



**REGULAR MEETING
ECONOMIC DEVELOPMENT COMMITTEE
Wednesday, June 2, 2021
5:00 PM
VILLAGE HALL – BOARD ROOM**

The mission of the Economic Development Committee (EDC) is to grow a stronger business climate by being an active partner with businesses, investors, and residents. The EDC shall strengthen economic development in the Village by developing business retention, expansion, and attraction programs; the creation and implementation of economic development plans and policies; being business ambassadors to the community; coordinating with other governments on projects; and submitting an annual Economic Development Position Report to the Village Board at the beginning of the fiscal year.

Attendance and Public Comment Procedures: Pursuant to the Governor's Executive Order, physical attendance at this meeting shall be limited to 30 people. Therefore, attendance by members of the public for meeting will be permitted both in person (subject to social distancing and capacity limitations) and virtually. [Here is a link](#) to watch and listen to the meeting live. Public comments will be taken in advance of the meeting via email at abeltran@burr-ridge.gov. Public comments may also be made at the applicable time during the meeting by calling (312) 626-6799 and entering the conference identification number (814 0723 1052#). All participants will be muted upon entering the virtual meeting and be unmuted at the direction of the Chairperson. Prior to voting on each agenda item, email comments for that agenda item will be read into the record, and the Chairperson will pause to receive virtual comments. The same procedure will be followed for any person seeking to address the EDC under Public Comment.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES OF MAY 5, 2021 MEETING**
4. **CONSIDERATION OF DOWNTOWN BUSINESS DISTRICT GOALS AND OBJECTIVES**
5. **CONSIDERATION OF DRAFT DOWNTOWN BUSINESS DISTRICT PLAN**
6. **OTHER CONSIDERATIONS**
7. **PUBLIC COMMENT**
8. **ADJOURNMENT**

MINUTES
ECONOMIC DEVELOPMENT COMMITTEE MEETING
May 5, 2021

CALL TO ORDER: Mayor Gary Grasso called the meeting to order at 5:02 p.m. The meeting was held in person and on zoom at the Village Hall.

ROLL CALL: **Present:** Mayor Gary Grasso, Trustee Tony Schiappa, Debbie Hamilton, Bhagwan Sharma, Ramzi Hassan, Kirsten Jepsen, and Michael Simmons. Paul Stettin participated digitally by Zoom.

Absent: Mark Stangle and Sam Odeh

Also Present: Trustee Russell Smith, Interim Village Administrator Evan Walter, Communications & Public Relations Coordinator Janet Kowal, and Management Analyst Andrez Beltran.

MINUTES: Mayor Grasso asked that the April 7, 2021 minutes be amended to reflect his concern that a tax rate over 10% could be detrimental. A **MOTION** was made by Mr. Simmons to approve the Minutes from the April 7, 2021 meeting as amended. The **MOTION** was seconded by Mr. Sharma and approved by a vote of 8-0.

DISCUSSION OF DOWNTOWN BUSINESS DISTRICT

Mr. Beltran stated that the Committee had asked for staff to research and report on the combined sales and place of eating tax rates of comparable communities. He noted that Burr Ridge has the lowest combined sales tax rate in Cook County and compares favorably against Yorktown Mall in Lombard, the Route 83/Plainfield Road Corridor in Willowbrook, the Promenade in Bolingbrook, and Stratford Square in Bloomingdale. Even if a full 1% BD tax is implemented, it will be competitive with those areas. The areas that are lower are due to not being in Cook County.

Mayor Grasso stated that they still had to compete against those areas. He asked the Committee if the difference presented would make the downtown not as attractive. Mr. Hassan stated that most downtowns have unique character and that is what the attraction is. In his discussions with businesses and residents, he has never heard anyone bring up the tax rates in the downtown other than in a general sense. However, unlike something like Place of Eating tax, which goes into the General Fund, he thinks that it will be easier to get buy in as this money will only be spent in the downtown. Members of the Committee agreed.

Mayor Grasso asked the Committee if the additional tax would matter to the restaurants. Ms. Jepsen stated that it would not; even a \$100 order would only incur another \$1 expense. The bigger concern would be seeing what they get for the value. The Committee generally agreed with that assessment.

Mayor Grasso asked the Committee if that was the key for them: the vision and plan. The Committee members agreed that would be what they would need to get buy in. Mr. Walter stated that as part of the creation of a Business District a Business District Plan is required. This includes possible projects and uses for the funds in greater detail than the previous Feasibility Study presented.

Mayor Grasso stated that the Committee seemed to agree on recommending the creation of a Business District pending seeing the plan; Mayor Grasso asked what tax rate should be levied.

Mr. Hassan stated that to achieve the vision that Burr Ridge wants, the full 1% should be levied. However, the focus should not be on the number, but that vision. Mr. Sharma stated that he believed that the other issue is making it clear where the money is going.

Ms. Jepsen asked what amount of revenue would be received. Mr. Walter stated that a 1% rate would bring in approximately \$500-750,000 per year. The nature of the vision would depend on that being enough. Hearing from the Committee as well as businesses downtown, Mr. Walter stated that to do it to the standards of Burr Ridge would require the full amount.

The Mayor asked the remaining Committee who agreed on 1%. Trustee Schiappa agreed that although it might be higher than other shopping centers, they were completely different feels and attraction. Mr. Stettin agreed, and stated that the Committee should focus on the benefits that it will bring.

Mayor Grasso stated that he thinks some short term goals along with the longer term goals of the plan would be helpful to show the benefits. Mr. Walter stated that one goal that has had a lot of support would be for putting security cameras in the downtown to make shoppers and businesses feel safer. Ms. Jepsen agreed that she would love to see that. Mr. Walter also said improving both the quality and the aesthetic of the lighting downtown could also be a short term goal.

Mayor Grasso stated that at the next meeting he would like to see the draft plan as well as a mission and vision statement. He continued that he would like for that to be the final meeting so he can get it to the board in June and start the public hearing process in July.

OTHER CONSIDERATIONS

There were no other considerations.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

Ms. Hamilton made the **MOTION** to adjourn the meeting to June 2, 2021 at 5:00pm, **SECONDED** by Mr. Simmons. **APPROVED 8-0**. The meeting was adjourned at 6:02 pm.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Andres Beltran". The signature is fluid and cursive, with the first name "Andres" and last name "Beltran" clearly distinguishable.

