Agenda
Village of Glen Ellyn
Special Village Board Workshop
Monday, April 11, 2022
5:30 PM
Glen Ellyn Civic Center, Galligan Board Room

Meeting Procedures Statement

Visitors are most welcome to attend all meetings of the Village Board and can find copies of the Agenda on their chairs or online at www.glenellyn.org prior to the meeting. Meetings are taped and also televised on WideOpenWest Channel 6, AT&T Channel 99, and Comcast Cable Services Channel 10. Any individual with a disability requiring a reasonable accommodation in order to participate in a meeting should contact The Village of Glen Ellyn ADA Coordinator, 630-469-5000, at least five (5) business days in advance of the next scheduled meeting. All matters on the Agenda may be discussed, amended, and acted upon.

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Audience Participation

1) Open:

Members of the public are welcome to speak to any item not specifically listed on tonight's agenda for up to (3) three minutes. For those items which are on tonight's agenda, the public will have the opportunity to comment at the time the item is discussed. In either case, please complete the Audience Participation form and turn it in to the Village Clerk. It is requested that, if possible, one spokesman for a group be appointed to present the views of the entire group. Speakers who are recognized are requested to step to a microphone and state their name, their topic and the group, if any, they are representing prior to addressing the Village Board. Individuals wishing to address the Board shall exercise proper decorum and respect for the proceedings and the business of the Village Board, and shall refrain from abusive demeanor and language. The practice of ceding time to other speakers shall be prohibited, except in the discretion of the presiding officer of the meeting. Public officials are not obligated to respond to questions.

In lieu of participating in the live meeting, the public may also complete a public comment form, which will be read into the record during the meeting. This form can be found at www.glenellyn.org/publiccomment.

E. Discussion

1) Discuss the Request for TIF Assistance Related to the Proposed Multi-family Development on the US Bank Site Located at 453 Forest Avenue & 576-580 Duane Street

F. Adjourn

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 4/11/2022 5:30 PM
Department: Administration
Department Head: mark Franz
Category: Discussion Item
Prepared By: mark Franz

AGENDA ITEM (ID # 2022-1931)

DOC ID: 2022-1931

Discuss the Request for TIF Assistance Related to the Proposed Multi-family Development on the US Bank Site Located at 453 Forest Avenue & 576-580 Duane Street

Statement of the Issue:
Reva Development Partners is seeking informal feedback from the Village Board of Trustees on their TIF incentive request for a proposed multi-family development project on the US Bank site (453 Forest Avenue) and the adjacent property to its east (576-580 Duane Street). In particular, staff is looking for feedback on the general business terms related to TIF assistance that the Developer has indicated is necessary to make this project viable. Reva Development Partners recently completed a multi-family development project called Avere on Duane, located on Duane Street between Prospect Avenue and Melrose Avenue, across from the Glen Ellyn Public Library. The Avere on Duane building is fully leased.

Summary of Project:
The subject property is located on the northeast corner of Forest Avenue and Duane Street in the C5B Central Service Subdistrict. The assemblage of the two properties would result in a site of approximately 1.26 acres. The surrounding zoning and land uses are as follows:

North:	CR Conservation Recreation District	Prairie Path Park
East:	C5B Central Service Subdistrict	Office Building
South:	C5B Central Service Subdistrict	Leonard Memorial Funeral Home
South:	R4 Residential District	Multi-Family Residential Buildings
West:	C5B Central Service Subdistrict	Municipal Parking Lot

Village Planning Documents. The following are brief summaries from various long and short-range Village planning documents related to the subject property, and recommendations for residential development in the downtown. All plan sections noted below are attached for the Village Board's review.

2001 Comprehensive Plan – The 2001 Comprehensive Plan does not highlight the bank site as a potential development site. Page 48 of the Comprehensive Plan indicates that the site is outside of the pedestrian shopping area. On page 42 of the plan it is noted that downtown should consist of an exciting mix of retail, service, entertainment, office and public uses, as well as housing units.

2009 Downtown Strategic Plan – On page 7.6 of 12 of the Downtown Strategic Plan, this area is highlighted as an opportunity site. It is suggested that the bank property should be retrofitted into a mixed-use parking structure with a pedestrian-friendly and historically-sensitive development pattern. It is also noted on page 7.3 of 12 that the Village should increase the number of downtown residential living opportunities. Page 8.3 of 8 indicates that 450 new dwelling units should be constructed in the downtown.

2020-2022 Strategic Plan – One of the top five strategic priorities of the Strategic Plan is "development". The specific target indicated in the plan is the addition of 400 new multi-family units in the downtown. The Village has recently approved a total of 223 new multi-family units in the downtown. Construction of the Avere on Forest project would bring the total to 300 new units.

2021 Draft Comprehensive Plan – The US Bank site is highlighted as a catalyst site in the Village's draft Comprehensive Plan. Catalyst sites are those sites that are vacant and/or underutilized parcels where redevelopment of the site could have a significant positive effect on the surrounding area. The concept illustrated in the plan is a three to four-story mixed-use development with ground floor commercial uses along Forest Avenue and condominiums or apartments on the upper floors. Townhomes are suggested as an acceptable alternative. The plan suggests that through coordination with the Glen Ellyn Park District, Prairie Path Park might also be enhanced as part of the redevelopment of the site.

Project Description. Reva Development Partners have provided a concept design for a 4-story multi-family development, which includes updated elevations and renderings (attached). A warmer, more traditional color pallet has been selected and some of the detailing on the building has been updated since the Village Board last reviewed the project. These revisions have been made based upon feedback provided by the Plan Commission, Historic Preservation Commission and Environmental Commission. The site plan for the project has not been revised.

The project features a unique residential product with a combination of townhome units (floors 1-2 along the Duane Street frontage) and apartments. All of the units would be rental units. Some of the building features include: 2 residential terraces, on-site storage, a fitness room, a club room, a pet wash station, a package room, and enclosed parking.

Unit Mix - The proposed development features 77 units, 4 of which will be townhomes (fronting Duane Street) and the remainder of which will be apartments. The units range in size from 866 square feet to 2,038 square feet. Compared to recently approved apartment buildings in the downtown, Avere on Forest will offer much larger units (Apex 400: 610 – 1,232 sf; Avere on Duane: 870 – 1,656 sf; Glenwood Station: 557-1,336 sf). Approximately 62% of the units have at least 2 bedrooms and 3 of the unit types (71% of the total units) offer a den. The average unit size would be 1,306 square feet with average rents estimated at $3,200 per month. See the chart below for more information about the proposed unit mix.

Avere on Forest, Unit Mix

Unit Plan	Type	Area	Total Units	Square Footage
1 Bed Room	A1	866	12	10,396
1 Bed Room + Den	B1	964	18	17,360
2 Bed Room + Den	C1	1,431	29	41,494
3 Bed Room	D1	1,457	6	8,739

3 Bed Room + Den	E1	1,803 8	14,420
3 Bed Room Townhome	F1	2,038 4	8,150
Totals/Averages		1,306 77	100,559

The developer anticipates that 95% of the units will be occupied within 9 months of project completion.

According to the Developer, the proposed development at Forest and Duane could be a candidate for conversion to condominium ownership in the future. That said, they believe in the long-term value of the proposed development especially because of its location in Glen Ellyn. Much like Avere of Duane, their intent is to retain ownership and refinance with long-term debt after construction and initial lease up. With respect to the construction type and characteristics, the building as proposed embodies the necessary and appropriate attributes to convert to condominium including separate or sub-metered gas, electric and water. The unit finishes and features are consistent with condominium standards and they can collect the necessary survey data during construction to prepare a condominium plat in the future.

Analysis:

***Incentive Request/TIF Gap Analyst*.** the only topic for discussion at the Workshop is to continue the discussion with respect to the economic incentive request and the business terms associated with that request. Last fall and more recently in February, the Village Board discussed this development proposal and reviewed Reva's preliminary TIF request. Since then, Reva has updated their proforma and staff has renegotiated some of the basic business terms of a potential Redevelopment Agreement (RDA). In addition, the Village's TIF consultant Kane McKenna and Associates, KMA, has reviewed Reva's proforma and evaluated their request for incentives based on the updated letter and background information, see attached. Given the higher costs of underground parking, escalating construction costs nationally, and higher end architecture costs, the developer appears to meet the "but for" clause required to be eligible for TIF incentives. Without TIF assistance, the developer has claimed that they cannot proceed with the project because they are not able to meet a Return on Project Costs of 6% to 6.5% in order secure financing. KMA believes this is a legitimate return based on market data. For these reasons, Reva has requested tax assistance to bridge the financial gap for this development project.

Analysis and RDA Business Terms

Bob Rychlicki and Nina Coppola, KMA, have analyzed Reva's proforma and incentive request. Attached is KMA's report that they will summarize and present to the Village Board Monday night. This analysis includes a best, likely and worst-case scenarios with respect to the impact of net new students on the development incentives and Village's return on this investment.

The Redevelopment Agreement would be structured as a performance-based (pay-as-you-go) incentive, including only the increment being generated by the project, and be paid directly from the TIF District Fund, eliminating any risk to other Village funds. Initially, the Developer requested $5.65M for the life of the TIF, 12 years, but staff negotiated a 10-year performance-based incentive, split 90/10 Developer/Village and most recently negotiated a 75/25 split for the last three years. In addition, the Village would be guaranteed collecting 100% of the available increment generated by the new development for a minimum of 2 years at the end of the TIF, years 2035 and 2036, in addition to at least 10% during the term of the agreement. Furthermore, the Village could receive additional TIF increment if less than 40% of the school funds are not needed to reimburse net new students moving into the development. Given the trend with the Avere on Duane project and trend with similar development in other municipalities, less than 20% of school contributions is likely. In short, both properties is currently generating $52K annually in property taxes; once the project is fully assessed, the property taxes would be $640,000 annually.

The basic business terms of a future agreement would include:

1. 90/10% (developer/village) performance-based agreement (pay-as-you-go) generated by available TIF increment for a period of ten years capped at $4,608,000, with a 6% discount rate, or 10 years, whichever happens first, **with a stipulation that the agreement goes into effect in 2024 to ensure the Village receives that last 2 years of TIF increment**. All costs must be TIF eligible.
2. Once the term expires (10 years or 2034 whichever occurs first), the Village collects 100% of available increment
3. An "open book" or "true up" review will be required of the Developer in order to monitor project costs, revenues, coverage ratios and returns (with adjustments to the TIF assistance if costs are lower or if revenues or returns are higher than projected)
4. Developer would provide 2 affordable housing units
5. Developer to make an expected $400K improvement to the Prairie Path Park and is working out details with the Park District
6. Developer would be able to appeal the taxes, but would not be eligible for incentives and refunds in any-one year.

