies and negative uses, including currency exchanges, payday/title loan operations and pawn shops. A recent study of the Oak Park/south side of North Ave. found that the district qualifies as a blighted/conservation area based on aging/deteriorating/obsolete structures, parcel size/shape unsuitable for redevelopment and equalized assessed valuation (EAV) trends. The Chicago/north side has the same problems, with the possible exception of parcel size.

There are a number of other reasons for the district’s decline. Like many other business districts, the supply of office and retail space simply exceeds demand. North Avenue’s traffic volume has increased steadily, making the district less and less walkable/pedestrian-friendly. Rush hour drivers, frustrated by long waits at stop lights, turn down residential streets in search of alternate routes. In response, many culs-de-sac and diverters have been constructed to protect the residential areas. But these also make the district’s restaurants and stores less accessible to residents and parking more difficult for its businesses. And they create the impression that adjacent neighborhoods have turned their backs on the district. In addition, it has been challenging to coordinate planning efforts between Chicago and Oak Park. Oak Park’s last plan for the corridor was completed by the Plan Commission in 1996. It did not include land use or design recommendations and did not assess the Chicago/south side of the street. Other than a streetscape project (one-third completed in 2007) and some planters, the district has seen no public investment in redevelopment.

But the situation is far from hopeless. The district has a number of positive, successful businesses, including some restaurants and a concentration of medical and related offices. It is bordered by solid middle to upper middle class neighborhoods. The just-announced closing of the North/Harlem Sears and several other relatively large vacant parcels on the Chicago side represent development opportunities. The district is on four bus lines which connect to Metra and rapid transit stations. Some 860 people get on/off busses at North/Harlem—more than any other North Ave. intersection from Harlem west to York Rd. High traffic volume is an asset as well as a challenge. The North Avenue District is working with Chicago and Oak Park on revitalization funding mechanisms (BIDs, SSAs and/or TIFs).

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2 Teska Associates, PACE North Avenue Corridor Study presentation slides, December 15, 2016. [https://northavenuecorridorstudydotcom.files.wordpress.com/2016/12/pres_elmwood-park-edc-2016-12-15-final-v01.pdf](https://northavenuecorridorstudydotcom.files.wordpress.com/2016/12/pres_elmwood-park-edc-2016-12-15-final-v01.pdf), slide 9. For proposed redevelopment of the North/Harlem Sears site, see slides 14-15. (Note: The final report has not yet been released.)
3 The Starbucks two blocks east of Harlem is reportedly one of the company’s most profitable due to its drive-through business.
Now we need a plan to address questions such as these:

- There is consensus that multi-family residential development will be a necessary part of the solution. But what kind of projects and where? Will incentives be needed and, if so, what kind?
- What other kinds of development or new businesses should we seek to attract? How about incentives in these cases?
- What kind of identity can be established for the district? What kind of look and feel makes sense? What contribution can a completed streetscape make in this regard?
- To what extent should the district be auto-oriented vs. pedestrian-friendly? Should the focus/character vary by segment?
- The eastern third/half of the district looks the worst and has the most negative uses. What can turn around this segment in particular? What kinds of catalytic projects are necessary/possible?
- What potential funding sources exist for implementation?

We are inspired by the 2005 Berwyn-Oak Park redevelopment plan for Roosevelt Rd. and what has been achieved by its implementation. Many problems remain, but there also has been a great deal of improvement.4

We believe that a similar plan for The North Avenue District can:

- Guide and coordinate new development and business recruitment efforts by the Oak Park Economic Development Corp. and the 29th Ward Economic Development Committee
- Provide the basis for a unified look and feel
- Guide the efforts/missions of the new revitalization funding districts (BID, SSA and/or TIF), currently being pursued or under consideration on both sides of the street
- Provide the basis for grant applications to revitalize The District (which might include completion of the streetscape, façade improvements, banners, murals, etc.)
- Inform an upcoming transportation study, which will assess how transportation improvements can bolster economic development of the district

The North Avenue District’s deterioration will continue until a comprehensive revitalization plan is developed and implemented. Market forces alone cannot turn the district around. Despite the real estate market upturn, EAVs declined more than 27% from 2010 to 2015.6 It’s high time that planning begin.

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5 CDOT is re-applying to IDOT for study funding (a pass-through of federal Dept. of Transportation money under the SPR program. We request the support of CMAP in coordinating with the consultants working on this study.
6 Ehlers, p. 6.
The North Avenue District, Inc.

Mission Statement

It shall be the mission of T-NAD to work toward a North Avenue district from Austin to Harlem Avenues that provides a safe, inviting place to live, work, do business, shop, dine and walk. To accomplish this, T-NAD will plan for and advance North Avenue’s revitalization, and will also address concerns regarding its underperformance. To be effective in doing so, T-NAD will not endorse or support candidates for elective office.

We will:

- Promote existing quality businesses,
- Help recruit new businesses and residential development that will revitalize the district and reflect the character and quality of the adjoining neighborhoods,
- Work with state and local government officials in Chicago and Oak Park to plan, recruit and address concerns regarding safety, economic development and other quality of life issues, and
- Listen to, inform and educate the community--businesses, property owners, employees and residents about projects and other matters affecting the District.
The North Avenue District (T-NAD) At-a-Glance

- Founded in 2013 as North Avenue Zoning and Development Advisory Committee (NAZDAC). Incorporated as The North Avenue District (T-NAD) in 2016. As a tax-exempt charitable organization, all donations are tax deductible.
- Purpose: To promote the revitalization of the North Avenue commercial corridor between Austin Avenue on the east and Harlem Avenue on the west. (See mission statement.)
- Independent not-for-profit corporation. Directors are Chicago and Oak Park business owners, property owners and residents. Politically neutral. No candidate endorsements.

- T-NAD members:
  - Judith Alexander, Chair. Former director of sales and marketing for Beacon Research, an Internet publisher of financial data. Also has a background in market research and PR. Co-founder, North Avenue Neighbors Association. Member, Cook County 1st District Economic Development Task Force and the IL State Treasurer’s Women’s Advisory Council. Resident of north Oak Park.
  - Eric Davis. Architect specializing in public projects. Commissioner, Oak Park Housing Authority. Member, Cook County Zoning Board of Appeals. Former Oak Park Township board member. Board member, Chicago Chapter, American Institute of Architects. Resident of north Oak Park.
  - Christian Harris. Owns North Ave. business MaidPro Oak Park. Board member, Oak Park River Forest Chamber of Commerce and Oak Park Public Library. Longtime north Oak Park resident.
  - Earl Manning. Cook County Director of Capital Planning. Was previously an executive at the Chicago Department of Buildings, where he managed the building permit department. Galewood apartment building owner, Austin resident.
Organization (GRO); administers/writes for its Facebook page and Galewood.net. Galewood resident.
June 26, 2017

Chicago Metropolitan Agency for Planning
233 South Wacker Drive, Suite 800
Chicago, Illinois 60606

RE: North Avenue Plan

To whom it may concern:

Economic development in the 29th Ward is one of my top priorities. I know that planning is often necessary for successful revitalization of an under-performing commercial district like North Avenue, where my office is located.

I join the Village of Oak Park in supporting the application of The North Avenue District (T-NAD) to CMAP for a North Avenue land use and redevelopment plan.

Please contact my office if you have any questions.