Andrez Beltran
Management Analyst



VILLAGE OF BURR RIDGE

MEMORANDUM

TO: Economic Development Committee
Gary Grasso, Chairman

FROM: Evan Walter – Interim Village Administrator
Andrez Beltran – Management Analyst

DATE: June 2, 2021

RE: Downtown Business District Goals and Objectives

At its May 5 meeting, the Economic Development Committee (EDC) directed staff to prepare draft Business District (“District”) documents for final consideration and possible recommendation to the Board. Staff has prepared a draft Business District Plan (“Plan”), as required by law, using original analysis provided by SB Friedman as well as testimony of stated goals of a potential District as provided by the EDC. Staff has also prepared potential uses of District funds for discussion purposes; specific projects are not required as part of the Plan but are intended to encourage the establishment of objectives which ultimately meet the intended goals of the District.

Goals and Objectives

All Plans are required to contain Goals (overall statements related to the vision for the District) and Objectives (tangible steps that can be measured and achieved); the following Goals and Objectives have been included in the draft Plan.

Village Goals

- To provide for implementation of economic development and redevelopment strategies that benefit the Village and its residents.
- To encourage positive and feasible development and redevelopment of vacant and/or underutilized facilities.
- To provide public infrastructure improvements within the Village to promote growth.
- To strengthen the property tax base and sales tax base of the Village.
- To create new jobs and retain existing jobs for the Village and area residents.
- To coordinate all redevelopment within the Village in a comprehensive manner.

Village Objectives

- Encourage the development and redevelopment of the TCF Bank site.
- Encourage stabilization and growth of the Burr Ridge Village Center from a retail and entertainment perspective.
- Promote investment and redevelopment of the County Line Square shopping center.
- Encourage development of the property north of the Marriott hotel.

- Encourage the development of outlots within the Business District.
- Improve utility mains and service lines within the Business District.
- Coordinate aesthetic improvements relating to building facades, landscaping and lighting.
- Provide for infrastructure and public access improvements within the Business District, including but not limited to public parks, multi-use pathways, pedestrian crossings, parking improvements, and other aesthetic improvements necessary to create a reputable environment for private investment.
- Promote and/or enhance retail business occupancy within existing buildings and structures through the utilization of applicable funds for eligible capital improvements.
- Facilitate right-of-way and private roadway improvements as well as parking and access related agreements within the Business District.

In addition to specific goals relating to commercial development and planning, the Village also has developed a strong economic development orientation. Diversified economic growth within the Village is essential to the community's development. Economic growth is important since it provides both employment opportunities for residents and strengthens the Village's tax base.

Horizon Planning

A District is eligible for a maximum lifespan of 23 years; after said time, the District will automatically expire at such time. Districts may be reconstituted for additional time through a new establishment process ahead of the end of a District's end-of-life cessation should the area in analysis remain eligible for District funding. Because of the long lifespan of Districts, it is important to consider the staging of development throughout its entire lifespan. Staff has formulated the following considerations for development within three distinct time horizons to allow for perspective of the Village's potential development needs within the District.

Short (Within 4 Years)

- Development and creation of a Downtown master plan/comprehensive plan subarea update
- Initial phase development of TCF Bank site
- Establishment of feature public park within Downtown in conjunction with Pleasantdale Park District; likely on TCF Bank site; possibilities include outdoor music shell, performing arts stage, premier play area, veterans memorial, etc.
- Development of property north of the Marriott hotel to highest and best preferred use
- Increased Village Center tenancy
- Full development of Entertainment District at Village Center
- Installation of public safety smart-LPR camera system in both public and private spaces
- Establishment of downtown lighting standard; installation of preferred lighting system throughout Burr Ridge Parkway from County Line Road to Bridewell Drive
- Establishment of downtown wayfinding standard; installation of signage where needed, including possible entryway signage at County Line Road
- New pathways installed/existing pathways repaired
- New pedestrian crossings installed along Burr Ridge Parkway

Medium (5-10 Years)

- Completion of TCF Bank site development
- Development of Village Center outlot site
- Development of Pace site
- Redevelopment of County Line Square property
- Completion of Downtown pathway plan
- Redevelopment of business park sites (offices)
- Development of on-street parking
- Establishment of pedestrian connections to neighboring subdivisions

Long (Up to 23 Years)

- Second-life development of Village Center property
- LifeTime Fitness redevelopment
- Major traffic reconfigurations
- Intersection expansions/arterial access needs
- Harris Bank/Eddie Merlot's redevelopment
- 1333 Burr Ridge Parkway redevelopment



VILLAGE OF BURR RIDGE, ILLINOIS

Downtown Business District

Eligibility Study and Business District Plan

FINAL REPORT | May 28, 2021



VILLAGE OF BURR RIDGE, IL
Downtown Business District

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1. Introduction

The Village of Burr Ridge, Illinois (the “Village”) engaged SB Friedman Development Advisors (“SB Friedman”) to conduct an eligibility study and prepare a business district plan for the proposed Downtown Business District (the “Business District” or “Area”) under the provisions of the Illinois Business District Development and Redevelopment Law (65 ILCS 5/11-74.3-1 et seq., as amended) (the “Act”).