New Terms:
6. Developer agreed to terms that upon sale of property, TIF incentives would not be transferred to the new owner; thereby the Village would receive 100% of increment.
7. In lieu of clawback, Developer agreed to 75/25% split in years 8, 9, 10; reducing their incentive request.
8. Reduced the cap from $4.6M to 3.9M, the most likely shared increment would total: $3,115,749 (Developer) and $1,368,089 (Village)

Summary of Pros and Cons. A $36.5M development provides a significant opportunity to increase EAV and generate tax growth as well as create more vitality and residents to support the downtown business community. Market concerns, impact on the neighborhood, traffic issues, and some exterior appearance concerns are some potential concerns that would be further flushed out during the public approval process including the new Architecture Appearance Commission (AAC). Below is a look at some of the pros and cons of this potential development:

Benefits. Some of the potential benefits of this project include:

- Meets Downtown Plan, TIF Plan, and Strategic Plan Goals:
  - New residents supporting businesses and spending $ in downtown
  - Creates more diverse housing stock (Townhomes, apartments, 2 affordable housing units)
  - Allows more "age in place" housing options

    - Continues to create reinvestment in TIF area and meet downtown plan, TIF plan and draft comp plan goals
- Financial Impact and Return
    - Overall $36.5M investment in CBD
    - Underutilized parcel would be redeveloped
    - Creates TIF revenue to pay for CBD infrastructure costs/CC Parking garage
    - Adds to the overall tax base providing new EAV for all taxing bodies, once TIF expires
    - Limited risk to the Village, since the proposed incentives are performance-based
- Development Team/Goals
    - Qualified, experienced developer with a proven track record in Glen Ellyn
    - Costly underground parking included
    - Developer donations to taxing bodies and improvements to Prairie path Park enhances this gathering spot in the downtown
    - Project should be completed before Train Station Project gets underway

Negatives. Staff has concerns about the significant incentive request for this project, but has reduced the ask over the last six months and has structured the RDA business terms in way to limit the risk to the Village. Some concerns about the market viability would be addressed with a comprehensive market study and would need further review and discussion. Traffic concerns and aesthetics would need to be addressed through the public review process, and the new AAC will be established to assist in that regard. Furthermore, lack of new commercial space, specifically new retail space limits diversifying the tax base. Finally, some preference to condos has been expressed by elected officials, to create more diversity in new housing options in the downtown.

Budget Impact:
Any incentives agreed to by the Village Board would have no impact on the General Fund and be paid exclusively through a performance-based incentive agreement (Redevelopment Agreement-RDA) paid from the CBD TIF generated by this project alone. Therefore, Village financial risk and exposure are minimal. Once TIF expires, this project would be considered new construction and grow the tax base for all taxing bodies.

Strategic Plan Initiative (If Applicable).
Strategic Priority: Development.
Initiative: Implement Economic Development strategy focused on overall commercial vitality, EAV growth and sales tax growth.
Actions: Evaluate financial impact and compliance with downtown plan goals for all major CBD commercial developments and alignment with 2009 Downtown Plan and TIF Plan.

Action Requested:
Staff is looking for direction from the Village Board on the proposed business terms of a future RDA and if the Village Board is interested in the project moving forward to the Plan Commission. Without support for TIF assistance, the Developer will have to decide if and how to proceed.

Attachments:
1. Redevelopment at Duane and Forest, Glen Ellyn

2. KMA Final DRAFT Addendum to 2.16.22 Memo FINAL FINAL 04.07.22

REDEVELOPMENT
AT DUANE & FOREST

GLEN ELLYN, IL

REVA DEVELOPMENT PARTNERS LLC

OKW Architects

KINZIE

SPACECO INC.

KLOA Kenig, Lindgren, O'Hara, Aboona, Inc.

KT landscape architecture

THE LAKOTA GROUP.

VILLAGE BOARD WORKSHOP

FEBRUARY 22, 2022

VILLAGE OF GLEN ELLYN 1834

2 WEST ELEVATION
SCALE: 1" = 20'-0"

1 SOUTH ELEVATION
SCALE: 1" = 20'-0"

OKW Architects
OKW ARCHITECTS
600 W. Jackson, Suite 250
Chicago, IL 60661

SCALE: 1" = 20'
0 5' 10' 20'

REVA DEVELOPMENT PARTNERS LLC

GLEN ELLYN RESIDENTIAL

FOREST & DUANE

FEBRUARY 22, 2022 Project #: 21022

EL-1

2 NORTH ELEVATION
SCALE: 1" = 20'-0"

1 EAST ELEVATION
SCALE: 1" = 20'-0"

OKW Architects

OKW ARCHITECTS
600 W. Jackson, Suite 250
Chicago, IL 60661

SCALE: 1" = 20'
0 5' 10' 20'

REVA DEVELOPMENT PARTNERS LLC

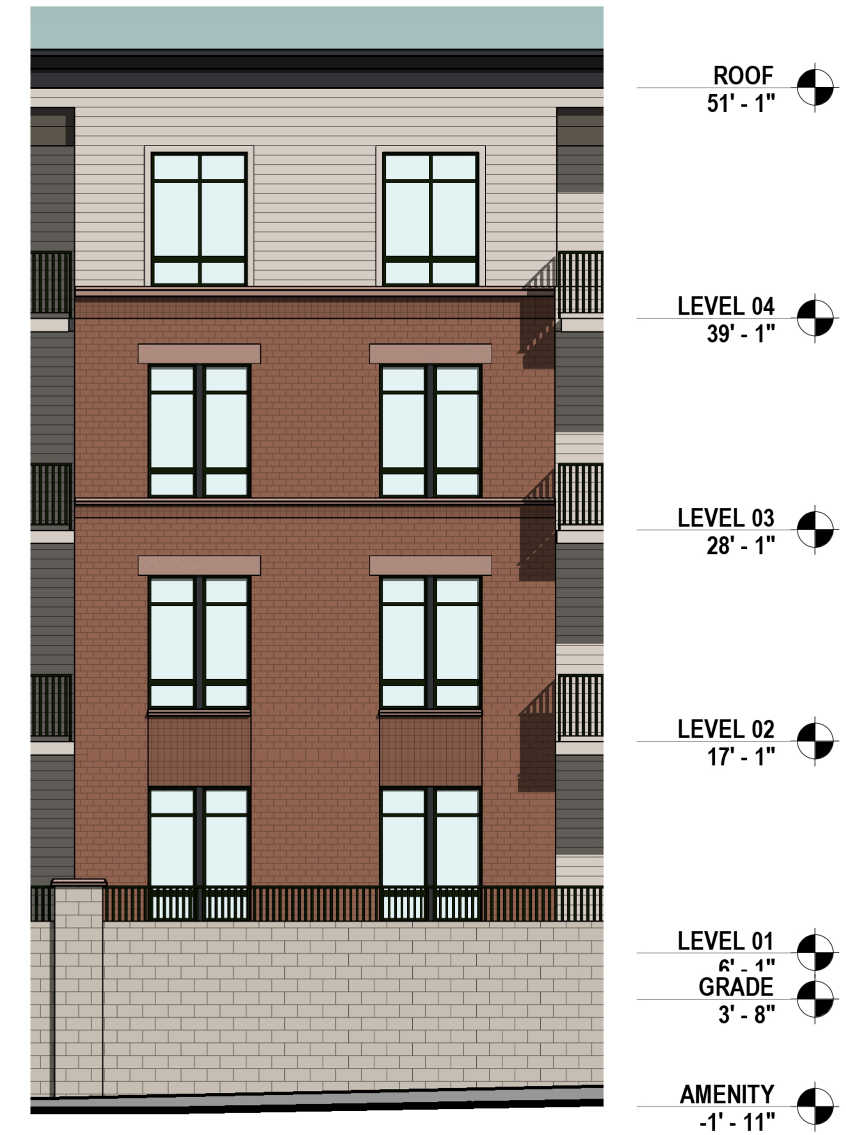
GLEN ELLYN RESIDENTIAL

FOREST & DUANE

FEBRUARY 22, 2022 Project #: 21022

EL-2

1 TOWNHOUSE DETAIL
SCALE: 1" = 10'-0"



2 TYPICAL ELEVATION DETAIL
SCALE: 1" = 10'-0"

OKW Architects
OKW ARCHITECTS
600 W. Jackson, Suite 250
Chicago, IL 60661

SCALE: 1" = 10'
0 2.5' 5' 10'

REVA DEVELOPMENT PARTNERS LLC

GLEN ELLYN RESIDENTIAL
FOREST & DUANE
FEBRUARY 22, 2022 Project #: 21022

EL-3


AVERE ON FOREST

Kane, McKenna
and Associates, Inc.

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Chicago, Illinois 60606

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MEMO

TO: Mark Franz
Meredith Hannah

FROM: Kane, McKenna and Associates, Inc.
April 7, 2022

RE: AVERE on Forest Residential Development - Proposed TIF Incentive

Background:

The Village of Glen Ellyn (the "Village") is in receipt of a *revised* TIF incentive proposal dated February 8, 2022 and supplement dated April 4, 2022 (refer to Exhibit A), and supplemental documentation provided in February 2022, pursuant to an *original* TIF incentive proposal dated September 3, 2021, presented by Reva Development Partners (the "Developer") regarding the proposed redevelopment of the former US Bank property located in downtown Glen Ellyn at 453 Forest Street and 580 Duane Street (the "Project" or "AVERE on Forest"). The proposed Project is comprised of two (2) tax parcels totaling 1.26 acres.

The *revised* proposal *still* consists of the construction of a four story "podium" style building containing 77 rental apartments and townhouses, consisting of twelve (12) one-bedroom, eighteen (18) one-bedroom with den, 29 two-bedroom, six (6) three-bedroom, and eight (8) three-bedroom with den apartments, along with 4 three-bedroom townhouses, and 131 underground parking spaces (100% of all planned parking), for a total gross building area of 175,344 square feet. The Project will *still* include a fitness room, clubroom, bike storage, dog spa, management office, collaborative work area, resident kitchen and grilling areas, fire pit, raised gardens, outdoor seating areas, and redesign and activation of the adjacent Prairie Path Park. The Developer has recently completed the "rapid" (as reported by the Developer) lease-up of another 48-unit rental apartment development in downtown Glen Ellyn known as AVERE on Duane.