Sincerely,

[Signature]

Chris Taliaferro
29th Ward Alderman
June 9, 2017

The Honorable Richard R. Boykin
Cook County Commissioner
First District
7221 Madison Street
Forest Park, IL 60130

RE: North Avenue Plan

Dear Commissioner Boykin;

The Village of Oak Park trustees and staff appreciate your continued interest in the betterment of North Avenue and all that you do for the residents of Cook County. The Village of Oak Park has set aside funding in the amount of $50,000 to prepare a Land Use and Development plan for Oak Park side of North Avenue Plan. The North Avenue District (T-NAD) which represents both the Chicago and Oak Park side of North Avenue believes that a Land Use and Development plan that includes both sides of the corridor would be most beneficial to the area. We agree with that position and have had preliminary conversations with the Chicago Department of Transportation regarding a joint planning process. We believe that approximately $100,000 would be necessary for a project of this magnitude.

We are interested in pursuing further discussions with Cook County and the City of Chicago to confirm their level of interest and a more precise funding amount for a joint planning process.

If you have any questions regarding this please feel free to contact me. I can be reached by telephone at 708/358-5797 or by email at mayoranan@oak-park.us.

Respectfully,

VILLAGE OF OAK PARK

Anan Abu-Taleb
Mayor

CC: Judith Alexander, The North Avenue District
October 28, 2016

North Avenue Business Corridor Study

Village of Oak Park, Illinois

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525 W. Van Buren Street
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Chicago, Illinois 60607
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Director
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North Avenue Business Corridor Study
Village of Oak Park, Illinois

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I. Introduction

The following report is provided by Ehlers & Associates, Inc. (Ehlers) and its partner in this project, Business Districts, Inc. (BDI), (“the consultants”) in response to a request issued by the Village of Oak Park in June 2016. The Village of Oak Park requested that Ehlers and BDI conduct an economic development funding resource review for the North Avenue Business Corridor (NABC). The stakeholders along North Avenue had requested that the Village consider researching and developing a consistent funding source to support development along the corridor. To that end, the Village commissioned a review and analysis of all potential economic development funding resources available to the Village including, but not limited to, the creation of a Special Service Area, a Business Improvement District, or a Tax Increment Finance (TIF) District, the community implications of each, and the financial wherewithal of each source specific to North Avenue. The findings of that study and public outreach process are reported herein.

A map of the North Avenue Business Corridor Project Area (Project Area) is attached to this report as Appendix A. The area is approximately 36 acres in size.

II. Study Process and Findings Summary

Following an initial meeting of Village Staff and the consultants, research was undertaken for potential applicability of funding sources which may benefit the Project Area according to the provisions of Illinois law as it applies to the sources being considered, specifically a Special Service Area (SSA), Business District (BD), a Tax Increment Financing (TIF) District, and/or other funding mechanisms as they may apply.

The findings of the research and area field survey indicated that the Project Area could qualify under the law as any one of these three economic development/revenue generation tools (SSA, BD, or TIF). A report was presented to the Village Staff documenting these findings. Staff then directed the consultants to prepare a presentation and survey to describe these economic development tools at three focus group meetings and solicit feedback from public stakeholders at those meetings and also through a “Meeting in a Box” kit, or a self-guided meeting kit.

The public outreach process results are described in more detail later in this report. In brief, respondents indicated that multiple physical improvements and targeted programs are needed to improve Oak Park’s North Avenue. The NABC and its nearby neighborhoods feel their area is overlooked as part of the Village and believe that a local commitment is needed to improve the NABC. There is an understanding that effective coordination of current and future planning efforts and resources from multiple sources will be required. The participants understood that redevelopment is needed in some corridor locations and that the programs and improvements identified in the session discussions would require one or more funding sources. There did not appear to be any notable opposition to any of the funding tools discussed and there was a
willingness from residents near the NABC to contribute to corridor improvements.

Ultimately, NABC stakeholders want a better NABC to showcase neighborhood strengths. They also understand that plans, programs, and implementation actions of multiple types will be required over time to comprehensively address the corridor’s needs, and that these programs will need to be funded.

III. Overview of Applicable Development Financing Options

The following is an overview of how these development funding tools work and our assessments for how the NABC area would qualify, followed by some “ballpark” estimates of the potential revenues that could be generated by these tools. ¹

Based on discussions with Village Staff and the consultants’ review of Village planning documents, there are not any specific redevelopment projects or capital needs that have been identified within the Project Area at this time. In the absence of defined goals or projects, the revenue estimates provided will be more general in nature.

The information gathered during the discussions with the public stakeholder groups indicated no group consensus for either using or for not using a particular funding tool, so all of the options studied will be described as viable options for further consideration by the Village.

A. Special Service Area (SSA)

Illinois law (35 ILCS 200/Art. 27) defines a “Special Service Area” as a contiguous area within a municipality or county in which special governmental services are provided in addition to those services provided generally throughout the municipality or county. The costs of the special services are to be paid from revenues collected from taxes levied or imposed upon property within that area.

The levy for a special service area tax is extended by the county clerk in the same manner as general real estate taxes, after the municipality has filed a certified copy of the ordinance creating the special service area. An SSA, like any taxing district, annually requests a tax levy, expressed in dollars. In Cook County, the Clerk determines the tax rate by factoring the requested levy against the district properties’ Equalized Assessed Value (EAV) available for taxation by the SSA. The tax rates vary amongst SSAs, and vary from year to year as long as the rates do not exceed the SSA district’s tax rate ceiling. (For example, typical SSA tax rates may range in the area of 0.15% to 3.00%.)

¹ These descriptions and our preliminary research for the purposes of this study are insufficient to be used alone as the foundations for the legal procedural adoption of these tools, but can be used in conjunction with the additional documentation required by Illinois law.
Qualification
An SSA may be created simply by adhering to the required statutory procedure. There are no “qualification criteria” to be satisfied, such as those required to create a Business District or TIF District. The Village would need to define the amount of the tax levy, as well as the nature of the proposed special services to be provided within the special service area and a statement as to whether the proposed special services are for new construction, maintenance, or other purposes, among other required information.

Prior to the establishment of an SSA, a public hearing must be held, for which notices are required to be sent to the taxable property owners within the boundaries of the SSA. The notice shall include the maximum rate of taxes to be extended within the SSA in any year and a maximum number of years that taxes will be levied if a maximum number of years is established. (A specific term length is not required.) If a tax is to be levied, there will be an opportunity to file an objection. If a petition is signed by more than 51% of the electors residing within the SSA and at least 51% of the owners of record of the land included within the SSA boundaries, the district may not be created.

Potential Redevelopment Objectives
The term “special services” means “all forms of services pertaining to the government and affairs of the municipality or county, including but not limited to… improvements permissible under Article 9 of the Illinois Municipal Code, and contracts for the supply of water. Article 9 of the Municipal Code pertains to local improvements and provides for making a wide variety of improvements by special assessments, including, but not limited to, streets, storm drain sewers, water mains, sanitary sewer improvements, sidewalks, walkways, bicycle paths, landscaping, lighting improvements, signage improvements, vehicular parking improvements, any additional improvements necessary to provide access to the public improvements, and all necessary appurtenances. In addition to these capital types of expenses, SSAs can be used, and often are, to fund services such as landscaping and cleaning/maintenance within the area, snow removal, additional security or police, and tenant services (i.e. marketing and recruiting for properties within the area). The municipality may provide these services directly or may distribute the money to an independent service provider agency (with a small administration fee going to the municipality).

Potential Revenues
An SSA would work differently than BD or TIF in that the amount of the requested levy (or desired revenues) would need to be determined up front, and then the Cook County Clerk would determine the tax rate by factoring the requested levy against the district properties’ EAV available for taxation by the SSA. For these reasons, revenue projections are not applicable and therefore none were prepared.