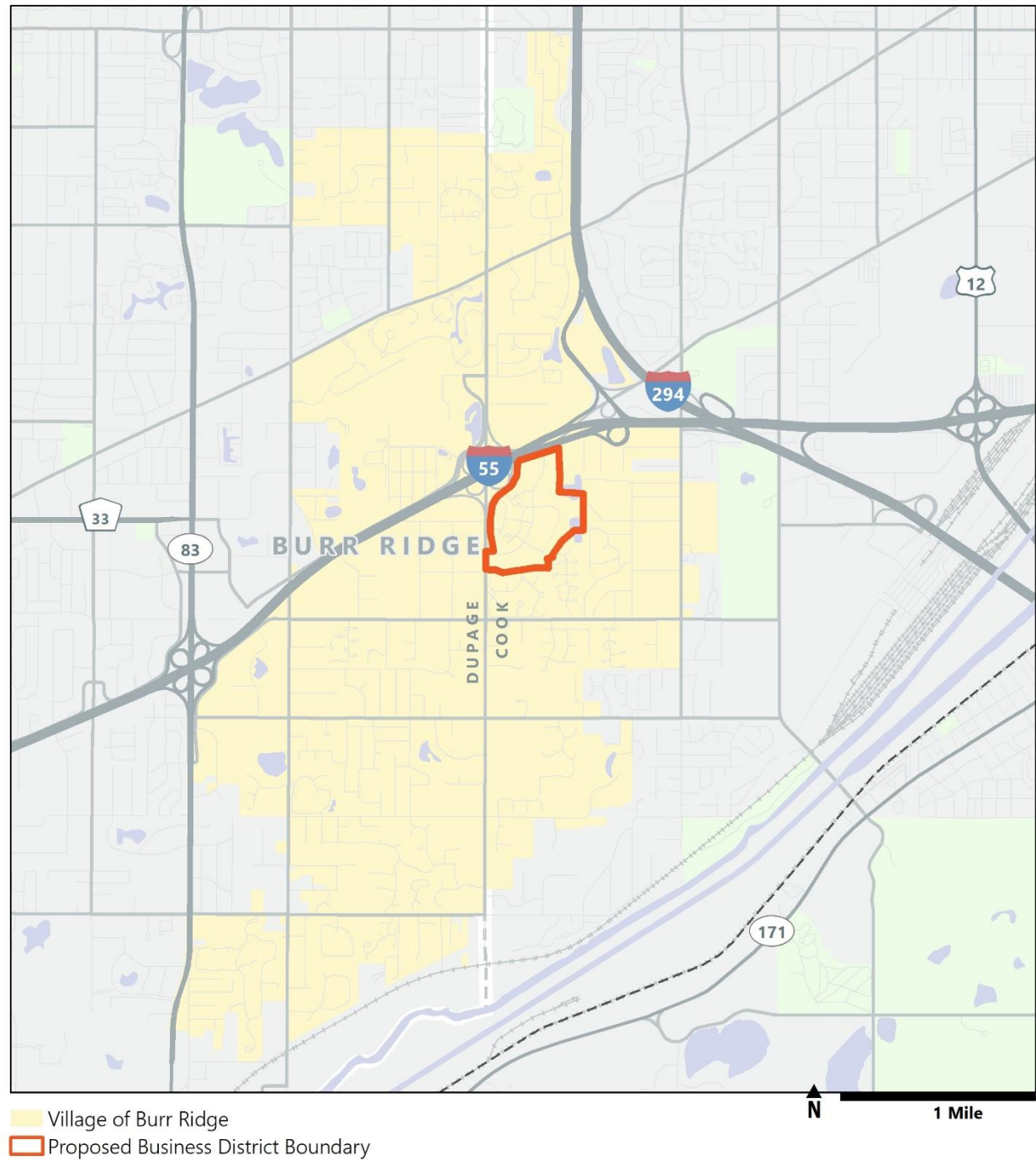
This document (the “Report”) includes two major parts: (1) information on the eligibility factors and other findings necessary to designate the area as a business district under the Act (the “Eligibility Study”); and (2) the Business District Plan (the “Plan”). SB Friedman has prepared this Report with the understanding that the Village would rely on its findings and conclusions in proceeding with the designation of the proposed Business District and the adoption and implementation of the Plan in compliance with the Act.

The Proposed Business District

The proposed Business District encompasses properties in and around the Burr Ridge Village Center, south of Interstate 55 along the western edge of Cook County. It is roughly bounded by County Line Road and Bridewell Drive to the east, Bridewell Drive to the north and residential neighborhoods to the south and east. The proposed Business District consists of a total of 36 parcels. The Area contains approximately 130 acres, of which approximately 15 acres are non-parcelized rights-of-way.

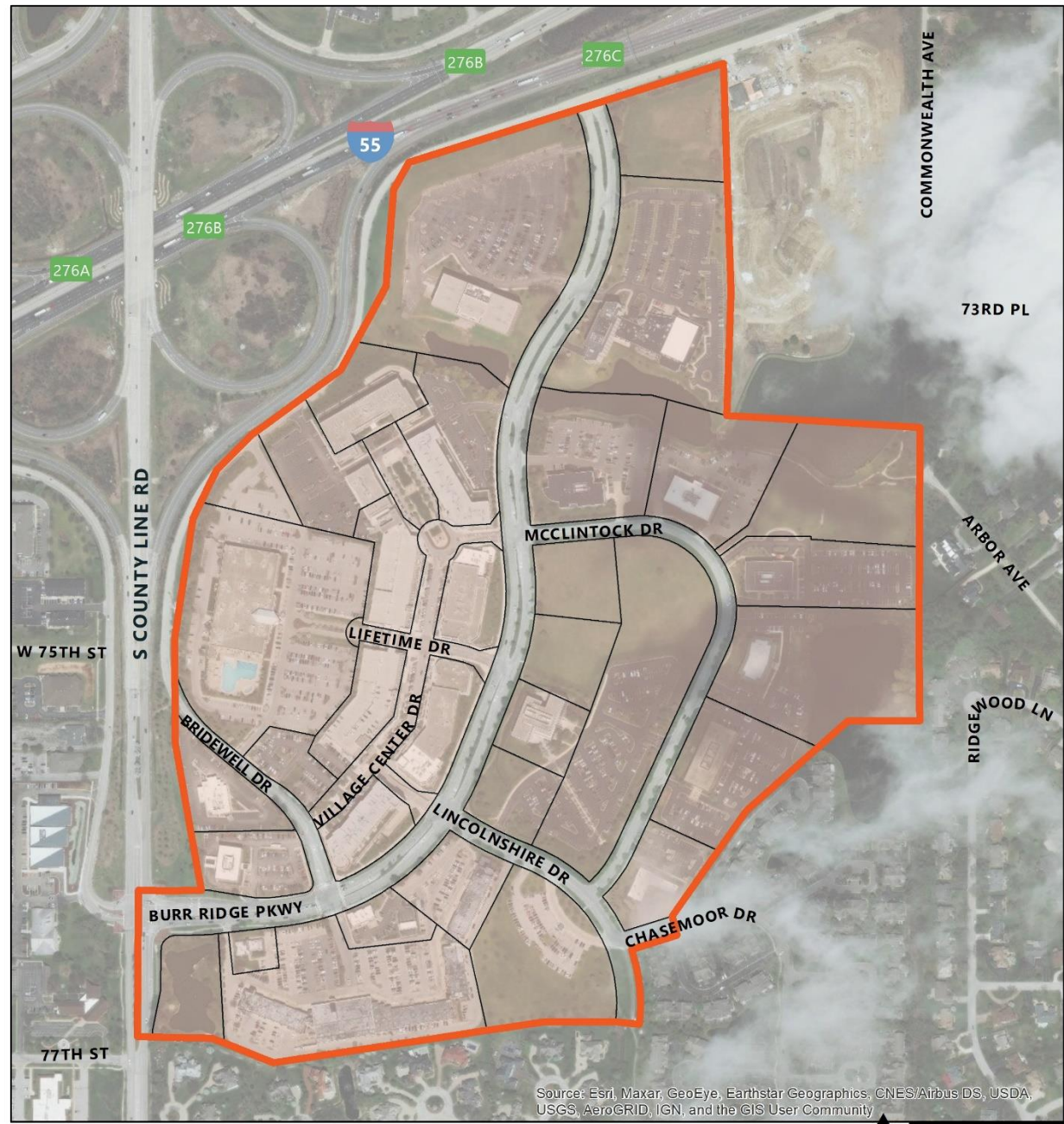
The location of the proposed Business District is displayed in **Map 1** on the following page, with a more detailed boundary presented in **Map 2**. The legal description of the proposed Business District and a list of Property Index Numbers (PINs) are included in **Appendix 1** and **Appendix 2**, respectively.