The Village has tasked KMA with examining the Developer's *revised* pro formas to evaluate the need for the developer's *revised* requested TIF assistance (the "Gap Analysis"). KMA has completed its review of the Developer's revised TIF proposal and supporting exhibits and renderings, including supplemental information and documentation provided by the Developer pursuant to KMA's requests. Accordingly, KMA offers the following observations as described below.

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Project Financials:

A brief summary of Project costs is shown below:

Project Cost Category	Amount
Land	$ 2,800,000
Hard Costs	$24,625,261
Site Development Costs	$ 2,962,228
Soft Costs and Fees	$ 6,143,898
TOTAL	$36,531,387

Source: Developer Project Budget

Total Project costs shown above equate to $210.77 per square foot, based on a gross building area of 173,745 (126,394 and underground garage square footage of 47,331). In KMA's experience, this is at the higher end of industry standards. The Developer reports, and KMA agrees, that this is due to comparatively higher costs related to the exclusively underground parking garage (as compared to partial underground parking garage at AVERE on Duane) and subsequent architectural revisions made by the Developer pursuant to the direction of the Village's Architectural Review Committee, such as the replacement of the two-story glazed portions at the ends of each wing with masonry through the third floor, a reduction in the scale of windows, the addition of masonry details around the windows and in spandrels between floors, expanded bay windows for the front accessed 2-story duplex units, a more pronounced third floor masonry stringcourse and projecting cornice capping the building, and an increase in masonry in the central portion of the north façade. It should be noted that Project costs do not include any costs associated with certain additional potential exterior architectural enhancements that were suggested by the Village in February, including architectural and building components for LEED certification of the building. The Developer has indicated that any additional costs associated with these additional potential design revisions will not result in an increase to the current TIF request.

The comparatively higher costs are also due to recent exponential price increases in lumber, steel and other building materials stemming from current market demand trends and supply chain issues related to the pandemic and recent oil price increases. It should be noted that Project costs also include a $400,000 budget for public park improvements.

To confirm the Developer's cost estimates, the Developer, has provided very detailed construction cost estimates prepared by the Developer's general contractor, Kinzie Builders, In addition, to validate the basis for the comparatively higher Project costs, KMA requested from the Developer, and received, a comparison of the hard construction costs for their AVERE on Duane development to the hard construction costs of the Project. The comparison shows the following:

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	Project	**AVERE on Duane**
Number of Units	77	48
Gross Bldg Sq Ft	175,745	75,890
Hard Const Cost per Unit	$319,808	$261,629
Hard Const Cost/Gross Sq Ft.	$141.73	$131.74

KMA's review of the detailed side-by side comparison of hard construction costs reveals that almost all of hard construction cost differential between the two projects is attributable to concrete 58% higher), and woods, plastics and composites 34% higher). As hypothesized above, this is explained by the inclusion of the underground parking garage for 100% of the parking at the Project, compared to AVERE on Duane's partial underground parking, architectural features requested by the Village, and recent extraordinarily higher lumber and other construction materials prices. The underground parking garage adds substantially to the concrete costs, in comparison to AVERE on Duane, as well as adds to the complexity of the construction, further exacerbating construction costs for this Project. The Developer has maintained that these higher construction costs cannot be made up entirely by proportionately higher rental rates, since there are market constraints on rental rates.

KMA's examination of detailed hard construction costs is also useful in determining how much of the Project costs are TIF eligible. Eligible costs under the TIF Act include the following:

- Land acquisition and associated costs
- Site development costs (hard costs)
- Portions of soft costs.
- 30% of private interest costs.

Site acquisition costs are $2.8M and site development costs are estimated at almost $2.6M. In addition, most of the $6.1M of soft costs are TIF eligible. Clearly, there are more than enough TIF eligible costs in this Project, and the cost details provided by Developer confirms this.

The Developer's *revised* operating pro forma shows an average rental rate of $2.56 per square foot for an average unit size of 1,306 square feet, with a parking rental rate of $135 per stall, and miscellaneous income from storage ($25 per unit) and utility reimbursements ($75 per unit) and miscellaneous income ($68 per unit). The Developer has stated that the proposed rent structure and other income is based on Reva's confidence in the successful rental experience with AVERE on Duane. Accordingly, the Developer did not commission a formal market study for the Project. In the absence of a formal market study for the Project, KMA examined the current rental rate structure at AVERE on Duane. The current average rental rate at AVERE on Duane is $2.50 per square foot for an average square footage of 1,333. Accordingly, the projected rents of $2.56 per square foot at the Project appear to be reasonable, given the underground parking and other amenities that are not present at AVERE on Duane, along with the enhanced exterior finishes and the anticipated timeline for delivery of units at the Project. While the Developer reports that the Project will offer a small amount of retail space in the form of small "kiosks", there is no consequential retail revenue component assumed in the Developer's pro forma.

The Developer's operating pro forma also shows operating expenses of 34% of operating revenues. This includes real estate taxes of over $7,000 per unit, which, in KMA's experience, appears to be relatively high, and is based on a comparatively high assumed per unit market value of approximately $317,500. The Developer reports that this assumption is based upon Milton Township's 2020 EAV for AVERE on Duane, which was assessed based on partial occupancy in 2020. The Milton township Assessor will not determine the 2022 valuation for AVERE on Duane until early summer of next year. It is worth noting that the Developer has asserted that it views the TIF assistance as a "hedge" against anticipated relatively high taxes. In fact, the Developer very recently (this week) revised its projections of annual taxes to over $8,500 per unit. This, again, would not affect the total amount of the TIF incentive, since there would be a cumulative cap on the TIF incentive over ten years, as well as fixed percentages of annual increment accruing to the Developer based on the TIF projections chart below.

Incentive Analysis:

In its *revised* TIF proposal, the Developer continues to maintain that the relative "complexity of the building" related to the underground parking garage and Village design requirements (both those already agreed to and additional potential design changes as described above), along with recent exponential industry construction cost escalations preclude the Developer from achieving sufficient rates of return and its ability to obtain financing without TIF funds to bridge the gap. In addition, the Developer continues to assert that there is added uncertainty associated with future inflationary impacts on interest rates and future value due to the pandemic and now the war in Ukraine.

Accordingly, the Developer *still* proposes a "pay-as-you-go" TIF Incentive. Unlike AVERE on Duane, however, the Developer has agreed to limit the term of the TIF assistance to ten years, to 2033, rather than for the remaining twelve-year term of the TIF (2035). Like AVERE on Duane, the Developer has agreed to accept 90% of net available annual TIF increment, with 10% to go to the Village, after any statutory school payments. Unlike AVERE on Duane, however, the Developer has agreed to limit this sharing formula to seven (7) years (rather than ten (10) years as *originally* proposed by the Developer). In addition, for the last three (3) years of the ten-year period, Village staff negotiated that the Developer accrue only 75% of the net annual increment, with 25% to go to the Village. It should be noted that the Developer has indicated that any additional "clawback" of TIF assistance in the event the Project yields returns greater than projected would impair the Developer's ability to raise capital from investors, especially in today's newer inflationary interest rate environment. Accordingly, the Developer is willing to accept the lower cumulative TIF incentive cap and the adjustments to sharing percentages in the last three years, as well as undertake responsibility for any Village architectural enhancements.

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It is important to note that 2020 real estate taxes for the two development parcels were approximately \$52,000, and that projected *annual* incremental taxes after construction of the Project are estimated at \$640,000. This represents an almost ten-fold increase from 2020 taxes in annual property taxes. After the life of the TIF, this ten-fold increase will be even greater, and 100% of it will benefit all taxing districts for evermore.

After the ten (10) year period of TIF assistance, the Village will accrue 100% of the annual TIF increment for the last two years of the TIF term until 2035, effectively a guaranteed annual payment of TIF increment to the Village. Also, unlike AVERE on Duane, the Developer has agreed to the Village's termination of its annual TIF increment payments to the Developer in the event the Developer sells the Project prior to the expiration of the redevelopment agreement. The Developer has also agreed to the termination of future TIF payments if the property is sold during the term of the TIF.

It is important to note that the Developer has *most recently* (this week) agreed to a reduced cap the TIF assistance at \$3.9M, down from the Developer's *original* request of \$5.65M, or approximately 10% of total Project costs. It is worth noting that since the annual payments of TIF increment are to be received by the Developer over time, the Developer, appropriately, discounts those annual payments, using a 6% discount rate, to a present value of between approximately \$2 to \$2.3M, depending on the actual annual increases in taxes over time. Also, unlike AVERE on Duane, the Developer seeks 90% of any difference between the actual annual school payments and the statutory maximum 40% annual school payments for the first seven (7) years and 75% in the last three (3) years. For the AVERE on Duane development, the Developer and the Village agreed to share *equally* in this annual difference during the term of the RDA. In response to staff's attempt at a larger share for the Village, the Developer argued that its request for a larger share of this Project's annual TIF increment for this Project is partially attributable to its agreement to limit TIF payments to ten (10) years, as compared to the remaining term of the TIF when AVERE on Duane was developed.

According to the Developer's *original* TIF proposal of \$5.65M, the TIF incentive would result in the following rates of return (the Developer has not yet provided an updated pro forma consistent with its most recent TIF proposal):

Stabilized Return of On Project Cost Without TIF Incentive	6.13%
Stabilized Return of On Project Cost With TIF Incentive	6.73%

Using the Developer's assumptions, KMA preformed its own IRR analysis with results that were comparable to the above. In KMA's experience, the relative amount of the adjusted TIF request, as compared to total Project costs, is reasonable. In addition, also based on KMA's experience with comparable development projects, the Developer's above target rate of return is also valid, and with the reduction in the TIF assistance from \$5.65M to \$3.9M, the Developer's resulting return with TIF assistance will be even lower. Furthermore, the proposed "pay-as-you-go" structure precludes any financial risk to the Village.