Feasibility of Option Implementation
An SSA would be relatively simple for the Village to adopt from a procedural standpoint. This would assume however, that at least 51% of the electors residing within and property owners within the SSA do not object. In order to make that determination, the Village would need to develop and put forth a more detailed plan for the types of services or improvements the SSA
would fund, the projected tax impact to effected parties, and initiate discussions with residents and property owners within the SSA. On the positive side, an SSA is in place within Downtown Oak Park, therefore there is precedent, and the Village has had success using this tool, as noted by the public stakeholders. Also, there does not need to be a defined term for an SSA, so it could be used to fund additional ongoing services without expiration.

B. Special Assessment (SA)
It should be noted that a “Special Assessment” tax is a similar, but distinct form of this type of area specific tax for local improvements. Special Assessments can be less preferable for municipalities compared to Special Service Areas, however. Unlike SSAs, special assessments generally do not appear on the property owner’s tax bill, but instead the municipality directly issues the bills and the property owner makes the payments directly to the municipality. There are also additional legal procedures required for issuing bonds backed by special assessments, as well as that SSA bonds can typically be marketed at lower interest rates than special assessment bonds. There are other reasons this tool may be less attractive than an SSA to the Village.

Given the types of needs for the NABC described by the public stakeholders, the SA is still an option, but the other tools discussed in this report may be preferable for the reasons stated above.

C. Business District (BD)
Legislative amendments in 2004 and in 2010 made Business Districts a more viable tool for Illinois municipalities. Business Districts (as defined in Illinois law at 65 ILCS 5/11-74.3-5, not in the more general sense of the term) allow communities to pledge a new tax in the form of a retailers’ occupation tax and service occupation tax (i.e. “sales tax”) and/or hotel/motel tax toward redevelopment in a designated area. The revenue generated could be used to improve outmoded commercial areas, encourage hotel or visitor center development, and upgrade and improve infrastructure.

The new tax revenue is generated through an additional sales tax of up to 1.00% on retail goods and/or an additional hotel/motel tax of up to 1.00% in the designated Business District. (This amount would be in addition to the Village’s Home Rule sales tax portion.)

The sales taxes may not be imposed on "tangible personal property titled or registered with an agency of this State's government or food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purposes of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, and may not be imposed for more than twenty-three (23) years. These taxes, if imposed, shall be collected by the Illinois Department of Revenue and then disbursed to the Village.

Regarding the food and beverage provisions, in other words, the Business District sales tax would not apply to groceries. It would apply to food and beverages served at a restaurant, or prepared for take-out. It would apply to food prepared for immediate consumption at a grocery
store deli or convenience store, whether carried out or consumed on the premises. The tax would also apply to alcoholic beverage and soft drink sales.

In order to implement the additional Business District sales tax and/or hotel/motel tax, the law requires that a municipality make a formal finding that the area is blighted. The “blighted” definition is similar to, but not exactly the same as that of TIF. In cases of a new Business District and TIF overlay, the eligibility for both could be established concurrently. Other requirements similar to TIF are: “but for” provisions (i.e. without the use of this tool, the area will not improve on its own), the requirement for a Redevelopment Plan, and the requirement for contiguity of parcels in the District.

A Business District’s term may actually be longer than the 23 years of a TIF, but the BD sales tax cannot be imposed for longer than 23 years. A TIF can be extended to up to 35 years however, and the BD law does not provide for the extension of a BD or the related sales tax. (Although a new BD could be created in the same area if conditions exist which allow for the area to re-qualify.)

The establishment of a Business District requires that the municipality hold one public hearing before the Village Board adopts the ordinance. A BD has no direct impact on other taxing bodies, therefore input or approval from overlapping taxing bodies prior to its adoption is not required.

Qualification
As a result of our research, Ehlers concludes that the Project Area would be eligible for designation as a redevelopment project area under the Business District Act and meets the “blighted area” criteria that is necessary for the Village to impose the retailers’ occupation tax and service occupation tax if it so chooses. The potential BD area does not include any hotels or motels, so the BD hotel/motel tax is not applicable here.

Pursuant to 65 ILCS 5/11-74.3-5, a business district is defined as “a contiguous area which includes only parcels of real property directly and substantially benefited by the proposed business district plan.” The Act further states that a business district may be established without a finding of “blight”, but no municipality shall be authorized to impose Business District sales taxes and/or hotel/motel taxes unless it is determined by ordinance to be a blighted area under the Act. (Unless the municipality is a non-Home Rule community, there are limited reasons why a community might want to establish a BD without the benefit of the additional sales taxes it generates.)

A “blighted area” is defined by the Business District Act as “an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare.”
A survey of the Project Area indicated that a majority of the buildings demonstrate “deterioration of site improvements”. There is also what may be considered to be “obsolete platting” in that there are parcels of inadequate size and shape for modern redevelopment. Discussions with Village staff indicated that most of the buildings in the Project Area were constructed prior to the imposition of any requirements for sprinkler systems; therefore, they are grandfathered in for purposes of compliance with the Village Code. Nevertheless, the lack of fire suppression systems within many of these buildings could constitute “the existence of conditions which endanger life or property by fire and a potential menace to the public’s health and safety”. Finally, there is evidence of an “economic underutilization of the area”.

A review of the properties’ 2015 (the most current data available at the time of the survey) Equalized Assessed Value (EAV), as we currently understand the boundaries of the potential BD to include, indicates that EAV for the area is lagging in two of the three measures by which this factor is measured under the TIF Act. (There is no such language in the BD Act that includes the measurement of EAV as a specific threshold, however, the same principles apply and Ehlers uses these measurements to demonstrate economic underutilization of the area over a period of time and when compared to other areas within the Village and the U.S.)

The following table shows the three measurements (in shaded boxes) used by the consultant to measure lagging EAV in the years 2010 – 2015:

### EAV Analysis 2010-2015

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<td>RDA Total EAV</td>
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<td>-7.69%</td>
<td>-8.63%</td>
<td>1.47%</td>
<td>-3.60%</td>
<td></td>
</tr>
<tr>
<td>Total EAV of District Has it declined for 3 of last 5 years?</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>no</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>RDA Total EAV</td>
<td>31,688,085</td>
<td>27,997,541</td>
<td>25,844,912</td>
<td>23,614,944</td>
<td>23,962,135</td>
<td>23,099,064</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-11.65%</td>
<td>-7.69%</td>
<td>-8.63%</td>
<td>1.47%</td>
<td>-3.60%</td>
<td></td>
</tr>
<tr>
<td>Village EAV</td>
<td>1,850,649,808</td>
<td>1,596,903,799</td>
<td>1,470,162,652</td>
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<td>1,334,441,513</td>
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<tr>
<td>Balance of Village</td>
<td>1,818,961,723</td>
<td>1,568,906,258</td>
<td>1,444,317,740</td>
<td>1,345,601,116</td>
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<td>1,311,342,449</td>
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<td>-6.83%</td>
<td>1.00%</td>
<td>-3.51%</td>
<td></td>
</tr>
<tr>
<td>Total EAV of District Was it LESS than balance of Village for 3 of 5 years?</td>
<td>no</td>
<td>no</td>
<td>YES</td>
<td>no</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>RDA Total EAV</td>
<td>31,688,085</td>
<td>27,997,541</td>
<td>25,844,912</td>
<td>23,614,944</td>
<td>23,962,135</td>
<td>23,099,064</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-11.65%</td>
<td>-7.69%</td>
<td>-8.63%</td>
<td>1.47%</td>
<td>-3.60%</td>
<td></td>
</tr>
<tr>
<td>CPI</td>
<td>3.2%</td>
<td>2.1%</td>
<td>1.5%</td>
<td>1.6%</td>
<td>0.1%</td>
<td></td>
</tr>
<tr>
<td>Total EAV of District Was it less than the CPI for 3 of last 5 years?</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td></td>
</tr>
</tbody>
</table>

One of the factors described above alone would qualify the Project Area as a “blighted area” for BD purposes, but the combination of these factors makes an even stronger case for qualification.
Potential Redevelopment Objectives
As examples, the revenue generated from these taxes could be used for eligible expenses within the Business District to do the following:

- Encourage new or improved retail shopping centers and stores.
- Create entertainment and restaurant areas.
- Modernize outdated retail, and office developments to attract visitors and local residents to the area and to encourage spending.
- Create and maintain a revolving loan fund related to the uses above.
- Upgrade and construct public improvements, including parking areas, utilities, and modern streetscapes.