Map 1: Context



Sources: Esri; SB Friedman

Map 2: Proposed Business District Boundary



- Proposed Business District Boundary
- Proposed Business District Parcels

Sources: Cook County; Esri; SB Friedman

2. Eligibility Study

The proposed Business District suffers from an inadequate street layout and deteriorated site improvements. These characteristics appear to be hindering the economic potential of the proposed Business District. In order to enhance its economic viability, it is critical that the physical conditions of the proposed Business District be improved. So long as the infrastructure network is inadequate, and sites improvements are deteriorated, the economic viability of the proposed Business District will likely continue to be challenged. The proposed Business District will benefit from a strategy that improves physical conditions and addresses deteriorating infrastructure and issues with the street layout, allowing for economic growth and redevelopment.

The eligibility findings presented herein cover events and conditions that were determined to support a finding that the Area qualifies as a “blighted area” under the Act.

Eligibility Provisions of the Illinois Business District Development and Redevelopment Act

In order to impose taxes within a business district, a municipality must find that the area meets the “blighted area” provision under the Act and satisfies several other findings and tests. These eligibility criteria are summarized below.

BLIGHTED AREA DEFINITION

A business district can be considered a blighted area under the Act by the predominance of at least one of the following five factors:

- Defective, Non-Existent or Inadequate Street Layout
- Unsanitary or Unsafe Conditions
- Deterioration of Site Improvements
- Improper Subdivision or Obsolete Platting
- Existence of Conditions which Endanger Life or Property by Fire or Other Causes

In addition, the presence of the factor(s) must have at least one of the following four effects on the business district:

- Retard(s) the Provision of Housing Accommodations
- Constitute(s) an Economic or Social Liability
- Constitute(s) an Economic Underutilization of the Area
- Constitute(s) a Menace to the Public Health, Safety, Morals or Welfare

OTHER REQUIRED FINDINGS AND TESTS

Four additional findings and tests are required for designation of a business district:

1. **Lack of Growth and Development through Private Investment.** The Village is required to evaluate whether a business district has been subject to growth and development through investment by

private enterprises and must substantiate a finding of lack of such investment prior to establishing a business district.

2. **"But For" the Creation of a Business District, Area Would Not Be Redeveloped.** The Village must find that the area would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district plan.
3. **Contiguity of Parcels.** The boundary of a business district must contain contiguous parcels that are directly and substantially benefited by the plan.
4. **Conformance to the Plans of the Village.** A business district plan must conform to the comprehensive plan of the Village.

Methodology Overview

SB Friedman conducted the following analyses to determine whether the proposed Business District qualifies as a blighted area, as defined by the Act:

- Parcel-by-parcel fieldwork in December 2020 documenting external property conditions of properties and infrastructure;
- Analysis of historic trends in equalized assessed value for the last six years (five year-to-year periods) for which data are available and final (2014-2019) from the Cook County Assessor's Office;
- Historic trends in Village EAV from the DuPage portion of the Village from DuPage County Clerk's office
- Review of GIS parcel shapefile data from Cook County;
- Review of GIS sidewalk shapefile data from the Village;
- Review of traffic collision data (2015-2020) and a 2019 Traffic Crash Analysis report provided by the Village Police Department;
- Review of an engineering memo from the Director of Public Works Director/Village Engineer for the Village, dated March 25, 2021; and
- Review of the 1999 Burr Ridge Comprehensive Plan ("1999 Comprehensive Plan") and 2005 Burr Ridge Corporate Park Sub-Area Plan.

All parcels were examined for eligibility factors consistent with the blighted area requirements of the Act. SB Friedman evaluated the eligibility factors on a parcel-by-parcel or area-wide basis, as applicable, and analyzed the spatial distribution of the eligibility factors. When appropriate, the presence of eligibility factors was calculated on adjacent infrastructure associated with the structures. The eligibility factors were linked to tax parcels and buildings using aerial photographs, property files created from field observations, and record searches. The information was then graphically plotted on a parcel map of the proposed Business District to establish the distribution of eligibility factors, and to determine which factors were present to a meaningful extent and reasonably distributed to evaluate their predominance throughout the proposed Business District.

Eligibility Findings

BLIGHTED AREA FINDING

SB Friedman's research indicates the proposed Business District qualifies as a blighted area due to the predominance of the following two factors:

1. Defective, Non-Existent or Inadequate Street Layout
2. Deterioration of Site Improvements

Maps 3 and 4 display the spatial distribution of these factors throughout the proposed Business District.

Defective, Non-Existent or Inadequate Street Layout

SB Friedman reviewed information from the Village to assess the street layout and transportation challenges within the proposed Business District. An engineering memo provided by the Director of Public Works Director/Village Engineer, dated March 25, 2021, supports a finding of inadequate street layout throughout the proposed Business District.

The current street layout inadequately serves vehicle traffic throughout the proposed Business District. Vehicular ingress and egress is primarily accommodated by one road, Burr Ridge Parkway, and a single intersection, at County Line Road, impacting circulation for the entire proposed Business District. As a result, an inadequate street layout impacts all parcels in the proposed Business District (36 of 36 total parcels, or 100%). Accessing the Area from other directions requires driving through residential neighborhoods; crossing the Area requires driving on or through Burr Ridge Parkway. According to Burr Ridge's Director of Public Works Director/Village Engineer, the limited ingress and egress "adversely [affects] traffic circulation" within the proposed Business District. At the County Line Road intersection there is no channelized turn lane or traffic signal phase for the predominant traffic pattern. As a result, there are significant delays at this intersection, even when there is low traffic. This intersection is also a common site of traffic accidents. According to a 2019 Traffic Crash Analysis report, the intersection of Burr Ridge Parkway and County Line Road had the 5th most crashes of all Village intersection in 2019, and the 3rd most crashes of all Village intersections in 2018.

Pedestrian traffic is also inadequately served by the existing layout. Burr Ridge Parkway lacks safe pedestrian crossings, which discourages walking within the proposed Business District. The only signalized crossing on this street is located at Bridewell Drive; there are no signalized mid-block crossings, making it difficult for pedestrians to reach the Burr Ridge Village Center from other points along Burr Ridge Parkway. Mid-block locations have been requested from residential neighborhoods adjacent to the Business District, especially at a Lincolnshire Drive, in order to access the restaurants and other amenities of the commercial district.