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TIF Increment Analysis:

KMA analyzed the Developer's annual TIF increment projections and found that the incremental tax revenues generated by the Project, after a likely amount of State mandated TIF school contributions, will probably support the Developer's revised cumulative TIF incentive of $3.9M over the negotiated ten-year term. As part of its analysis, KMA also undertook a sensitivity analysis to examine the potential impact on annual incremental TIF revenues available to the Developer and the Village for the remaining term of the TIF if property taxes turn out to be lower than those projected by the Developer. In so doing, KMA also considered the impact of various amounts of the annual TIF school contributions on the annual TIF increment. Specifically, KMA looked at three scenarios – i) annual school contributions equal to the statutory maximum of 40% of annual incremental tax revenues; ii) annual school contributions equal to 20% of annual incremental tax revenues; and iii) no annual school contributions (no students generated). Below is a summary of this analysis, the details of which can be found in Exhibit B:

	0% SCHOOL CONTRIBUTION			**20% SCHOOL CONTRIBUTION**			**40% SCHOOL CONTRIBUTION**	
	$7,000 PER UNIT TAXES	**$5,000 PER UNIT TAXES**		**$7,000 PER UNIT TAXES**	**$5,000 PER UNIT TAXES**		**$7,000 PER UNIT TAXES**	**$5,000 PER UNIT TAXES**
Developer Cum Share	3,900,000	3,894,686		3,900,000	3,115,749		3,271,537	2,336,812
Village Cum Share	3,936,643	1,710,112		2,335,411	1,368,089		1,436,494	1,026,067

It can be seen that assuming either a 0% or 20% annual school contribution, *and* assuming $7,000 per unit of annual real estate taxes, there is sufficient available annual tax increment to cap the Developer's *most recent* requested assistance at $3.9M, after school payments, and the Village can potentially accrue $1.7 to $2.3M cumulatively. In fact, in both these scenarios, the Developer achieves its *revised* cap of $3.9M prior to the end of the proposed ten (10) year term. Conversely, in event the Project generates an amount of students that achieves the maximum 40% annual school payments (statutory maximum), at $7,000 per unit of annual real estate taxes, the Developer would accrue a cumulative amount of only $3.2M of increment and the Village would accrue approximately $1.4M. It can also be seen that in all three school contribution scenarios, assuming annual real estate taxes of only $5,000 per unit, the project will not generate enough annual TIF increment to fund the Developer's *revised* $3.9M TIF request (between $3.89M and $2.36M), and the Village Would accrue between $1M and $1.7M.

According to the Developer, AVERE on Duane has generated very few new students to the local school districts, so extrapolating from that experience, it is highly unlikely that the 40% scenario would ever occur. In fact, based on the experience at AVERE on Duane, a scenario in

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between the 0% and 20% annual school contributions is most likely. Accordingly, KMA agrees that the Project is likely to generate enough increment to fund the Developer' *revised* $3.9M of TIF assistance, assuming annual real estate taxes of $7,000 per unit. It should be noted, however, that if the actual incremental real estate taxes are, indeed, insufficient to accommodate the Developer's request, then the amount of incentive actually paid to the Developer will be recalibrated to a corresponding lower amount pursuant to the above-described sharing formulas. So, the Village will be liable for Developer TIF incentive payments *only* to the extent that incremental real estate tax revenues are available. The Developer understands and is in agreement with this.

Additional Considerations:

KMA recommends that the Village's further evaluation of this request should include the following additional considerations:

1) Include an "open book" or "true up" review that will be required of the Developer in order to monitor project costs (with adjustments to the TIF assistance if costs are lower).

2) Recall that the shift in annual TIF increment sharing percentages from 90% in the first seven (7) years to 75% in the last three (3) years serves as a guarantee of "claw back" for the Village

3) Recall that for the last three (3) years of the ten-year TIF assistance period, Village staff has negotiated that the Developer accrue only 75% of the net annual increment, with 25% to go to the Village. The Developer has reported that the Developer's other financing sources do not allow for any additional "clawback" of TIF assistance in the event the Project yields returns greater than projected.

4) Monitor the Project to ensure that Village required improvements are included

EXHIBIT A

DEVELOPER TIF PROPOSAL AND SUPPLEMENT

REVA DEVELOPMENT PARTNERS LLC

116 W Illinois, 7th Floor
Chicago, Illinois 60654

February 8, 2022

Mr. Mark Franz
Village Manager
VILLAGE OF GLEN ELLYN
535 Duane St.
Glen Ellyn, IL 60137

RE: AVERE on Forest – TIF Incentive Request

Dear Mr. Franz,

The proposed development of the US Bank site on Forest Ave capitalizes on a unique opportunity to transform a vacant/obsolete commercial property into a vibrant, attractive, development offering a mix of housing and amenities for residents seeking to downsize and/or simplify their lifestyle. REVA and its team of consultants have collected feedback from the Village Board, Plan Commission, staff, and various committees and have endeavored to design a building that balances height and scale as well as a sensitivity to the character downtown Glen Ellyn and the surrounding neighborhood. To accomplish these design goals, special features have been incorporated including 100% of the parking hidden below grade, raised gardens and outdoor amenity areas, varied use of high-quality materials, and the inclusion of a variety of entry features, balconies, setback terraces and other unique architectural elements. The plan also calls for the redesign of the adjacent Prairie Path Park through landscape/hardscape improvements and the addition of retail kiosks to help activate this space for the community. Due to the increased complexity of the architectural design and the widely publicized general escalation of construction costs, the project is not economically viable without the support of TIF funds that will be generated by the increased real estate taxes once the project is complete. The proposal is for a "pay as you go" TIF structure similar to that used at Avere on Duane to successfully secure financing. The proposed structure is a simple 90/10 split of available TIF funds generated (only by the increased real estate taxes from these parcels) for the remaining term of the existing TIF district. Even with TIF support at requested levels, the project would generate lower proforma returns than were targeted for AVERE on Duane. However, the strong lease-up, demonstrated demand and smooth execution by the AVERE on Duane team should help to secure investor and debt financing for AVERE on Forest despite the slightly lower projected returns.

The following are written responses to the TIF Incentive Application questions for the proposed AVERE on Forest multifamily project located at the northeast corner of Forest Ave and Duane St. The latest TIF Projections under the proposed terms are attached as **Exhibit III**.

I. Description of Proposed Project:

A. Description of property and proposed use

1. **Property Size-** 1.26 acres
2. **Property Characteristics-** 2 parcels commonly known as 453 Forest Avenue and 580 Duane Street.

3. **Access and utility needs-** The property will need vehicular access to Duane Street, Forest Avenue, and standard utility connections. During construction we will need to be able to accommodate construction staging along Forest Avenue.
4. **Type of use proposed for the property-** REVA Development Partners is proposing the development of AVERE on Forest, a 77-unit multi-family apartment complex with an underground parking garage.

B. Project Concept

1. **Nature of project-** Residential (rental)
2. **Size and description of Project-** AVERE on Forest will be a luxury rental project with 77 units and underground parking. Below is the proposed unit mix with a total of 100,559 net rentable square feet (NRSF):

UNIT MIX				
Unit Plan	Type	Area	#Units	NRSF
1BR	A1	866	12	10,396
1BR + Den	B1	964	18	17,360
2BR + Den	C1	1,431	29	41,494
3 BR	D1	1,457	6	8,739
3 BR + Den	E1	1,803	8	14,420
3 BR Townhome	F1	2,038	4	8,150
Totals / Averages		**1,306**	**77**	**100,559**

II. Developer Estimate of Project Performance/Tax Revenues

A. Market Potential for Project- Similar to AVERE on Duane, the target market is the empty nester resident living in and around Glen Ellyn seeking to divest/simplify life by downsizing from single family homeownership to the flexibility of luxury rental. REVA has assembled two contiguous parcels totaling 1.26 acres in a prime downtown Glen Ellyn across from the Metra station, adjacent to the Illinois Prairie Path, and a block off of abundant shops and restaurants. The four story "podium" style building designed by OKW Architects, offers large floorplans with high quality finishes, underground parking, and the many conveniences of a modern luxury apartment which will serve an unmet need with this growing demographic.

B. N/A

C. If Residential Units for Sale (not rent)

1. **Gross Square Footage-** 126,394 SF for the entire building plus 47,331 SF in the underground garage
2. **Total Units-** 77 units
3. **Average unit size-** 1,306 SF
4. **Average Rental Rate per month-** ~$3,300
5. **Number of Parking/Garage Spaces-** 131 underground parking spaces

6. **Hard Costs per Square Foot/per Unit-** Base Hard Costs (not including land development, GC fee or GC contingency) estimated at $201.57/NRSF, or $263,200/unit. Total Hard Costs (including land development) estimated at $274.34/NRSF, or $358,300/unit.
7. **Estimated Hard Costs for Parking per Space**- N/A, included in above Hard Cost numbers.
8. **Absorption Schedule** – 10 units per month, achieving stabilization @ 95% (73 units) in 7-8 months.

III. Developer Pro Forma Outline- See Proforma Exhibits for additional details

A. Cost of Development Estimates

1. **Acquisition-** $2,800,000
2. **Site Preparation/Demolition Costs/Environmental -** $2,962,228
3. **Cost of Construction -** $24,625,261
4. **Fees/Soft Costs**
   a. **Architect and Engineering -** $822,200
   b. **Legal -** $175,000
   c. **Surveys –** included in Engineering
   d. **Permits and Inspections -** $482,781
   e. **Leasing Commissions -** $193,072 (within Marketing line item)
   f. **Construction Management –** N/A covered under hard costs and Developer's Fee
   g. **Developer's Fee -** $1,278,600 (3.5% of total project cost)
5. **Construction Financing Interest -** $828,232
6. **Contingencies –** Hard Cost Contingency of $696,947 (3.0% of hard costs), Developer Contingency of $600,000, Soft Cost Contingency of $250,000
7. **Total Estimated Project Cost -** $36,531,000 ($474,430/unit)

B. Proposed Financing

1. **Total Cost of Redevelopment -** $36,531,000 ($474,430/unit)
2. **Private Financing for Project**
   a. **Mortgage Debt -** $23,625,000 (~65% LTC)
   b. **Equity Contributions -** $12,906,000
3. **Amount of Public Assistance Requested –** 90/10 split of all available increment after payment of school allocation, including 90/10 split of the unclaimed school allocation. Under the current underwriting based on stabilized taxes of $639,454 ($8,305 per unit) and assuming 2% RE tax growth and 20% school collections (out of 40% maximum), this would result in $5,650,000 to the developer over the life of the TIF, or $3,274,000 on a NPV basis using a 6% discount rate.

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Chicago, Illinois 60654

Please see attached **Exhibit I** (Development Budget), **Exhibit II** (Operating Proforma with Return on Cost), and **Exhibit III** (TIF Cash Flow/TIF Request).