The BD Act contains a list of eligible expenses, but is rather expansive in terms of how this list applies to redevelopment activities.

Potential Revenues
In 2015, the Village received total sales tax revenues of $372,680 from sales in the NABC in Oak Park. A portion of that figure, approximately $178,000, was collected from the additional Home Rule Sales Tax imposed by the Village. This Home Rule portion is a 1% additional tax that applies to the same types of items to which the BD sales tax would apply. The BD sales tax projections shown in Appendix B use the $178,000 figure as a base to determine the projected revenue from an additional Business District sales tax at options of .25% up to the maximum allowed 1.0%, if one were to be established, with a slight annual increase for inflation. (This would be on top of the Village’s current sales tax rate, which currently totals 10% on general merchandise, only 2% of which is assessed by the Village.) This projection indicates that a BD sales tax could generate revenue in the neighborhood of $1.1 million up to $4.5 million over the BD term of 23 years, depending on the tax rate applied. This is about $730,000 to $3 million in today’s dollars, using a 4% present value rate (which takes into account the time value of money, i.e. a dollar buys more today than it will in 23 years).

A Business District sales tax should be considered within the context of the Village’s overall sales tax rate, recent sales trends, and the existing supply of commercial and retail space along the NABC. However, this tool has potential for funding various types of improvements in which the Village may be interest. Further, a Business District combined with a Special Service Area and a new TIF can sometimes offer a strong package of revenue producing and economic development generating options.

Feasibility of Option Implementation
A Business District may be the option that could be most easily implemented for the NABC in Oak Park. Revenue would be generated immediately and current sales tax collections indicate that this tool could fund many of the services in which public stakeholders are interested.

Another option for the Village to consider would be to establish intergovernmental agreements with the City of Chicago, such that the increase in sales tax would be in effect on both sides of North Avenue, thereby negating an incentive to “cross the street” to avoid the additional tax. (This arrangement could be used with respect to an SSA or a TIF as well, but because the BD is sales tax based, the cost increase would be more “visible” to customers.)
D. Tax Increment Financing (TIF)

Tax Increment Financing (TIF) has proven to be one of the most effective economic development tools available to Illinois municipalities for financing development/redevelopment.

When a TIF redevelopment project area (often called a TIF District) is created, the value of the property in the area is established as the “base” amount. The property taxes paid on this base amount continue to go to the various taxing bodies as they always had, with the amount of this revenue declining only if the base declines (which the TIF is expected to prevent) or the tax rate goes down. It is the growth of the value of the property over the base that generates the tax increment. This increment is collected into a special fund (the Special Tax Increment Allocation Fund) for use by the municipality to make additional investments in the TIF project area. This reinvestment generates additional growth in property value, which results in even more revenue growth for reinvestment.

After the redevelopment has occurred and the TIF project ends (usually after 23 years, the maximum allowed by Illinois law absent an extension), all of the taxing bodies benefit from the new growth.

Similar to BD, the process for establishing a TIF begins by identifying an area that meets the requirements for a "redevelopment project area" (more detail on that is below), drafting the required documents (an Eligibility Report, a Redevelopment Plan, and in cases where there are more than 75 occupied residential units, as in this Project Area, a Housing Impact Study), holding a Public Information Meeting (also a requirement in this Project Area due to the number of residential units), a Joint Review Board meeting (comprised of representatives of certain taxing bodies impacted by the TIF), and a Public Hearing, prior to the adoption of three ordinances by the Village Board. The County Clerk is then notified so that the County can establish the taxing bodies’ base value and begin to collect and distribute incremental revenues.

Qualification
As set forth in the TIF Act (Illinois’ Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74) , a TIF District or "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1.5 acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an “industrial park conservation area” or a “blighted area” or a “conservation area,” or a combination of both “blighted” and “conservation” areas.

In general, it is also important to note that tests of eligibility are based on the conditions of the area as a whole; it is not required that eligibility be established for each property in the proposed TIF redevelopment project area. In addition to establishing eligibility under the TIF Act, a municipality must also find that “the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan.” This finding is commonly referred to as the "but for" finding.

As a result of our research, Ehlers concludes that the Project Area would be eligible for designation as a redevelopment project area under the TIF Act and would qualify as a
“conservation area” and, depending upon the findings of a more in-depth survey, possibly a “blighted area” as well. (We can provide more detail on the differences between these two designations at a later time.) Per Cook County records and our field observations, at least 80% of the buildings in the Project Area are older than 35 years of age, which would allow it to meet the requirement of 50% or more being older than 35 years of age in order to qualify as a conservation area. Many of the buildings exhibit signs of deterioration and obsolescence, both of which are qualifying factors. Approximately one-third of the parcels exhibit excessive land coverage which is demonstrated by buildings covering a majority of the site. Because many of the buildings in the area were constructed prior to the Village’s first comprehensive plan and the sizes of the parcels are not conducive to redevelopment, there are other criteria that could be applied also. As mentioned in the BD section, there is evidence of lagging EAV in the area too, which demonstrates economic underutilization of the area over a period of time and when compared to other areas within the Village and the U.S. This criteria will help in establishing the “but for” finding if the Village opts to create a TIF District.

Potential Redevelopment Objectives
A designation as either a “conservation area” or a “blighted area” would allow the Village to collect increment in the same way and use those funds for the same TIF eligible expenses, such as those listed below:

- Upgrading and improving public infrastructure, such as road and sidewalk repairs, utility upgrades, and water and sewer projects.
- Acquisition, clearance and other land assembly and site preparation activities.
- Revitalization of deteriorated or obsolescent commercial buildings.
- Incentives to retain or attract private development.

TIF revenues can be used for the same types of costs as a Business District, with one exception: in general, TIF costs cannot be used for new construction, although there are some exceptions for affordable housing and public buildings, which we can define further, should the Village decide to explore this option. The TIF Act also includes a broadly defined list of costs for which TIF dollars may be used.

Potential Revenues
The tax increment projections shown in Appendix C use the Project Area’s EAV as of tax year 2015 as the base level that would be established at the onset of the TIF. One column shows the amount of inflationary growth that would be captured by the TIF, as well as another column which shows how potential “EAV Added” from redevelopment (which is calculated at approximately one-third of fair market value) would impact the incremental revenues. There are two TIF Increment Projection scenarios included, the first (C-1, TIF Scenario A) showing higher EAV values for “Future Projects EAV” as a “best case” scenario and the second (C-2, TIF Scenario B) showing lower values for “Future Projects EAV”, assuming smaller-scale improvements to existing developments within the project area.