Finally, roadways throughout the proposed Business District lack adequate lighting. No lighting exists on Bridewell Drive. Light poles that are present in the Area do not meet current industry standards for either roadways or pedestrian walkways and are prone to frequent failures. Darkness may reduce perception of personal security, and may make walking, cycling or shopping feel unsafe. In conjunction with other challenges to vehicular and pedestrian circulation, the lack of proper lighting contributes to the inadequacy of the existing street network in the proposed Business District.

Based on these findings, this factor was found to be meaningfully present and reasonably distributed throughout the proposed Business District, as illustrated in **Map 3**.

Deterioration of Site Improvements

Physical deterioration of surface improvements and/or buildings was observed on a predominance of parcels (26 of 36 total parcels, or 72%). The most common form of deterioration was on surface improvements, especially parking surfaces and sidewalks. Catalogued surface improvement deterioration from fieldwork included cracking or crumbling parking lots, roads, sidewalks and curbs.

An engineering memo provided by the Director of Public Works Director/Village Engineer, dated March 25, 2021, provides additional detail on the condition of streets and sidewalks in the proposed Business District. According to this memo, "Pavement conditions throughout the Study Area are rated "Good", except Bridewell Drive, which has a "Fair" rating in the Study Area limits. Bridewell Drive asphalt pavement is deteriorating with potholes and large cracks both longitudinally and transversely." Additionally, several sidewalk segments are aging and noncompliant with State-adopted standard of the Public Right of Way Accessibility Guidelines (PROWAG) and require replacement in concrete to address cracking and differential settlements. According to the memo, "Where sidewalks have been constructed in asphalt, such as segments on McClintock Drive, Lincolnshire Drive, and Burr Ridge Parkway, its walking surface is cracked, settled, and degraded. The Pathway Commission, an advisory body to the Village Board of Trustees, has identified these segments as "Fair" condition and has requested their replacement in concrete."

Deterioration of surface improvements may indicate that the proposed Business District lacks investment and can make it more difficult to attract new businesses or consumers. This factor was found to be meaningfully present and reasonably distributed throughout the proposed Business District. **Map 4** displays the spatial distribution of deterioration throughout the proposed Business District.

Map 3: Defective, Non-Existent or Inadequate Street Layout



Map 4: Deterioration of Site Improvements



Effect of Blighting Factors on the Proposed Business District

It appears the present blighting factors have the following effect on the proposed Business District:

- Constitute an Economic Underutilization of the Area

ECONOMIC UNDERUTILIZATION OF THE AREA

The minimal increase in overall property values within the proposed Business District since 2014 and recent retail performance of the Burr Ridge Village Center portion of the Area suggest that deterioration and an inadequate street layout may be affecting the economic potential of the Area, reducing its commercial appeal to both businesses and consumers.

1. Property Values

An evaluation of change in property values over time is one of the clearest indicators of whether an area is meeting its economic potential or is being economically underutilized. SB Friedman analyzed the change in the equalized assessed value (EAV) – property values as determined by the Cook County Assessor – of the tax parcels, including all condominium parcels, in the proposed Business District from 2014 to 2019 relative to the remainder of the Village.

The EAV of the proposed Business District as a whole – accounting for all land uses – has declined in three of the past five year-to-year periods. Furthermore, the proposed Business District has grown more slowly or declined more quickly than the balance of the Village in each of the past five year-to-year periods. These results are shown in **Table 1** below.

Table 1: Year-to-Year Growth in EAV of Proposed Business District and Village from 2014 – 2019

	2014	2015	2016	2017	2018	2019
Proposed Business District Parcels EAV	\$29.1 M	\$28.7 M	\$28.8 M	\$31.9 M	\$31.0 M	\$30.2 M
Percent Change	---	-1.4%	0.3%	10.7%	-2.7%	-2.7%
Proposed Business District Parcels Decline in EAV?	---	YES	NO	NO	YES	YES
Village EAV Less Proposed Business District Parcels	\$974.8 M	\$980.1 M	\$1,026.6 M	\$1,158.0 M	\$1,169.1 M	\$1,165.0 M
Change in Village EAV Less Proposed Business District Parcels	---	0.5%	4.7%	12.8%	1.0%	-0.4%
Proposed Business District Parcels Growth Less Than Village Balance?	---	YES	YES	YES	YES	YES

Sources: Cook County Assessor; Cook County Clerk; DuPage County Clerk; SB Friedman

Overall, during that time period, the proposed Business District grew by 3.6%, while the balance of the Village grew by 19.5%. The compound annual growth rate ("CAGR") of the EAV for the proposed Business District was only approximately 0.7% from 2014 to 2019, whereas the CAGR of the EAV for the balance of the Village over the same period was approximately 3.6%. Additionally, despite

encompassing the primary commercial area in the Village, accounting for only non-residential uses, the EAV of the proposed Business District has declined since 2014.

2. Burr Ridge Village Center Retail Performance

The Burr Ridge Village Center—the primary shopping district in the Area—has struggled relative to similar developments in nearby communities. Village staff indicated that the existing street network layout contributes to low Center visibility and poses challenges for retailers. As **Table 2** indicates, the Burr Ridge Village Center has greater vacancy and lower per square foot rents than other peer shopping districts across Chicagoland. It has consistently underperformed rival centers. Since 2011, the Burr Ridge Village Center has had an average vacancy rate of 13.4%. Over the same period, the four peer centers together have had an average vacancy rate of 5.8%. Greater vacancy combined with lower per square foot rents indicates that the Burr Ridge Village Center is a less desirable location for major retailers relative to other shopping centers. As a result, these performance metrics advance the notion that the Area is currently underutilized.

Table 2: Comparable Shopping Centers Performance

	Vacancy	Rent/SF
Burr Ridge Village Center	12.5%	\$21.49
Algonquin Commons	8.9%	\$31.83
Arboretum of South Barrington	0%	\$25.69
Deer Park Town Center	0%	\$30.83
Geneva Commons	7.3%	\$30.69

Sources: CoStar; SB Friedman

Existing physical conditions, including deterioration and the street layout, appear to be hindering the ability of the proposed Business District to attract sufficient investment and development to compete with comparable shopping centers and attain property value growth on par with the remainder of the Village, and therefore, constitutes an economic underutilization of the Area.

Other Required Findings and Tests

In addition to finding of blight, the Act specifies four separate required findings and tests for designation. SB Friedman’s research, as described below, indicates that the proposed Business District satisfies these requirements.