Sincerely,

REVA DEVELOPMENT PARTNERS, LLC

By: Warren A. James and Matthew T. Nix, Principals

Exhibits:

I. AVERE on Forest Development Budget
II. AVERE on Forest Operating Proforma
III. AVERE on Forest TIF Cash Flow Projections

BUDGET SUMMARY		**Total**	**Unit**	**NRSF**	**% Cost**
Land Value		2,800,000	36,364	27.84	7.7%
Tap & Impact Fees		470,082	6,105	4.67	1.3%
Site Development		2,962,228	38,470	29.46	8.1%
Hard Costs		24,625,261	319,809	244.88	67.4%
Soft Costs		5,673,816	73,686	56.42	15.5%
Total Uses		**36,531,387**	**474,434**	**363.28**	**100.0%**
LAND ACQUISITION COSTS		**Total**	**Unit**	**NRSF**	**% Cost**
Land Price		2,800,000	36,364	27.84	7.7%
Sub Total		2,800,000	36,364	27.84	7.7%
TAP & IMPACT FEES		**Total**	**Unit**	**NRSF**	**% Cost**
Water Tap, Meter Fee, Other		313,678	4,074	3.12	0.9%
Blended Impact Fee (School, Park, etc)		425,684	5,528	4.23	1.2%
Park Fees applied to Prairie Path Park		(269,280)	(3,497)	(2.68)	-0.7%
Sub Total		470,082	6,105	4.67	1.3%
SITE DEVELOPMENT COSTS		**Total**	**Unit**	**NRSF**	**% Cost**
Site Improvements & Landscape/Hardscape		2,679,983	34,805	26.65	7.3%
Existing Conditions/Demolition		282,245	3,666	2.81	0.8%
Sub Total		2,962,228	38,470	29.46	8.1%
HARD COSTS		**Total**	**Unit**	**NRSF**	**% Cost**
Base Cost for Building & Parking Structure		20,269,342	263,238	201.57	55.5%
General Conditions	7.5%	1,742,368	22,628	17.33	4.8%
General Requirements	2.5%	580,789	7,543	5.78	1.6%
Total Base Hard Costs		**22,592,499**	**293,409**	**224.67**	**61.8%**
Insurance	1.25%	290,395	3,771	2.89	0.8%
Hard Cost Contingency	3.0%	696,947	9,051	6.93	1.9%
General Contractor Fee	4.5%	1,045,421	13,577	10.40	2.9%
Hard Cost Sub Total		24,625,261	319,809	244.88	67.4%
SOFT COSTS		**Total**	**Unit**	**NRSF**	**% Cost**
Building Permits	1.75%	482,781	6,270	4.80	1.3%
Financing Fees- Loan Fee & Other		183,563	2,384	1.83	0.5%
Architectural & Design Fees		682,000	8,857	6.78	1.9%
Engineering Fees		140,200	1,821	1.39	0.4%
TIF-related Costs		30,000	390	0.30	0.1%
Taxes During Construction		98,156	1,275	0.98	0.3%
Tax & Audit		25,000	325	0.25	0.1%
Legal		175,000	2,273	1.74	0.5%
Zoning-Related		55,000	714	0.55	0.2%
Inspection & Draw Costs		72,100	936	0.72	0.2%
Furniture, Fixtures, and Equipment		220,000	2,857	2.19	0.6%
Marketing		248,732	3,230	2.47	0.7%
Insurance		130,295	1,692	1.30	0.4%
Closing Costs		40,000	519	0.40	0.1%
Developer Contingency		600,000	7,792	5.97	1.6%
Soft Cost Contingency		250,000	3,247	2.49	0.7%
Developer Overhead	3.5%	1,278,600	16,605	12.71	3.5%
Operating Deficit Reserve		134,158	1,742	1.33	0.4%
Construction Interest Reserve		828,232	10,756	8.24	2.3%
Sub Total		5,673,816	73,686	56.42	15.5%
SOURCES:		**Total**	**Unit**	**NRSF**	**% Cost**
Total Sources		**36,531,387**	**$474,434**	**$363.28**	**100.0%**
AVERE Investors, LLC Equity		11,615,748	$150,854	$115.51	31.8%
AVERE Manager, LLC Equity		1,290,639	$16,762	$12.83	3.5%
Construction Loan		23,625,000	$306,818	$234.94	64.7%
Requested Assistance:					
NPV of TIF @ 6%		3,273,680			
Gross $ Amont of TIF to Developer		5,649,636			

	CURRENT UNDERWRITING- 2022								STABILIZED- 10/2024			
	Buildings	**Avg SF**	**Units**	**NRSF**	**Rent/NRSF**	**Rent/Unit**	**Monthly $**	**Annual $**	**Rent/NRSF**	**Rent/Unit**	**Monthly $**	**Annual $**
Podium	1	1,306	77	100,559	2.56	3,343	257,429	3,089,145	2.73	3,560	274,089	3,289,063
Total	**1**	**1,306**	**77**	**100,559**	**2.56**	**3,343**	**257,429**	**3,089,145**	**2.73**	**3,560**	**274,089**	**3,289,063**

UNIT MIX

Unit Plan	Type	Area	#Units	NRSF	Rent/NRSF	Rent/Unit	Monthly	Annual	Rent/NRSF	Rent/Unit	Monthly	Annual
1BR	A1	866	12	10,396	2.84	2,460	29,520	354,240	3.02	2,619	31,430	377,165
1BR + Den	B1	964	18	17,360	2.87	2,768	49,815	597,780	3.06	2,947	53,039	636,466
2BR + Den	C1	1,431	29	41,494	2.47	3,536	102,551	1,230,615	2.63	3,765	109,188	1,310,256
3 BR	D1	1,457	6	8,739	2.50	3,639	21,833	261,990	2.66	3,874	23,245	278,945
3 BR + Den	E1	1,803	8	14,420	2.45	4,408	35,260	423,120	2.60	4,693	37,542	450,503
3 BR Townhome	F1	2,038	4	8,150	2.26	4,613	18,450	221,400	2.41	4,911	19,644	235,728
Totals / Averages		**1,306**	**77**	**100,559**	**2.56**	**3,343**	**257,429**	**3,089,145**	**2.73**	**3,560**	**274,089**	**3,289,063**

Other Income									
US Bank ATM Income/Retail Income					1,500	18,000		1,500	18,000
Garage Income- Podium	$ 135	131	spaces		17,685	212,220	spaces	18,830	225,954
Storage Income	$ 25	39	lockers	70% occ.	674	8,085	lockers	717	8,608
Utility Reimbursement	$ 68		per unit		5,198	62,370	per unit	5,534	66,406
Misc Income	$ 55		per unit		4,258	51,092	per unit	4,533	54,399
Total Other Income					**29,314**	**351,767**		**31,114**	**373,368**
Gross Income					**286,743**	**3,440,912**		**305,203**	**3,662,430**

OPERATING EXPENSE		**Exp/NRSF**	**Exp/Unit**	**Monthly**	**Annual**	**Exp/NRSF**	**Exp/Unit**	**Monthly**	**Annual**
Leasing & Payroll		$1.54	$2,008	$12,882	$154,586	1.64	2,138	13,716	164,590
Marketing & Advertising		0.36	468	3,000	36,000	0.38	498	3,194	38,330
Repair & Maintenance/Turnover		0.34	450	2,888	34,650	0.37	479	3,074	36,892
Janitorial, Cleaning, and Contract Services		0.40	550	3,333	40,000	0.42	586	3,549	42,589
Administrative		0.15	195	1,250	15,000	0.16	207	1,331	15,971
Utilities (water/sewer/trash reimbursed by tenant)		0.69	900	5,775	69,300	0.73	958	6,149	73,785
Utilities (Common Area & Vacants)		0.27	351	2,250	27,000	0.29	373	2,396	28,747
Property/Liability Insurance		0.38	500	3,208	38,500	0.41	532	3,416	40,992
Real Estate Taxes		5.96	7,790	49,985	599,826	6.36	8,305	53,288	639,454
Property Management Fee	4.00%	1.30	1,698	10,896	130,755	1.38	1,808	11,601	139,217
Capital Reserves		0.19	250	1,604	19,250	0.19	250	1,604	19,250
Total Op Expense		**$11.58**	**$15,159**	**$97,072**	**$1,164,866**	**$12.33**	**$16,134**	**$103,318**	**$1,239,816**
					34%				

STABILIZED OPERATING PRO FORMA		**Monthly**	**Annual**	**Monthly**	**Annual**
Gross Income		286,743	3,440,912	305,203	3,662,430
Less Vacancy & Credit Loss	5.00%	(14,337)	(172,046)	(15,260)	(183,122)
Effective Gross Annual Income		272,406	3,268,867	289,942	3,479,309
Less Operating Expenses		(97,072)	(1,164,866)	(103,318)	(1,239,816)
Net Operating Income (NOI)		**175,333**	**2,104,001**	186,624	**2,239,493**
RETURN ON PROJECT COST (NOI / PROJECT COST)			**5.76%**		**6.13%**
RETURN ON PROJECT COST INCLUDING NPV OF TIF (NOI / (PROJECT COST - TIF NPV))			**6.33%**		**6.73%**