Feasibility of Option Implementation
While TIF can often times offer the best opportunity to generate the most revenue for improvements to an area, there are considerable impediments to the use of this tool in the NABC.
First, there is expected to be little, if any, new, larger-scale redevelopment within the NABC in Oak Park. The smaller-scale types of property improvements that would be expected within the area will generate relatively small amounts of property tax increment over the life of a TIF District (usually 23 years), and it will probably take a number of years before any increment is generated at all. Further, the creation of other TIF Districts currently in place within Oak Park encountered opposition from the other taxing bodies, largely from the school districts. Tax increment sharing agreements were made with the taxing bodies in order to gain their consent. Such an agreement would likely be required if a TIF were to be proposed in the NABC in Oak Park as well. If the revenue to be generated from the TIF was projected to be substantial enough to allow for increment sharing, it would certainly be worthwhile to create the TIF. That is questionable in this case, and therefore the benefits may not outweigh the costs for creating a new TIF in the NABC.

E. Summary of Financing Options Overview
While some of the financing options are more feasible than others, Ehlers’ preliminary analysis indicates that a Special Service Area (or Special Assessment), a Business District, and a Tax Increment Finance District are all options that are available for the Village to apply to the Project Area.

F. Cook County Property Tax Incentives
During the course of the focus group meetings, a number of participants indicated that property tax increases after purchasing or investing in a NABC property is a disincentive to potential investors. Ehlers discussed briefly the various incentives offered through Cook County Property Tax Incentive Program. The program is intended to encourage real estate development projects which would not be economically feasible without assistance. Under the program, eligible properties may be temporarily classified into one of eight additional classification categories, which would carry with it a reduced assessment level for a specified period of time. Under some instances, the incentive can be renewed. Upon expiration of such classification, the property will revert to one of the basic six classifications.

Given the predominance of commercial properties along the NABC, the Class 7a, 7b and 7c incentives would likely be most applicable, though there may be instances where another classification would apply. The Class 7 incentives apply to commercial properties for new construction or renovation and/or the reutilization of abandoned or vacant proper. See Appendix D for a summary of the Cook County Property Tax Incentives and their respective reversion classifications. Detailed information regarding eligibility and applications can be found at http://www.cookcountyassessor.com/PdfForms/Incentive-Forms.aspx

A summary of the public stakeholder outreach process and its findings are presented next to further inform Village official’s discussion of this topic.
IV. Public Outreach Overview

The Village of Oak Park retained Ehlers, Inc. (Ehlers) in July 2016 to review potential funding resources available to enable future economic growth along Oak Park’s North Avenue Business corridor (NABC). Within this scope of work, Business Districts, Inc. (BDI) was engaged to assist Ehlers and the Village with initial public outreach activities. This outreach component will provide guidance to Village officials regarding initial stakeholder priorities for the NABC. These initial priorities also encompass potential programs and services and provide baseline input from corridor constituencies to support the Village’s planned 2017 study of Oak Park’s NABC.

This outreach process consisted of three (3) focus groups: one each for nearby Oak Park residents and corridor business owners, and a third focus group open to residents and to visitors. Two (2) focus group sessions were held at the U. S. Bank location at North and Austin Avenues on September 13 and 15. The third and final focus group for the combined group of nearby residents and business owners was held on September 21 at Wonder Works. Attendance at the three (3) sessions was: 8 nearby Oak Park residents on September 13; 2 business owners on September 15; and 5 participants on September 21 (1 business owner and 4 nearby residents). In addition, a “Meeting in a Box” kit, or a self-guided meeting kit, was made available to Oak Park’s various North Avenue business and resident organizations. These kits provided a supplemental opportunity, outside of the focus group process, for additional local feedback. None of the kits were returned to Village staff by the September 30, 2016 deadline.2

As one component of each focus group session, Ehlers staff presented an overview of the funding tools identified in their preliminary analysis submitted to the Village of Oak Park. This draft analysis identified three (3) potential funding tools that the Village could consider to fund efforts to revitalize North Avenue in Oak Park. These tools include: a Tax Increment Financing (TIF) district; a Special Service Area (SSA); and a Business District (BD). Ehlers staff reviewed the criteria for each funding option, their specific statutory approval processes, and the legally prescribed uses for each funding tool. The participants attending each focus group asked questions about these funding tools. Their questions, answers, and observations are incorporated into this focus group summary.

Within each focus group, the participants were asked to respond to a series of questions formulated to:

- Identify their attitudes about Oak Park’s North Avenue and its commercial environment;
- Identify North Avenue’s current opportunities and challenges;
- Consider their individual priorities for North Avenue’s improvement;
- Suggest ideas, programs, or actions to enable improvements along North Avenue by local organizations in Oak Park and Chicago, the Village, the City of Chicago, or other area entities committed to the corridor’s success.

2 If any ‘Meeting in a Box’ kits are subsequently returned to Village staff, those results will be summarized as an appendix to this summary.
The individual participant responses by focus group are provided in Appendix E. Overall, the questions posed to focus group participants were developed to connect their investments along and near North Avenue with their corridor experiences as residents, consumers, business owners, and property owners. This connection provides the framework for how participants described their priorities for improving Oak Park’s North Avenue.

A. Common Themes in All Focus Groups

The Oak Park residents and business owners participating in the three (3) focus groups described seven (7) common themes. These themes also encompass the priorities for Oak Park’s North Avenue identified during the focus group sessions.

1. North Avenue needs multiple appearance and physical improvements. Suggested improvements encompassed building improvements, cleaner sidewalks, extension of the completed North Avenue streetscape project to Austin Avenue, improved landscaping in parking lots, and Village enforcement of regulations with any impact on corridor appearance.

2. Residents and business owners readily acknowledge that the NABC is and will remain a high traffic corridor. At the same time, most participants consider North Avenue a gateway to the Village. Emphasizing quality in development and in ground level tenanting, with an improved appearance, can increase North Avenue’s appeal to both Chicago and Oak Park.

3. Related to 2 above, residents and business owners felt that North Avenue should have its own identity supported by marketing, events, and promotion. Recognizing clusters, such as the corridor’s restaurants, could attract more residents to North Avenue’s strongest businesses.

4. Focus group participants identified either 2 or 3 different sectors along Oak Park’s North Avenue. The quality of businesses and business types located in the eastern sector, generally east of Ridgeland, was considered marginal. Few residents indicated that they patronized businesses in these sectors. These same residents noted that they do patronize multiple North Avenue businesses, primarily the restaurants located in Oak Park and on the Chicago side of the NABC.

5. Both nearby residents and business owners believe that market rate residential development (multi-family rental and owner-occupied) may be North Avenue’s best redevelopment opportunity. The assembly of multiple sites, given the shallow parcel depths, is recognized.

6. The need for traffic calming and for changes to the current parking situation (locations and regulations) would mitigate the issues associated with their proximity to a high traffic corridor.

7. Several participants noted that the Village and the nearby neighborhood have ‘turned their backs’ on North Avenue. Perceptions of safety and the presence of marginal business tenants exacerbate

These themes fundamentally reflect the participants’ view of North Avenue’s current conditions and their aspirations for North Avenue’s future. All focus group participants understood that the
work needed to revitalize North Avenue will require a collaboration between North Avenue’s key constituencies (North Avenue Zoning and Development Advisory Committee, North Avenue Business Association, North Avenue Neighbors, and similar organizations on the Chicago side), the Village, and the City of Chicago to address the corridor’s challenges and to capitalize on its opportunities. Funding to assure revitalization happens is part of this collaboration.