1. LACK OF GROWTH AND DEVELOPMENT THROUGH PRIVATE INVESTMENT

Overall growth in property value within the proposed Business District has been substantially lower than the remainder of the Village from 2014 to 2019. As described above and shown in **Table 2**, the total EAV of the properties in the proposed Business District has grown more slowly or declined more quickly than the balance of the Village in each of the last five year-to-year periods. These metrics indicate a lack of growth and private investment in the proposed Business District.

While there has been some limited new construction and expansion within the proposed Business District over the past five years, the private market has been unable to support substantial new development without public

assistance. Furthermore, despite some additional renovation and maintenance, overall EAV has grown at a rate less than the balance of the Village over the five-year period.

Finding: *The proposed Business District on the whole has not been subject to growth and development through investment by private enterprises.*

2. “BUT FOR” THE CREATION OF A BUSINESS DISTRICT, AREA WOULD NOT BE REDEVELOPED

Without the support of public resources, the redevelopment objectives for the proposed Business District would most likely not be realized. The Area-wide improvements and development assistance resources needed to upgrade existing infrastructure and support new development and redevelopment are extensive and costly. The private market, on its own, has shown little ability to absorb all such costs. The Village has limited capacity to fund capital improvements of the sort that appear necessary to remove blighting factors.

Given the overall decline in property value, limited new private investment without public assistance, inadequate street layout and existing surface deterioration, it appears unlikely that significant private investment would occur in the Area without creation of the Business District.

Finding: *The Area would not reasonably be anticipated to be developed or redeveloped without the adoption of the Business District Plan.*

3. CONTIGUITY OF PARCELS

Finding: *All parcels in the Area are contiguous and are expected to directly and substantially benefit from the Business District Plan.*

4. CONFORMANCE TO THE PLANS OF THE VILLAGE

Finding: *Based on a review of the 1999 Comprehensive Plan, the Business District Plan conforms to the Village's comprehensive plan for development of the municipality as a whole.*

Summary of Findings

SB Friedman found that the proposed Business District qualifies to be designated as a “blighted area.” The proposed Business District is blighted due to the predominance of an inadequate street layout and deterioration of site improvements, which together constitute an economic underutilization of the Area. The proposed Business District also satisfies the four separate findings and tests required for designation.

3. Business District Plan

Redevelopment Needs of the Proposed Business District

The economic potential of the proposed Business District is currently hampered by an inadequate street layout and deterioration of surface improvements. Investment in infrastructure and improvements in roadways, parking and sidewalks in the Area are necessary to increase the economic viability within and adjacent to the proposed Business District. The existing conditions of the Area suggest four major redevelopment needs for the proposed Business District:

1. Rehabilitation of existing buildings;
2. Infrastructure and capital improvements;
3. Resources for new commercial and mixed-use development; and
4. Site preparation.

This Business District Plan identifies tools for the Village to support the improvement of the proposed Business District through provision of necessary infrastructure improvements and other public and private improvements to best serve the interests of the Village, local business owners and residents.

The public and private improvements outlined in this Business District Plan will create an environment conducive to economic growth and development within the proposed Business District and Village overall.

Goal and Objectives

The overall goal of the Business District Plan is to reduce or eliminate conditions that qualify the proposed Business District as a blighted area under the Act and to provide the direction and mechanisms necessary to create a vibrant commercial and mixed-use district that will strengthen the economic base and enhance the quality of life of the Area and Village as a whole.

The following five objectives support the overall goal of area-wide revitalization of the proposed Business District:

1. Enhance the Village's tax base by encouraging investment and redevelopment within the proposed Business District;
2. Foster the construction, improvement, replacement and/or repair of public infrastructure;
3. Provide improved pedestrian and bicycle access throughout the proposed Business District;
4. Promote the improvement of façades and signage within the proposed Business District; and
5. Promote private investment within the Village.

Public and private improvements throughout the Area will increase the economic viability of businesses within and adjacent to the proposed Business District. The overall redevelopment is expected to affect each of the properties in the proposed Business District.

Powers of the Municipality

The Act grants municipalities various powers to designate, implement and maintain a business district. In addition to the powers a municipality may now have, a municipality shall have the following powers:

- To make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan, as more fully set forth in 65 ILCS 5/11-74.3-3(1);
- To acquire by purchase, donation, or lease, and to own, convey, lease, mortgage, or dispose of land and other real or personal property or rights or interests within the business district, as more fully set forth in 65 ILCS 5/11-74.3-3(2) and 65 ILCS 5/11-74.3-3(2.5);
- To clear any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land;
- To install, repair, construct, reconstruct, or relocate public streets, public utilities, and other public site improvements within or without a business district which are essential to the preparation of a business district for use in accordance with a business district plan;
- To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within any business district;
- To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district;
- To fix, charge, and collect fees, rents, and charges for the use of any building, facility, or property or any portion thereof owned or leased by the municipality within a business district;
- To pay or cause to be paid business district project costs, as more fully set forth in 65 ILCS 5/11-74.3-3(8). Such eligible project costs are defined in the following section. As per 65 ILCS 5/11-74.3-3(8.5), the Act also empowers the Village to utilize up to 1% of the revenue from a business district retailers' occupation tax and service occupation tax and/or a hotel operators' occupation tax ("porting") for business district eligible costs from another business district that is:
 - contiguous to the business district from which the revenues are received;
 - separated only by a public right of way from the business district from which the revenues are received; or
 - separated only by forest preserve property from the business district from which the revenues are received if the closest boundaries of the business districts that are separated by the forest preserve property are less than one mile apart.
- To apply for and accept grants, guarantees donations of property or labor or any other thing of value for use in connection with a business district project;
- To impose a retailers' occupation tax and a service occupation tax in the business district at a rate not to exceed 1.0% of the gross receipts from the sales made (to be imposed only in 0.25% increments) for the planning, execution, and implementation of business district plans and to pay for business district project costs as set forth in the business district plan approved by the municipality; and
- To impose a hotel operators' occupation tax in the business district at a rate not to exceed 1.0% of the gross receipts from the sales made (to be imposed only in 0.25% increments) for the planning, execution, and implementation of business district plans and to pay for the business district project costs as set forth in the business district plan approved by the municipality.