EXHIBIT III

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS														
Column for Calculation		A	B	C	D	E	F	G	H	I	J	K	J	K
Calculation				A * 7.4326	(A-B) * 7.4326%	20% * D	((40%*D)-E)*10%	((40%*D)-E)*90%	D - E - F - H	H * 10%	H * 90%	G + J	Sum (K:K)	NPV(6.0%, K:K)
Tax Year	Collection Year	Total EAV	Base EAV	Total Taxes	TIF Increment	School Collections (Max 40%, Assumed 20%)	Unclaimed School Payment Split To Village (10% of Unclaimed)	Unclaimed School Payment Split To Developer (90% of Unclaimed)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to Village (10% after School Payment)	Increment Pledged to Developer (90% after School Payment	TOTAL INCREMENT TO DEVELOPER (90% of Unclaimed School + 90% of Remaining)	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	159,863	110,785	22,157	2,216	19,941	66,471	6,647	59,824	79,765	79,765	66,973
2024	2025 (85% of Value)	7,312,863	660,309	543,536	494,458	98,892	9,889	89,002	296,675	29,667	267,007	356,010	435,775	348,966
2025	2026 (100% of Value)	8,603,369	660,309	639,454	590,376	118,075	11,808	106,268	354,226	35,423	318,803	425,071	860,846	666,603
2026	2027	8,775,436	660,309	652,243	603,165	120,633	12,063	108,570	361,899	36,190	325,709	434,279	1,295,124	972,752
2027	2028	8,950,945	660,309	665,288	616,210	123,242	12,324	110,918	369,726	36,973	332,753	443,671	1,738,795	1,267,819
2028	2029	9,129,964	660,309	678,594	629,516	125,903	12,590	113,313	377,709	37,771	339,938	453,251	2,192,047	1,552,194
2029	2030	9,312,563	660,309	692,166	643,087	128,617	12,862	115,756	385,852	38,585	347,267	463,023	2,655,070	1,826,257
2030	2031	9,498,814	660,309	706,009	656,931	131,386	13,139	118,248	394,158	39,416	354,743	472,990	3,128,060	2,090,372
2031	2032	9,688,790	660,309	720,129	671,051	134,210	13,421	120,789	402,631	40,263	362,367	483,157	3,611,216	2,344,893
2032	2033	9,882,566	660,309	734,532	685,453	137,091	13,709	123,382	411,272	41,127	370,145	493,527	4,104,743	2,590,161
2033	2034	10,080,218	660,309	749,222	700,144	140,029	14,003	126,026	420,086	42,009	378,078	504,104	4,608,847	2,826,504
2034	2035	10,281,822	660,309	764,207	715,129	143,026	14,303	128,723	429,077	42,908	386,169	514,893	5,123,739	3,054,242
2035	2036	10,487,458	660,309	779,491	730,413	146,083	14,608	131,474	438,248	43,825	394,423	525,897	5,649,636	3,273,680
				$ 8,582,889	$ 7,846,717	$ 1,569,343	$ 156,934	$ 1,412,409	$ 4,708,030	$ 470,803	$ 4,237,227	$ 5,649,636		

REVA DEVELOPMENT PARTNERS LLC

April 4, 2022

Mr. Mark Franz
Village Manager
VILLAGE OF GLEN ELLYN
535 Duane St.
Glen Ellyn, IL 60137

RE: AVERE on Forest – TIF Request

Mark,

We look forward to appearing at the Village Trustee Workshop meeting on April 11, 2022. In advance of the meeting, we summarize herein the most recent discussion related to TIF and redevelopment agreement (RDA) terms and outline a path forward to turn what is now just a vision, to reality. While we have yet to file a formal PUD application, we have sought guidance from staff and performed extensive architectural/engineering design work. We've prepared multiple architectural and landscape plans and have rendered them for the Board, Plan Commission and Park Board consideration. Over the past year we sought feedback from multiple stakeholders in various forums (public hearings, zoom calls, and written presentations) including the following:

Village Trustees
- Pre-application-1st Workshop 5/17/21
- Pre-application-2nd Workshop 9/3/21
- Pre-application-3rd Workshop 2/22/22

Plan Commission
- Pre-application presentation 9/23/21

Historic Preservation Committee
- Written presentation and feedback October 2021

Environmental Commission
- Written presentation and feedback October 2021

Glen Ellyn Park District
- Multiple in-person and zoom meetings with staff

Further Discussion of Architectural Design and Environmental Considerations

Last fall we received positive feedback from the Board regarding the composition of the proposed plan. During the workshop session there was general acknowledgment of the site constraints, especially the surrounding grade, one-way southbound Forest Avenue, and adjacency to Prairie Path Park, which dictated the design of building. Most importantly, to proceed in good faith, we asked the board for consensus regarding the height, scale, massing, unit count, parking configuration and building setbacks. At that time, the board consented to these parameters as the building blocks from which to proceed. We agreed to delay the timeline for submission of the formal application until such time as the Architectural Review Commission was reconstituted with the knowledge that we would build upon the previously agreed upon planning parameters.

We subsequently received written comments from the Historic Preservation Commission and Environmental Commission. OWK responded with substantive changes to the design between last September and the February presentations. While the project's basic planning remains as previously presented, the exterior design was modified to express a more traditional appearance, in keeping with the character of the community. The most notable adjustment to the previous design includes the elimination of the two-story glazed portions at the ends of each wing, replaced with masonry through the third floor and a reduction in the scale of windows. Additionally, the direct entry Townhomes fronting Duane Street now include an identical pair of two-story bay windows formally flanking each entry. Overall detailing of the windows and cornices has been altered to reflect a more traditional appearance and masonry has been increased up through the third floor to the central portion of the north elevation, fronting the Park. The entire material color palette has changed, rendering a darker red/brown masonry topped by light gray (limestone color) siding and darker accent tones. Additional changes included masonry details around the windows and in spandrels between floors, expanded bay windows for the front accessed 2-story duplex units, a more pronounced third floor masonry stringcourse and projecting cornice capping the building, and an increase in masonry in the central portion of the north façade.
In response to further feedback received during the February Trustees Workshop session, we reassert that the proposed mixed-use project at Duane & Forest was conceived from a clean sheet, without precedent. The "H-shaped" configuration and articulated 4-story composition on the property, as well as an architectural compliment to the visual character of the community in its use of materials and detail is a completely unique design specifically tailored to address site specifics while meeting market demand. OKW is prepared to make further refinements with the expectation of achieving an appearance that is whole heartedly deemed in harmony with the town's established architectural appearance.

The specific elements of study, consistent the most recent feedback will focus on the following:

- **Cornice:** maintaining a pronounced profile capping off the building and perhaps further enhancing that profile but creating one that is not consistent across the entire length of the building…rather a top to the building that is articulated in height and detail, creating hierarchy at the building's main entry and other features across its multiple facades.
- **Fourth floor composition:** maintaining a lighter weight and color of material, though studying the use of materials in trim and detail.
- **Spandrels** (the panel between windows from one floor to another): studying the material (masonry vs. accent) and detail (perhaps picking up on some of the diagonally oriented basketweave brick patterns in masonry panels on the Civic Center).
- **Windows**: study of further dividing the window openings into smaller lights in the transom (top) portions of the windows and bottom.
- **Brick detailing:** further study of enhancing the masonry detailing

- **Garage wall**: study of providing additional detail to the garage level's unadorned exposed masonry wall, especially along Forest…perhaps adding an attached decorative metal lattice to the wall's face (similar pattern as large-scale diagonal brick pattern on Civic Center's blank masonry walls?) that could also act as an armature for vines.
- **Loading zone:** study of eliminating the Forest Ave. curb cut-out to provide a landscape buffer between sidewalk and garage level's exposed wall (relocate Loading Zone).
- **Commercial "kiosk"**: further enhancing the design of the commercial component facing the Prairie Path Park, in keeping with the enhanced building design features and details.

Regarding the environmental review committee, we are familiar with and have built LEED Certified projects in the past. We can prepare a preliminary evaluation of the project as proposed and prospectively score it to demonstrate the design intent. However, the certification process typically exceeds $100k and we prefer to allocate the same dollars to direct construction costs. We received an initial proposal for solar panels on the roof with an initial cost of over $600k. We are digging into the details including rebates and incentives and anticipated recovery period due to reduced energy consumption and we'll be prepared to submit our findings at a later date.

In summary, with respect to the development design and architectural character, we are confident that we can satisfy stakeholders and finalize the design, but we must first address the TIF/RDA matters before we proceed to submit a formal application.

<u>Village's "Risk" Factors</u>

- Economic "Risk": Every year the site remains undeveloped represents a loss of approximately **<u>$600,000-$750,000</u>** (based on the proposed project scale) to the Central Area Business TIF District. Furthermore, the term of the TIF is finite, ending in 2035. Approximately $6.6M gross TIF proceeds are projected under the current scenario, so a delay (waiting until Apex 400 and/or Glenwood Station are completed) could mean the **loss of <u>$2,000,000</u>** or almost 30% of the potential proceeds to the TIF district for this property.

- Opportunity "Risk": The site is an important assemblage in downtown Glen Ellyn which includes the vacant US Bank building and the small office building at 580 Duane. Reva has been working with the Sellers for almost 2 years and has received multiple extensions to the purchase agreements. Reva does not own the properties and cannot close on the properties without clear direction regarding the proposed TIF/RDA term and agreement on the general composition of the proposed plan. The Seller's representatives have indicated if Reva's redevelopment effort does not proceed, they will solicit buyers seeking uses in conformance with the C5B (Central Service) district such as medical office, daycare, bank, etc. This would essentially eliminate the possibility of more impactful future redevelopment and minimal contribution of incremental taxes to the TIF district.

<u>Terms presented during February 22, 2022, Village Trustee Workshop Session</u>

- A 90/10% (developer/village) performance-based agreement (pay-as-you-go) generated by available TIF increment for a period of ten years capped at $4,608,000, or 10 years, whichever happens first, with a stipulation that the agreement goes into effect in 2024 to ensure the Village receives that last 2 years of TIF increment. All costs must be TIF eligible.

- Once the term expires (10 years or 2034 whichever occurs first), the Village would collect 100% of available increment

- An “open book” or “true up” review will be required of the Developer in order to monitor project costs (with adjustments to the TIF assistance if costs are lower).

- Developer would be able to appeal the taxes but would need to rebalance TIF distribution in the event of any tax appeals resulting in refunds paid directly to Developer.

- Village is willing to allow the use of a portion of the village owned parking lot at Forest for construction staging (see exhibit in presentation).

- Park Improvements: There have been on-going discussions with the Park District regarding improvements to the Prairie Path Park. “Park Donation” to be used to fund these improvements, with the Developer making up the difference. Village will not be asked for any contribution toward Park improvements. ***Substantial park improvement ($400,000 currently budgeted) at no cost to the Village.***

- Affordable Housing set aside: Owner shall set aside two residential units (1 bedroom and 2 bedroom) with rates and terms to be further defined by the village staff during the term of Owner TIF reimbursement.