B. Perspectives on Potential Funding Mechanisms
Residents and business owners recognize that improvements to Oak Park’s North Avenue are neither the sole responsibility of the corridor business owners nor of the Village. The stakeholders noted earlier, including those on the NABC’s Chicago side, will be important partners in relating emerging priorities and programs to funding sources. The impending NABC planning process will also provide a framework for future decisions. In determining the best funding mechanism(s) for North Avenue in Oak Park, the focus group participants shared the following observations:

- The school district will likely object to any TIF district for North Avenue, despite the need to revitalize the NABC.
- Significant outreach and education will be needed to ensure that the NABC’s investors—residential and commercial—understand these funding tools to ensure that the Village and the NABC constituencies pursue a common vision for corridor revitalization.
- While business owners indicated some reservations about SSA funding, funding that will be used for clear and established purposes and handled in a transparent way could be supported by SSA payers. A SSA may be able to do what a TIF cannot.
- For any SSA, three (3) challenges were identified: Oak Park’s higher real estate taxes; the multiple out-of-town property owners along the NABC; and whether nearby residents would perceive value in any SSA or would have concerns about the area’s boundaries in the nearby residential neighborhood.
- A BD may not be the best option, given the decline in the number of sales tax generating businesses along Oak Park’s North Avenue and that any increase to the NABC’s already high local sales tax would deter patrons.

C. Conclusion
Overall, these focus groups recognize the need to improve the NABC and that it will take time. They want a successful and attractive North Avenue with better businesses that they can support. They realize that redevelopment will occur. The programs and priorities to improve the NABC, suggested by each focus group, were remarkably similar. Finally, each group also understood that identifying the optimal funding source(s) would require additional education and outreach to all of the NABC constituencies. The Ehlers/BDI team looks forward to assisting Village officials in considering these funding options with the Village and to working in tandem with the Village to implement the option selected by the Village, now or in the future.

The complete survey results are provided in Appendix E to this report, and these results are organized by question. Observations are noted to add context to the results. Any differences in responses among the stakeholder groups are noted. The final survey question (Question 8) was
optional and asked respondents to provide their contact information if they wished to learn more about the survey results and about the Village’s ongoing conversations about North Avenue’s future. Forty-six respondents, or 28.2%, provided contact information indicating they would like to be informed about North Avenue’s future. This contact information has been provided to Village staff under separate cover.

D. Priorities to Improve North Avenue

In question 6 of the survey, respondents were asked to prioritize certain programs and services that could potentially enhance the NABC. (Additional detail and comments are provided in Appendix E.) As with the common themes, certain differences among stakeholder types exist. For example, business owners cited more security as a higher priority. South Oak Park residents ranked that priority (more security) lower than business and property owners. Overall, these same categories of programming and improvements were discussed during the June public meetings.

<table>
<thead>
<tr>
<th>Improving North Avenue’s Business Environment: All Responses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving the quality of corridor businesses and tenants</td>
<td>58.3%</td>
</tr>
<tr>
<td>Sustaining and fostering locally owned businesses</td>
<td>57.6%</td>
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<tr>
<td>Replacing aging properties with new development</td>
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<tr>
<td>Improving existing and historic building stock</td>
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<tr>
<td>Marketing, special events, and image development</td>
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<tr>
<td>Improved pedestrian and bicycle access</td>
<td>23.6%</td>
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<tr>
<td>Improving vehicular access and parking</td>
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<tr>
<td>Attracting visitors to North Avenue</td>
<td>20.8%</td>
</tr>
<tr>
<td>Better business support resources and services</td>
<td>19.4%</td>
</tr>
<tr>
<td>More security</td>
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</tr>
<tr>
<td>Cleaner streets, alleys, and sidewalks</td>
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</tr>
<tr>
<td>Snow removal on sidewalks and other physical maintenance</td>
<td>11.1%</td>
</tr>
<tr>
<td>Improved wayfinding signage</td>
<td>4.2%</td>
</tr>
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E. Common Themes

Six (6) common themes emerged from the stakeholder sessions and from the survey results. While some differences existed among responses from business and property owners and from Village residents, the overall themes noted are similar.

1. Multiple physical improvements and targeted programs are needed to improve Oak Park’s North Avenue. Parking in the neighborhoods and personal security were frequent observations by residents.
2. The NABC and its nearby neighborhoods feel their area is overlooked as part of the Village and believe that a local commitment is needed to improve the NABC.
3. The overall quality of new and existing businesses on the NABC needs to be re-energized and strengthened.
4. The participants understood that redevelopment is needed in some corridor locations. Property acquisition and assembly will be required for redevelopment. Incentives should also be available for existing building stock on North Avenue.
5. The corridor lacks an identity, particularly the segment east of Lombard Avenue.
6. Public process participants understood that the programs and improvements identified in the session discussions would require one or more funding sources.

Ultimately, NABC stakeholders want a better NABC to showcase neighborhood strengths. They also understand that actions, or programs, of multiple types will be required over time to comprehensively address the corridor’s needs, and that these programs will need to be funded.

V. Conclusion

Our review of the NABC indicates that there are several viable options for the Village to consider for funding improvements and services in the area. Equally important, the residents and business owners in the area have agreed that action in the area is necessary and have indicated that they will support steps by the Village to develop needed sources of funding. The Ehlers and BDI Team looks forward to discussing these options with the Village and to working with the Village to implement whichever of these the Village chooses to pursue, today and in the future.
Appendix A: North Avenue Business Corridor Project Area Map
### Appendix B

**Village of Oak Park**  
**North Avenue Business Corridor Study**  
**Sales Tax Projections WITH BUSINESS DISTRICT ADDED TAX**  
**Assumes 1.0% Annual Growth**

<table>
<thead>
<tr>
<th>Home Rule &amp; Municipal Tax</th>
<th>Present Value Rate</th>
<th>$372,680 (FY 2015)</th>
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<tbody>
<tr>
<td>Municipal Tax Portion</td>
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<td>$194,300 (FY 2015)</td>
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<tr>
<td>Home Rule Tax Portion</td>
<td></td>
<td>$178,380 (FY 2015)</td>
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</table>

<table>
<thead>
<tr>
<th>BD Year</th>
<th>Tax Year</th>
<th>Collection Year</th>
<th>INFLATION</th>
<th>Business District Sales Tax @ 1.00%</th>
<th>Business District Sales Tax @ 0.75%</th>
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<tbody>
<tr>
<td>1</td>
<td>1%</td>
<td></td>
<td></td>
<td>$178,380</td>
<td>$133,785</td>
<td>$89,190</td>
<td>$44,595</td>
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<td>2</td>
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<td>3</td>
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<td>4</td>
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<td></td>
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<td>$49,261</td>
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<td>$99,506</td>
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<td>$152,260</td>
<td>$101,507</td>
<td>$50,753</td>
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**NPV:**  
$2,913,159 $2,184,869 $1,456,579 $728,290

### Assumptions

1. Annual Estimated Home Rule and Municipal Taxes Collected for the "North Avenue" area was provided by the Village of Oak Park on 9.6.2016.

2. Annual Estimated Home Rule Portion of the Taxes Collected for the "North Avenue" Area was provided by the Village of Oak Park on 9.6.2016. (Calculated at 1% of general merchandise sales only, and does not apply to sales of grocery, food, drugs, or medical appliances).

3. Business District Sales Tax applies to General Merchandise Sales only, and does not apply to sales of grocery, food, drugs, or medical appliances, similar to the Home Rule Tax.

4. Business District Tax Revenue of "North Avenue" was calculated based upon the Home Rule Portion for the "North Avenue" area provided by the Village of Oak Park.
Appendix C-1: TIF SCENARIO A

Village of Oak Park
North Avenue Business Corridor Project Area

Increment Projections - Redevelopment & Property Improvement Scenario

Assumptions:
- Est. Base Value of Project Area $23,099,064
- Net Present Value Rate 4.0%
- Annual Inflation Rate 1.25%
- Triennial Inflation Rate 3.80%
- Tax Rate 13.514%
- % Revenue Collected 97%
- Assumption: TIF Life of 23 Years.