Financial Plan

ELIGIBLE COSTS

Under the Act, eligible business district project costs include all costs incurred by the municipality, other governmental entity or nongovernmental entity in the furtherance of the business district plan, and may include:

- Costs of studies, surveys, development of plans and specifications, implementation and administration of a plan, and personnel and professional service costs including architectural, engineering, legal, market, financial, planning, or other professional services, provided no charges for professional services may be based on a percentage of tax revenues received by the municipality;
- Property assembly costs, including but not limited to, acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by that developer or other nongovernmental person;
- Site preparation costs including but not limited to, clearance, demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements, and clearing and grading of land;
- Costs of installation, repair, construction, reconstruction, extension, or relocation of public streets, public utilities, and other public site improvements within or without the business district which are essential to the preparation of the business district for use in accordance with the business district plan, and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by the developer or nongovernmental person;
- Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of any existing buildings, improvements and fixtures within the business district, and specifically including payments to developers or other nongovernmental persons as reimbursement for costs incurred by such developer or nongovernmental person;
- Costs of installation or construction within the business district of buildings, structures, works, streets, improvements, equipment, utilities, or fixtures, and specifically including payments to developers or other nongovernmental persons as reimbursements for such costs incurred by such developer or nongovernmental person;
- Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued under the Act that accrues during the estimated period of construction of any redevelopment project for which obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of those obligations; and
- Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law.

ANTICIPATED PROJECT COSTS

The estimated eligible costs of this Business District Plan are shown in **Table 3** below. The total Business District Project Costs ("Project Costs") shown in **Table 3** provides an upper limit on expenditures that are to be funded

using Business District revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Additional funding in the form of county, state and federal grants, private developer contributions, porting of funds from contiguous business districts, and other outside sources may be pursued by the Village as a means of financing improvements and facilities that are of benefit to the general community.

Table 3. Project Costs

Eligible Cost Categories [1]	Budget
Professional Services (including studies, surveys, legal, architectural, engineering, marketing, etc.)	\$800,000
Property Assembly (including acquisition, reimbursement for developer assembly costs)	\$1,700,000
Site Preparation (including clearance, demolition, clearing & grading)	\$3,500,000
Public Works Installation, Repair or Construction (within or without Business District, which are essential to the Plan, including streets, utilities and other public site improvements)	\$22,500,000
Renovation or Rehabilitation of Existing Buildings, Improvements and Fixtures (including reconstruction, relocation, repair and remodeling)	\$11,800,000
Construction or Installation of Buildings, Improvements, Fixtures, Equipment or Utilities (within the Business District)	\$9,500,000
Financing Costs (including expenses related to issuance, interest and reserves related to obligations)	\$100,000
Relocation Costs (to the extent municipality deems necessary or is required by federal or State law)	\$100,000
TOTAL PROJECT COSTS [2] [3]	\$50,000,000

[1] Costs are shown in 2021 dollars and shall be adjusted from time to time to reflect changes in the cost of living, as measured by the U. S. Department of Labor's Consumer Price Index.

[2] Increases in estimated Total Project Costs of more than 5%, after adjustment for inflation from the date this Business District Plan is approved, are subject to the amendment procedures as provided under the Act.

[3] Adjustments may be made among line items in the budget without amendment, as provided under the Act.

Each individual project cost will be reevaluated in light of Business District goals as it is considered for public financing under the provisions of the Act. The totals of line items set forth in **Table 3** are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs because of changed redevelopment costs and needs. Within the total Project Costs limit, adjustments to the estimated line item costs in **Table 3** are expected and may be made by the Village without amendment to this Plan.

The Project Costs described above are intended to further the goals outlined in this Plan and will benefit the owners and tenants of commercial businesses in the proposed Business District, as well as Village residents and patrons of local businesses.

Anticipated Sources of Funds to Pay Project Costs

As required by the Act, the Village shall establish and maintain a Business District Tax Allocation Fund (the "Fund") to which Business District revenues generated through the Business District Retailers' Occupation Tax, Business District Service Occupation Tax and Business District Hotel Operators' Occupation Tax shall be deposited or credited. The Business District Taxes shall be administered as provided in the Act. Project Costs are to be reimbursed using the Fund, as described below.

BUSINESS DISTRICT RETAILERS' OCCUPATION TAX

A Business District Retailers' Occupation Tax will be imposed upon persons engaged in the business of selling tangible personal property at retail (excluding property titled or registered with an agency of the State of Illinois government) in the District at a rate of 1.0% of the gross receipts from the sales made in the course of such business. The tax may not be imposed on food for human consumption that is to be consumed off the premises from which 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.

BUSINESS DISTRICT SERVICE OCCUPATION TAX

A Business District Service Occupation Tax will be imposed upon all persons in the District engaged in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the Business District, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. This tax will be imposed at a rate of 1.0% and may not be imposed on food for human consumption that is to be consumed off the premises from which 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.

BUSINESS DISTRICT HOTEL OPERATORS' OCCUPATION TAX

A Business District Hotel Operators' Occupation Tax will be imposed upon all persons in the Business District engaged in the business of renting, leasing or letting rooms in a hotel, at a rate of 1.0% of the gross rental receipts, excluding from gross rental receipts, the proceeds of such renting, leasing or letting to permanent residents of that hotel.

OTHER SOURCES OF FUNDS

Other sources of funds that may be used to pay for development costs and associated obligations issued or incurred include land disposition proceeds, state and federal grants, investment income, private investor and financial institution funds, and other lawful sources of funds and revenues as the municipality and developer from time to time may deem appropriate.

The proposed Business District may be or become contiguous to, or be separated only by a public right-of-way from, one or more other business districts created by the Village in accordance with the Act (65 ILCS 5/11

74.4 4 et. seq.). The Village may utilize Business District tax revenues received from the Business District to pay eligible costs, or obligations issued to pay such costs, in such other business districts, and vice versa. The amount of revenue from the proposed Business District made available to support such business districts, when added to all amounts used to pay eligible business district project costs within the proposed Business District, shall not at any time exceed the total Project Costs described in **Table 3** of the Plan.

If necessary, the plans for other business districts that may be or already have been created under the Act may be drafted or amended, as applicable, to add appropriate and parallel language to allow for the transfer and utilization of relevant business district tax revenues between such districts.

ISSUANCE OF OBLIGATIONS

To finance Project Costs, the Village may issue bonds or obligations secured by the anticipated Business District Retailers' Occupation Tax, Business District Service Occupation Tax and Business District Hotel Operators' Occupation Tax generated within the proposed Business District, or such other bonds or obligations as the Village may deem as appropriate.

All obligations issued by the Village pursuant to this Plan and the Act shall be retired in the manner provided in the ordinance authorizing issuance of such obligations, by the receipts of taxes from the proposed Business District and by any other revenue designated or pledged by the Village. The final maturity date of any such obligations that are issued may not be later than 20 years from their respective dates of issue or the dissolution of the Business District, whichever is earlier.