<u>Additional terms for consideration</u>

- <u>Reduction of Requested TIF</u>: The previous TIF reimbursement request was a maximum of $4,608,000. After further analysis and feedback from village staff, village consultants and trustees, Reva is prepared to reduce the maximum TIF reimbursement amount to **<u>$3,900,000</u>**. It should be noted that depending on the actual timing, assessed valuation, mill rate, and annual school reimbursement, the $3,900,000 maximum reimbursement may never be paid during the 10-year term. ***Please note that current projects of actual Developer reimbursement are directly influenced timing of project and actual stabilized assessed value. We estimate the actual Developer gross reimbursement to be in the range of $3,300,00 to $3,600,000.***

- <u>“Clawback” provisions:</u> In collection years 8, 9, and 10; the Owner’s share of TIF will be reduced from 90% to 75% and Village’s share will be increased from 10% to 25%. - This provision simulates a "clawback" for the Village but can be easily understood by all parties and will not substantially impair lenders and investors when underwriting the financial viability of the proposed development. ***Please note that this is in addition to receiving 100% of all available TIF proceeds in the last two years of the TIF (years 2034 and 2035)***

- Termination of Owner Incentive Upon Sale: If Owner sells the property, Village will retain 100% of any future available TIF increment as of the date that title is transferred.

We look forward to meeting on April 11. Please let us know if there is any additional information that we can provide.

Regards,

REVA DEVELOPMENT PARTNERS, LLC
By: Warren A. James and Matthew T. Nix, Principals

EXHIBIT B

TIF PROJECTIONS
(6 Scenarios)

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS

Column for Calculation		A	B	C	D	E	F	G	H	I	J	K	L	M	N
Calculation				A * 7.4326	(A-B) * 7.4326%	20% * D	((40%*D)-E)*10%	((40%*D)-E)*90%	D - E - F - H	H * 10%	H * 90%	F + I	G + J	Sum (L:L)	NPV(6.0%, L:L)
Tax Year	Collection Year	Total EAV	Base EAV	Total Taxes	TIF Increment	School Collections (Max 40%, Assumed 0%)	Unclaimed School Payment Split To Village (10% of Unclaimed)	Unclaimed School Payment Split To Developer (90% of Unclaimed)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to Village (10% after School Payment Yrs 1-7, 25% Yrs 7-10, 100% after)	Increment Pledged to Developer (90% after School Payment Yrs 1-7, 75% Yrs 8-10; 0% after)	TOTAL INCREMENT TO VILLAGE	TOTAL INCREMENT TO DEVELOPER	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	159,863	110,785	-	-	-	110,785	11,079	99,707	11,079	99,707	99,707	83,716
2024	2025 (85% of Value)	7,312,863	660,309	543,536	494,458	-	-	-	494,458	49,446	445,012	49,446	445,012	544,719	436,207
2025	2026 (100% of Value)	8,603,369	660,309	639,454	590,376	-	-	-	590,376	59,038	531,338	59,038	531,338	1,076,057	833,254
2026	2027	8,775,436	660,309	652,243	603,165	-	-	-	603,165	60,316	542,848	60,316	542,848	1,618,906	1,215,941
2027	2028	8,950,945	660,309	665,288	616,210	-	-	-	616,210	61,621	554,589	61,621	554,589	2,173,494	1,584,774
2028	2029	9,129,964	660,309	678,594	629,516	-	-	-	629,516	62,952	566,564	62,952	566,564	2,740,058	1,940,243
2029	2030	9,312,563	660,309	692,166	643,087	-	-	-	643,087	64,309	578,779	64,309	578,779	3,318,837	2,282,821
2030	2031	9,498,814	660,309	706,009	656,931	-	-	-	656,931	65,693	581,163	65,693	581,163	3,900,000	2,607,340
2031	2032	9,688,790	660,309	720,129	671,051	-	-	-	671,051	671,051	-	671,051	-	3,900,000	2,607,340
2032	2033	9,882,566	660,309	734,532	685,453	-	-	-	685,453	685,453	-	685,453	-	3,900,000	2,607,340
2033	2034	10,080,218	660,309	749,222	700,144	-	-	-	700,144	700,144	-	700,144	-	3,900,000	2,607,340
2034	2035	10,281,822	660,309	764,207	715,129	-	-	-	715,129	715,129	-	715,129	-	3,900,000	2,607,340
2035	2036	10,487,458	660,309	779,491	730,413	-	-	-	730,413	730,413	-	730,413	-	3,900,000	2,607,340
				$ 8,582,889	$ 7,846,717	$ 0	$ -	$ -	$ 7,846,717	$ 3,936,643	$ 3,900,000	$ 3,936,643	$ 3,900,000		
			NPV @	6.00%	$4,546,778	$0	$0	$0	$4,546,778	$1,933,813	$2,607,340	$1,933,813	$2,607,340		

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS

Column for Calculation		A	B	C	D	E	F	G	H	I	J	K	L	M	N
Calculation				A * 7.4326	(A-B) * 7.4326%	20% * D	((40%*D)-E)*10%	((40%*D)-E)*90%	D - E - F - H	H * 10%	H * 90%	F + I	G + J	Sum (L:L)	NPV(6.0%, L:L)
Tax Year	Collection Year	Total EAV	Base EAV	Total Lower Taxes (71%)	TIF Increment	School Collections (Max 40%, Assumed 0%)	Unclaimed School Payment Split To Village (10% Yrs 1-7; 25% Yrs 8-10; 100% after)	Unclaimed School Payment Split To Developer (90% Yrs 1-7; 75% Yrs 8-10; 0% after)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to Village (10% Yrs 1-7; 25% Yrs 8-10; 100% after)	Increment Pledged to Developer (90% 1-7; 75% Yrs 8-10; 0% after)	TOTAL INCREMENT TO VILLAGE	TOTAL INCREMENT TO DEVELOPER	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	35,056	-	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	35,056	-	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	114,188	79,132	-	-	-	79,132	7,913	71,219	7,913	71,219	71,219	59,797
2024	2025 (85% of Value)	7,312,863	660,309	388,240	353,184	-	-	-	353,184	35,318	317,866	35,318	317,866	389,085	311,576
2025	2026 (100% of Value)	8,603,369	660,309	456,753	421,697	-	-	-	421,697	42,170	379,527	42,170	379,527	768,612	595,181
2026	2027	8,775,436	660,309	465,888	430,832	-	-	-	430,832	43,083	387,749	43,083	387,749	1,156,361	868,529
2027	2028	8,950,945	660,309	475,206	440,150	-	-	-	440,150	44,015	396,135	44,015	396,135	1,552,496	1,131,981
2028	2029	9,129,964	660,309	484,710	449,654	-	-	-	449,654	44,965	404,689	44,965	404,689	1,957,185	1,385,888
2029	2030	9,312,563	660,309	494,404	459,348	-	-	-	459,348	45,935	413,413	45,935	413,413	2,370,598	1,630,587
2030	2031	9,498,814	660,309	504,292	469,236	-	-	-	469,236	46,924	422,313	46,924	422,313	2,792,910	1,866,404
2031	2032	9,688,790	660,309	514,378	479,322	-	-	-	479,322	119,831	359,492	119,831	359,492	3,152,402	2,055,779
2032	2033	9,882,566	660,309	524,665	489,610	-	-	-	489,610	122,402	367,207	122,402	367,207	3,519,609	2,238,270
2033	2034	10,080,218	660,309	535,159	500,103	-	-	-	500,103	125,026	375,077	125,026	375,077	3,894,686	2,414,121
2034	2035	10,281,822	660,309	545,862	510,806	-	-	-	510,806	510,806	5,314	510,806	5,314	3,900,000	2,416,471
2035	2036	10,487,458	660,309	556,779	521,723	-	-	-	521,723	521,723	-	521,723	-	3,900,000	2,416,471
				$ 6,130,635	$ 5,604,798	$ 0	$ -	$ -	$ 5,604,798	$ 1,710,112	$ 3,900,000	$ 1,710,112	$ 3,900,000		

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS

Column for Calculation		A	B	C	D	E	F	G	H	I	J	K	L	M	N
Calculation				A * 7.4326	(A-B) * 7.4326%	20% * D	((40%*D)-E)*10%	((40%*D)-E)*90%	D - E - F - H	H * 10%	H * 90%	F + I	G + J	Sum (L:L)	NPV(6.0%, L:L)
Tax Year	Collection Year	Total EAV	Base EAV	Total Taxes	TIF Increment	School Collections (Max 40%, Assumed 20%)	Unclaimed School Payment Split To Village (10% Yrs 1-7; 25% Yrs 8-10; 100% after)	Unclaimed School Payment Split To Developer (90% Yrs 1-7; 75% Yrs 8-10, 0% after)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to Village (10% after School Payment Yrs 1-7; 25% Yrs 8-10; 100% after)	Pledged to Developer (90% after School Payment Yrs 1-7; 75% Yrs 8-10; 0% after)	TOTAL INCREMENT TO VILLAGE	TOTAL INCREMENT TO DEVELOPER	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	159,863	110,785	22,157	2,216	19,941	66,471	6,647	59,824	8,863	79,765	79,765	66,973
2024	2025 (85% of Value)	7,312,863	660,309	543,536	494,458	98,892	9,889	89,002	296,675	29,667	267,007	39,557	356,010	435,775	348,966
2025	2026 (100% of Value)	8,603,369	660,309	639,454	590,376	118,075	11,808	106,268	354,226	35,423	318,803	47,230	425,071	860,846	666,603
2026	2027	8,775,436	660,309	652,243	603,165	120,633	12,063	108,570	361,899	36,190	325,709	48,253	434,279	1,295,124	972,752
2027	2028	8,950,945	660,309	665,288	616,210	123,242	12,324	110,918	369,726	36,973	332,753	49,297	443,671	1,738,795	1,267,819
2028	2029	9,129,964	660,309	678,594	629,516	125,903	12,590	113,313	377,709	37,771	339,938	50,361	453,251	2,192,047	1,552,194
2029	2030	9,312,563	660,309	692,166	643,087	128,617	12,862	115,756	385,852	38,585	347,267	51,447	463,023	2,655,070	1,826,257
2030	2031	9,498,814	660,309	706,009	656,931	131,386	13,139	118,248	394,158	39,416	354,743	52,554	472,990	3,128,060	2,090,372
2031	2032	9,688,790	660,309	720,129	671,051	134,210	33,553	100,658	402,631	100,658	301,973	134,210	402,631	3,530,690	2,302,473
2032	2033	9,882,566	660,309	734,532	685,453	137,091	34,273	102,818	411,272	102,818	266,492	137,091	369,310	3,900,000	2,486,009
2033	2034	10,080,218	660,309	749,222	700,144	140,029	140,029	-	420,086	420,086	-	560,115	-	3,900,000	2,486,009
2034	2035	10,281,822	660,309	764,207	715,129	143,026	143,026	-	429,077	429,077	-	572,103	-	3,900,000	2,486,009
2035	2036	10,487,458	660,309	779,491	730,413	146,083	146,083	-	438,248	438,248	-	584,330	-	3,900,000	2,486,009
				$ 8,582,889	$ 7,846,717	$ 1,569,343	$ 583,853	$ 985,491	$ 4,708,030	$ 1,751,559	$ 2,914,510	$ 2,335,411	$ 3,900,000		
			NPV @	6.00%	$4,546,778	$909,356	$282,640	$626,716	$2,728,067	$847,920	$1,859,293	$1,130,560	$2,486,009		