<table>
<thead>
<tr>
<th>TIF Year</th>
<th>Project Area Base EAV</th>
<th>Future Projects EAV</th>
<th>Taxable EAV / Incremental Value</th>
<th>Projected Incremental Property Tax Revenues (Year Received)</th>
<th>Incremental Property Tax Revenues Collected (by 12/31)</th>
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<tbody>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
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<tr>
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<td>$1,078,302</td>
</tr>
<tr>
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<td>$30,230,884</td>
<td>$8,225,927</td>
<td>$1,111,652</td>
<td>$1,078,302</td>
</tr>
<tr>
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<td>$31,274,991</td>
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<td>$1,078,302</td>
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<tr>
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<td>$31,324,991</td>
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<td>$1,111,652</td>
<td>$1,078,302</td>
</tr>
<tr>
<td>21</td>
<td>$31,324,991</td>
<td>$31,324,991</td>
<td></td>
<td>$1,111,652</td>
<td>$1,078,302</td>
</tr>
<tr>
<td>22</td>
<td>$31,324,991</td>
<td>$31,324,991</td>
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<td>$1,111,652</td>
<td>$1,078,302</td>
</tr>
<tr>
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<td>$31,324,991</td>
<td>$31,324,991</td>
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<td>$1,111,652</td>
<td>$1,078,302</td>
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<tr>
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<td>$31,324,991</td>
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<td>$7,129,764</td>
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</table>

Net Present Value

$7,350,272 $7,129,764

Assumptions:
1. Estimated Base EAV (TY2015) of Project Area.
2. Estimated annual inflation rate.
3. Estimated inflation rate compounded triennially.
4. Tax Rate for Tax Year 2015 of Tax Code 27001.
5. Assumes TIF Life of 23 Years.
7. Estimated increase in EAV of future improvements. These projections assume larger redevelopment projects interspersed throughout the life of the TIF in addition to property improvements and/or renovation(s). Assumptions to be refined following input from Village and Public Stakeholder meetings.
9. Tax revenues are collected one year after the taxing year.
10. Assumes a 97% collection rate.
11. Based on 10-year Trend in Municipal Bond Indices (2006-2016) per the Bond Buyer Index.
**Appendix C-2: TIF SCENARIO B**

**Village of Oak Park**

**North Avenue Business Corridor Project Area**

**Increment Projections - Property Improvement Scenario**

**Assumptions**

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Value</th>
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<tr>
<td>Est. Base Value of Project Area</td>
<td>$23,099,064</td>
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<tr>
<td>Annual Inflation Rate</td>
<td>1.25%</td>
</tr>
<tr>
<td>Triennial Inflation Rate</td>
<td>3.80%</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>13.514%</td>
</tr>
<tr>
<td>Net Present Value Rate</td>
<td>4.0%</td>
</tr>
<tr>
<td>% Revenue Collected</td>
<td>97%</td>
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**Projected Value of EAV Added**

<table>
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<th>TIF Year 4</th>
<th>Year Assessed</th>
<th>Project Area Base EAV 5</th>
<th>Future Projects EAV 6</th>
<th>Taxable EAV / Incremental Value 7</th>
<th>Projected Incremental Property Tax Revenues (Year Received) 8</th>
<th>Incremental Property Tax Revenues Collected (by 12/31) 9</th>
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<tbody>
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<td>$39,020</td>
<td>$37,849</td>
</tr>
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<td>-</td>
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<td>$294,756</td>
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</tr>
<tr>
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<td>$294,756</td>
</tr>
<tr>
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<td>$294,756</td>
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<tr>
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<td>$303,873</td>
<td>$294,756</td>
</tr>
<tr>
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<td>100,000</td>
<td>$2,298,576</td>
<td>$303,873</td>
<td>$294,756</td>
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<tr>
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<td>$294,756</td>
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<tr>
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<td>$294,756</td>
</tr>
<tr>
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</tr>
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<td>100,000</td>
<td>$2,298,576</td>
<td>$303,873</td>
<td>$294,756</td>
</tr>
</tbody>
</table>

| Total      |               | $1,143,137              | $11,095,963            | $6,218,501                        | $6,031,946                                                   |                                                 |

**Net Present Value**

| Total       |               | $6,218,501              | $6,031,946             |                                                 |                                                 |                                                 |

---

**Assumptions:**

1. Estimated Base EAV (TY2015) of Project Area.
2. Estimated annual inflation rate.
3. Estimated inflation rate compounded triennially.
4. Tax Rate for Tax Year 2015 of Tax Code 27001.
5. Assumes TIF Life of 23 Years.
7. Estimated increase in EAV of future improvements. These projections assume conservative growth with some larger improvements, which could be a cumulative value of several improvements, and/or maybe a small renovation project(s).
8. Assumptions to be refined following input from Village and Public Stakeholder meetings.
9. Project Area Base EAV + Future Projects EAV - Est. Base EAV of Project Area
10. Tax revenues are collected one year after the taxing year.
11. Assumes a 97% collection rate.
12. Based on 10-year Trend in Municipal Bond Indices (2006-2016) per the Bond Buyer Index.
## Summary of Cook County Property Tax Incentives

Property may be temporarily classified into one of eight additional classification categories. Upon expiration of such classification, the property will revert to one of the basic six classifications.

<table>
<thead>
<tr>
<th>Class</th>
<th>Description of Qualifying Property</th>
<th>Assessment Percentage</th>
<th>Reverts to Class</th>
</tr>
</thead>
<tbody>
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<td>6b</td>
<td>Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties</td>
<td>10% for the first 10 years and any 10 year renewal; If not renewed, 15% in Year 11, 20% in Year 12</td>
<td>5b</td>
</tr>
<tr>
<td>C</td>
<td>Industrial Property that has undergone environmental testing and remediation</td>
<td>10% for the 10 years 15% in Year 11 20% in Year 12</td>
<td>5a</td>
</tr>
<tr>
<td>7a/7b</td>
<td>Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development</td>
<td>10% for the 10 years 15% in Year 11 20% in Year 12</td>
<td>5a</td>
</tr>
<tr>
<td>7c</td>
<td>Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation.</td>
<td>10% for the first 3 years and any 3 year renewal; If not renewed, 15% in Year 4, 20% in Year 5.</td>
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</tr>
<tr>
<td>8</td>
<td>Industrial properties in enterprise communities or zones in need of substantial revitalization</td>
<td>10% for the 10 years and any 10 year renewal; If not renewed, 15% in Year 11, 20% in Year 12</td>
<td>5a</td>
</tr>
<tr>
<td>9</td>
<td>New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones.</td>
<td>10% for the first 10 years and any 10 year renewal</td>
<td>As Applicable</td>
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<td>Class 3 properties subject to Section 8 contracts renewed under the Mark to Market option</td>
<td>10% for term of Section 8 contract renewal and any subsequent renewal</td>
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</tr>
<tr>
<td>L</td>
<td>Substantially rehabilitated Class 3, 4, or 5b properties qualifying as &quot;Landmark&quot; or &quot;Contributing&quot; buildings</td>
<td>10% for the first 10 years and any 10 year renewal; If not renewed, 15% in Year 11, 20% in Year 12</td>
<td>3, 4, or 5b</td>
</tr>
<tr>
<td></td>
<td>Substantially rehabilitated Class 5a properties qualifying as &quot;Landmark&quot; or &quot;Contributing&quot; buildings</td>
<td>10% for the 10 years 15% in Year 11 20% in Year 12</td>
<td>5a</td>
</tr>
</tbody>
</table>
Appendix E: Public Input Process Survey Results
Focus Group Observations by Session

Focus Group for Residents (September 13, 2016)

North Avenue’s Opportunities

- Adding more restaurants.
- Enhancing walkability and neighborhood access, despite the traffic.
- Additional parking options, including safer lots for entry and exit, or improved access and circulation to available parking.
- Enhancing collaborations among the current North Avenue business owners, recognizing that independent owners will remain.
- The lack of cooperation among nearby residents.
- The lack of connection between North Avenue’s east, central, and west sectors, and ensuring coordination among these areas.
- An identity for North Avenue.
- Residential development, including mixed-use development.