In addition to paying Project Costs, Business District revenues may be used for the scheduled and/or early retirement of obligations, as provided in the ordinance issuing such obligations. As provided in the Act, following payment or reimbursement for all Project Costs, any surplus funds in the Fund will be deposited into the Village's general corporate fund.

Establishment and Term of District

Pursuant to the Act, the term of the proposed Business District shall not exceed 23 years from the date the ordinance approving this Plan and designating the District is approved. The Business District Retailers' Occupation Tax, Business District Service Occupation Tax and Business District Hotel Operators' Occupation Tax will be imposed for no longer than the term of the Business District.

Provisions for Amending Plan

This Plan may be amended pursuant to the provisions of the Act.

Appendix 1: Boundary Legal Description

THAT PART OF THE WEST 1/2 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE WEST 1/2 OF SAID SECTION 30 AND THE WEST EXTENSION OF THE SOUTH LINE OF LOT 3 IN BURR RIDGE PARK UNIT 2, BEING A SUBDIVISION IN THE WEST 1/2 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE EASTERLY ALONG THE LAST DESCRIBED LINE AND THE SOUTHERLY LINE OF BURR RIDGE MARKET RESUBDIVISION OF LOTS 4, 5 AND VACATED EMRO DRIVE IN BURR RIDGE PARK UNIT 2 IN THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE SOUTHERLY LINE OF BURR RIDGE PARK UNIT 3, BEING A SUBDIVISION IN THE WEST 1/2 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN TO THE SOUTHEASTMOST CORNER OF THE ABOVE DESCRIBED BURR RIDGE PARK UNIT 3; THENCE NORTHERLY ALONG THE EASTERLY LINE OF LINCOLNSHIRE DRIVE AS DEDICATED BY SAID BURR RIDGE PARK UNIT 3 TO THE SOUTHERLYMOST CORNER OF LOT 2 IN DEARBORN RESUBDIVISION OF LOTS 1 AND 2 IN IN BURR RIDGE PARK UNIT 2, BEING A SUBDIVISION IN THE WEST 1/2 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE NORTHEASTERLY AND EASTERLY ALONG THE EASTERLY LINE OF SAID DEARBORN SUBDIVISION AND THE SOUTHERLY LINE OF LOT 1 IN SAID BURR RIDGE PARK UNIT 3 TO THE SOUTHEASTMOST CORNER OF LOT 1 IN SAID BURR RIDGE PARK UNIT 3 ALSO BEING THE EAST LINE OF THE WEST 1/2 OF SAID SECTION 30; THENCE NORTH ALONG THE LAST DESCRIBED LINE TO THE NORTHEAST CORNER OF LOT 1 IN I.R.E.A.D. PLAT OF RESUBDIVISION, BEING A RESUBDIVISION OF THE WEST 1/2 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1 IN I.R.E.A.D. PLAT OF RESUBDIVISION AND ITS WEST EXTENSION TO THE SOUTHEAST CORNER OF LOT 1 IN BURR RIDGE HOTEL PARTNERS PLAT OF RESUBDIVISION OF LOTS 8, 9 AND 10 IN BURR RIDGE UNIT 1, BEING A SUBDIVISION IN THE WEST 1/2 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE NORTH ALONG THE EAST LINE OF SAID BURR RIDGE HOTEL PARTNERS PLAT OF RESUBDIVISION TO THE SOUTHERLY LINE OF THE PERMANENT EASEMENT FOR HIGHWAY PURPOSES (INTERSTATE ROUTE 55) AS PER INSTRUMENT RECORDED AUGUST 12, 1959 AS DOCUMENT NO. 17627674; THENCE SOUTHWESTERLY AND SOUTHERLY ALONG SAID PERMANENT EASEMENT TO THE SOUTH LINE OF SAID PERMANENT EASEMENT ALSO BEING A NORTH LINE OF BURR RIDGE PARKWAY HERETOFORE DEDICATED BY BURR RIDGE PARK UNIT 1, BEING A SUBDIVISION IN THE WEST 1/2 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE WEST ALONG SAID NORTH LINE OF BURR RIDGE PARKWAY TO THE WEST LINE OF THE WEST 1/2 OF SAID SECTION 30; THENCE SOUTH ALONG THE LAST DESCRIBED LINE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

Appendix 2: List of PINs in Proposed Downtown Business District

Parcel	Parcel
18303000240000	18303040040000
18303000260000	18303050010000
18303000320000	18303050030000
18303000370000	18303050040000
18303000380000	18303050050000
18303000390000	18303000581001
18303000400000	
18303000410000	
18303000420000	
18303000440000	
18303000450000	
18303000470000	
18303000480000	
18303000500000	
18303010010000	
18303010020000	
18303020010000	
18303020020000	
18303020030000	
18303020040000	
18303030060000	
18303030090000	
18303030100000	
18303030110000	
18303030150000	
18303030160000	
18303030170000	
18303030190000	
18303030200000	
18303040030000	

Sources: Cook County; SB Friedman

Appendix 3. Limitations of Engagement

The Eligibility Study covers events and conditions that were determined to support the designation of the proposed Business District as a “blighted area” under the Act at the completion of our field research in December 2020 and not thereafter. SB Friedman’s findings do not consider events or conditions that may have occurred after completion of field research, including, without limitation, governmental actions and additional development.

This Report summarizes the analysis and findings of the consultant’s work, which, unless otherwise noted, is solely the responsibility of SB Friedman. The Village is entitled to rely on the findings and conclusions of the Report in designating the Area as a business district under the Act. SB Friedman has prepared the Report with the understanding that the Village would rely on the findings and conclusions of this Report in proceeding with the designation of the proposed Business District and the adoption and implementation of the Plan in compliance with the Act.

The Report is based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the Report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved will necessarily vary from those described in our Report, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the Report to reflect events or conditions which occur subsequent to the date of the Report. These events or conditions include, without limitation, economic growth trends, governmental actions, additional competitive developments, interest rates, and other market factors. However, we will be available to discuss the necessity for revision in view of changes in economic or market factors.

Preliminary Business District revenue projections were prepared for the purpose of estimating the approximate level of revenues that could be generated by proposed projects and other properties within the proposed Business District and from inflationary increases in sales. These projections were intended only to assist in preparing a budget for the Business District Plan.

As such, our Report and the preliminary projections prepared under this engagement are intended solely for your information, for the purpose of establishing a business district. These projections should not be relied upon for purposes of evaluating potential debt obligations or by any other person, firm or corporation, or for any other purposes. Neither the Report nor its contents, nor any reference to SB Friedman, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors, without prior written consent.