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS

Column for Calculation		A	B	C	D	E	F	G	H	I	J	K	L	M	N
Calculation				A * 7.4326	(A-B) * 7.4326%	20% * D	((40%*D)-E)*10%	((40%*D)-E)*90%	D - E - F - H	H * 10%	H * 90%	F + I	G + J	Sum (L:L)	NPV(6.0%, L:L)
Tax Year	Collection Year	Total EAV	Base EAV	Total Taxes	TIF Increment	School Collections (Max 40%, Assumed 20%)	Unclaimed School Payment Split To Village (10% Yrs 1-7; 25% Yrs 8-10, 100% after)	Unclaimed School Payment Split To Developer (90% Yrs 1-7, 75% Yrs 8-10; 0% after)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to Village (10% after School Payment Yrs 1-7; 25% Yrs 8-10; 100% after)	Pledged to Developer (90% after School Payment Yrs 1-7; 75% Yrs 8-10, 0% after)	TOTAL INCREMENT TO VILLAGE	TOTAL INCREMENT TO DEVELOPER	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	35,056	-	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	35,056	-	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	114,188	79,132	15,826	1,583	14,244	47,479	4,748	42,731	6,331	56,975	56,975	47,838
2024	2025 (85% of Value)	7,312,863	660,309	388,240	353,184	70,637	7,064	63,573	211,910	21,191	190,719	28,255	254,293	311,268	249,261
2025	2026 (100% of Value)	8,603,369	660,309	456,753	421,697	84,339	8,434	75,905	253,018	25,302	227,716	33,736	303,622	614,890	476,145
2026	2027	8,775,436	660,309	465,888	430,832	86,166	8,617	77,550	258,499	25,850	232,649	34,467	310,199	925,089	694,823
2027	2028	8,950,945	660,309	475,206	440,150	88,030	8,803	79,227	264,090	26,409	237,681	35,212	316,908	1,241,997	905,585
2028	2029	9,129,964	660,309	484,710	449,654	89,931	8,993	80,938	269,792	26,979	242,813	35,972	323,751	1,565,748	1,108,710
2029	2030	9,312,563	660,309	494,404	459,348	91,870	9,187	82,683	275,609	27,561	248,048	36,748	330,731	1,896,478	1,304,469
2030	2031	9,498,814	660,309	504,292	469,236	93,847	9,385	84,463	281,542	28,154	253,388	37,539	337,850	2,234,328	1,493,123
2031	2032	9,688,790	660,309	514,378	479,322	95,864	23,966	71,898	287,593	71,898	215,695	95,864	287,593	2,521,922	1,644,624
2032	2033	9,882,566	660,309	524,665	489,610	97,922	24,480	73,441	293,766	73,441	220,324	97,922	293,766	2,815,687	1,790,616
2033	2034	10,080,218	660,309	535,159	500,103	100,021	25,005	75,015	300,062	75,015	225,046	100,021	300,062	3,115,749	1,931,297
2034	2035	10,281,822	660,309	545,862	510,806	102,161	102,161	-	306,484	306,484	-	408,645	-	3,115,749	1,931,297
2035	2036	10,487,458	660,309	556,779	521,723	104,345	104,345	-	313,034	313,034	-	417,379	-	3,115,749	1,931,297
				$ 6,130,635	$ 5,604,798	$ 1,120,960	$ 342,022	$ 778,937	$ 3,362,879	$ 1,026,067	$ 2,336,812	$ 1,368,089	$ 3,115,749		

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS

Column for Calculation		A	B	C	D	E	F	G	H	I	J	K	L	M	N
Calculation				A * 7.4326	(A-B) * 7.4326%	40% * D	((40%*D)-E)*10%	((40%*D)-E)*90%	D - E - F - H	H * 10%	H * 90%	F + I	G + J	Sum (L:L)	NPV(6.0%, L:L)
Tax Year	Collection Year	Total EAV	Base EAV	Total Taxes	TIF Increment	School Collections (Max 40%, Assumed 40%)	Unclaimed School Payment Split To Village (10% of Unclaimed)	Unclaimed School Payment Split To Developer (90% of Unclaimed)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to Village (10% after School Pyt Yrs 1-7; then 25% Yrs 8-10, then 100%)	Increment Pledged to Developer (90% after School Pyt Yrs 1-7; then 75% Yrs 8-10; then 0%	TOTAL INCREMENT TO VILLAGE	TOTAL INCREMENT TO DEVELOPER	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	159,863	110,785	44,314	-	-	66,471	6,647	59,824	6,647	59,824	59,824	50,229
2024	2025 (85% of Value)	7,312,863	660,309	543,536	494,458	197,783	-	-	296,675	29,667	267,007	29,667	267,007	326,831	261,724
2025	2026 (100% of Value)	8,603,369	660,309	639,454	590,376	236,150	-	-	354,226	35,423	318,803	35,423	318,803	645,634	499,952
2026	2027	8,775,436	660,309	652,243	603,165	241,266	-	-	361,899	36,190	325,709	36,190	325,709	971,343	729,564
2027	2028	8,950,945	660,309	665,288	616,210	246,484	-	-	369,726	36,973	332,753	36,973	332,753	1,304,097	950,864
2028	2029	9,129,964	660,309	678,594	629,516	251,806	-	-	377,709	37,771	339,938	37,771	339,938	1,644,035	1,164,146
2029	2030	9,312,563	660,309	692,166	643,087	257,235	-	-	385,852	38,585	347,267	38,585	347,267	1,991,302	1,369,693
2030	2031	9,498,814	660,309	706,009	656,931	262,772	-	-	394,158	39,416	354,743	39,416	354,743	2,346,045	1,567,779
2031	2032	9,688,790	660,309	720,129	671,051	268,420	-	-	402,631	100,658	301,973	100,658	301,973	2,648,018	1,726,855
2032	2033	9,882,566	660,309	734,532	685,453	274,181	-	-	411,272	102,818	308,454	102,818	308,454	2,956,472	1,880,147
2033	2034	10,080,218	660,309	749,222	700,144	280,058	-	-	420,086	105,022	315,065	105,022	315,065	3,271,537	2,027,862
2034	2035	10,281,822	660,309	764,207	715,129	286,051	-	-	429,077	429,077	-	429,077	-	3,271,537	2,027,862
2035	2036	10,487,458	660,309	779,491	730,413	292,165	-	-	438,248	438,248	-	438,248	-	3,271,537	2,027,862
				$ 8,582,889	$ 7,846,717	$ 3,138,687	$ -	$ -	$ 4,708,030	$ 1,436,494	$ 3,271,537	$ 1,436,494	$ 3,271,537		

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS

Column for Calculation		A	B	C	D	E	F	G	H	I	J	K	L	M	N
Calculation				A * 7.4326	(A-B) * 7.4326%	40% * D	((40%*D)-E)*10%	((40%*D)-E)*90%	D - E - F - H	H * 10%	H * 90%	F + I	G + J	Sum (L:L)	NPV(6.0%, L:L)
Tax Year	Collection Year	Total EAV	Base EAV	Total Lower Taxes (71%)	TIF Increment	School Collections (Max 40%, Assumed 40%)	Unclaimed School Payment Split To Village (10% Yrs 1-7; 25% Yrs 8-10; 100% after)	Unclaimed School Payment Split To Developer (90% Yrs 1-7; 75% Yrs 8-10; 0% after)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to Village (10% after School Payment Yrs 1-7; 25% Yrs 8-10, 100% after)	Pledged to Developer (90% after School Payment Yrs 1-7; 75% Yrs 8-10; 0% after)	TOTAL INCREMENT TO VILLAGE	TOTAL INCREMENT TO DEVELOPER	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	35,056	-	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	35,056	-	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	114,188	79,132	31,653	-	-	47,479	4,748	42,731	4,748	42,731	42,731	35,878
2024	2025 (85% of Value)	7,312,863	660,309	388,240	353,184	141,274	-	-	211,910	21,191	190,719	21,191	190,719	233,451	186,946
2025	2026 (100% of Value)	8,603,369	660,309	456,753	421,697	168,679	-	-	253,018	25,302	227,716	25,302	227,716	461,167	357,109
2026	2027	8,775,436	660,309	465,888	430,832	172,333	-	-	258,499	25,850	232,649	25,850	232,649	693,817	521,117
2027	2028	8,950,945	660,309	475,206	440,150	176,060	-	-	264,090	26,409	237,681	26,409	237,681	931,498	679,189
2028	2029	9,129,964	660,309	484,710	449,654	179,862	-	-	269,792	26,979	242,813	26,979	242,813	1,174,311	831,533
2029	2030	9,312,563	660,309	494,404	459,348	183,739	-	-	275,609	27,561	248,048	27,561	248,048	1,422,359	978,352
2030	2031	9,498,814	660,309	504,292	469,236	187,694	-	-	281,542	28,154	253,388	28,154	253,388	1,675,746	1,119,842
2031	2032	9,688,790	660,309	514,378	479,322	191,729	-	-	287,593	71,898	215,695	71,898	215,695	1,891,441	1,233,468
2032	2033	9,882,566	660,309	524,665	489,610	195,844	-	-	293,766	73,441	220,324	73,441	220,324	2,111,766	1,342,962
2033	2034	10,080,218	660,309	535,159	500,103	200,041	-	-	300,062	75,015	225,046	75,015	225,046	2,336,812	1,448,473
2034	2035	10,281,822	660,309	545,862	510,806	204,322	-	-	306,484	306,484	-	306,484	-	2,336,812	1,448,473
2035	2036	10,487,458	660,309	556,779	521,723	208,689	-	-	313,034	313,034	-	313,034	-	2,336,812	1,448,473
				$ 6,130,635	$ 5,604,798	$ 2,241,919	$ -	$ -	$ 3,362,879	$ 1,026,067	$ 2,336,812	$ 1,026,067	$ 2,336,812		