North Avenue’s Challenges

- North Avenue is two (2) different areas—east and west of Oak Park Avenue.
- How to make the corridor an attraction for all people—both in Oak Park and in Chicago.
- Traffic and parking, given high traffic volumes and traffic speeds.
- The configuration of the North and Oak Park Avenues intersection.
- Buildings along North Avenue are unattractive.
- Oak Park has ‘turned its back’ on North Avenue.
- Vacancies and marginal businesses throughout Oak Park’s North Avenue.
- The professional offices do not draw from the neighborhood.
- Most businesses are not friendly, and few nearby residents patronize businesses other than restaurants.
- The Chicago side of North Avenue is an issue and is just as bad as the Oak Park side.

Why They Chose to Live Nearby

- Mann School.
- Access to Galewood Metra stop.
- ‘More’ home for the money, given property values are lower in the area.
- Oak Park’s central location and accessibility to downtown Chicago.

How Their Residential Area Has Evolved

- More vacant homes nearby that remain unsold.
- Homes are turning over, with new residents and families moving to the neighborhood.
- Love their block and their neighbors.
Parking issues and traffic have obviously increased

Priorities to Improve North Avenue

- Improving business quality—many businesses simply are not friendly. Focus on efforts to ensure better businesses, including restaurants, and business types, including drive-thrus.
- Actions to improve overall maintenance and appearance.
- Explore traffic calming strategies.
- Potential intersection improvements at Narragansett/Ridgeland Avenue and at Oak Park Avenue.

Programs/Solutions for Oak Park’s North Avenue

- Ways to improve overall appearance—buildings, alleys, and landscaping around parking lots.
- Clean-up litter.
- Enable awnings and other small improvements for a better appearance.
- Have some events that reinforce a connection to North Avenue and establish an identity.
- Build overall awareness about North Avenue, from marketing the corridor to ensuring adequate policing.
- Consider head-in parking in most parking areas.
- Complete the earlier streetscape project to Austin Avenue.
- Enforce codes and regulations specific to uses, such as pawnshops and payday loan stores.
- Work with the businesses to make the best of North Avenue’s challenges.
- Encourage entrepreneurs, such as La Parlita, and temporary uses in vacancies to increase interest in North Avenue businesses.

Focus Group for Business/Property Owners (September 15, 2016)

North Avenue’s Opportunities

- Vacancies can be filled with more viable businesses that come to stay on North Avenue.
- Extend the streetscape.
- Increase residential development along North Avenue to take some of the commercial properties out of the market. There is too much commercial space on the corridor.

North Avenue’s Challenges

- When ‘bottom feeder’ businesses, such as pawnshops, move into neighboring lease space, sales decline significantly in North Avenue’s better businesses.
- Many property owners are not vested in their North Avenue real estate.
- The cul-de-sac system creates barriers and disconnection from the commercial area.
- Despite the high traffic counts on North Avenue, the capture rate for new customers is much less than perceived.
- Visibility and signage require a balance between the Village’s code and heavy auto orientation (traffic volumes and speed).
• The real estate tax increases after purchasing or investing in a North Avenue property represent a real disincentive to potential investors.

Why They Chose to Invest on North Avenue

• North Avenue locations often have access to parking in the strip mall locations located along the corridor.
• For professional practices, a North Avenue location is a ‘known’ address.
• Can gain some visibility for their business in a well-known corridor.

Priorities to Improve North Avenue

• Safer parking.
• Beautification, recognizing that North Avenue differs from the rest of Oak Park. This includes an extension of the streetscape to the west throughout the North Avenue corridor.
• Increase marketing and promotion efforts for North Avenue and Oak Park’s other border districts. The Chamber can play an important role in this work.
• Related to marketing and promotion, develop a real identity that fits with what North Avenue is.

Programs/Solutions for Oak Park’s North Avenue

• Educate business owners about the rules and regulations specific to businesses. There is often confusion between the Oak Park requirements and the City of Chicago requirements.
• Work to retain the strong businesses and support recruitment of other strong businesses.
• The Village needs to be more business friendly and transparent in regulatory enforcement. For example, the sequence of inspections can delay business openings, costing owners more money and the loss of potential sales.
• Marketing and events that bring attention to North Avenue.

Focus Group for Residents and Business/Property Owners (September 21, 2016)

North Avenue’s Opportunities

• New businesses, meaning quality tenants, to fill the vacancies.
• Residential development is the best opportunity. Is there a future for business tenants? Condos and multi-family could work best, given the lot sizes and vacant strip malls.
• Add park space at Euclid.
• Parking improvements can ensure better access and circulation.
• Vacant lots may be better than some of the current buildings with marginal tenants or the ‘underground economy’ businesses located in some lease spaces.

North Avenue’s Challenges

• Do we know what kinds of quality tenants could succeed on North Avenue? Who are they, and what is the basis for identifying them?
• North Avenue is a gateway to Oak Park and makes a statement about the community.
Multiple intersections are problematic. As an example, adjustments are needed to the North and Oak Park Avenues intersection. Though certain businesses and areas of North Avenue are good, businesses are generally in a ‘death spiral.’

Priorities to Improve North Avenue

- Beautification of the Oak Park side, particularly from Ridgeland to Austin. This includes building improvements, clean sidewalks, and nicer landscaping. These kinds of improvements could also have an impact on the Chicago side. No trees should be included in any median.
- Parking should be improved to better enable park and walk to destination. Increase availability of head-in parking. Could cul-de-sacs and one-ways be improved as parking options? Better enforcement of times would help.
- Related to parking is rationalizing emergency parking during and after snow events. Restrictions on North Avenue mean there is no available parking for most patrons. Businesses are still open during most snow events.
- Residential development potential should be explored at available sites.
- Need to attract Oak Park residents to North Avenue, and let them know about the good businesses located there, so that North Avenue becomes a place to go. There needs to be a better sense of community.
- Know what is actually happening in the corridor, and enforce business standards, zoning, and regulations, particularly given marginal tenancies and disinvestment. Businesses are operating without signs and have people coming and going at all times. These issues have an impact on the residents behind these businesses. If the business does not meet local requirements, it should be closed.
- Market-rate housing only along Oak Park’s North Avenue.

Programs/Solutions for Oak Park’s North Avenue

- A plan is needed for the North Avenue corridor before any major improvements can occur. Without a plan, only the basics can be addressed.
- Increase the police presence on North Avenue to address perception of safety concerns.
- Focus on building clusters of businesses, such as Elmwood Park’s restaurant row since residents patronize those businesses. Work with the Chicago side would be part of this effort.
- Emphasize enforcing zoning, and business permit regulations to begin to address marginal tenancies and disinvestment.
- Recognize that real estate taxes are an issue for business owners and for nearby residents. Any available incentive programs need to be structured understanding tax implications.