



# 101 Main Street

Placemaking on Main



# Section 1

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## Project Narrative

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## Cover Letter

April 16, 2018  
William J. Heniff, AICP  
Director of Community Development  
Village of Lombard  
255 E. Wilson Avenue  
Lombard, Illinois 60148

**RE:** Village of Lombard Request for Development Proposal

The site at 101-9 South Main has special resonance for our Lombard-led team. We love Lombard! Our team is committed to creating a new environment that promotes prosperity, health, and well-being for every Lombard resident. This site's central location gives it the unique potential to become a destination uniting both sides of the tracks and bringing together residents from all walks of life. In short, this site offers THE BIGGEST OPPORTUNITY to strengthen our community fabric that our town has seen this century. To capitalize on this opportunity Luxica has assembled a first-tier team and prepared a plan that we believe meets the high bar we have set for ourselves.

Our proposed plan, every aspect of it, strengthens the bonds of community through collaboration, sociability, walkability, and sustainability. To do this we have channeled the spirit of PFC— the fulfillment of the dreams of hundreds of Lombardians—who organized a cooperative grocer, owned and operated for the benefit of local residents. The plan's centerpiece is a Public Market: a social catalyst and the new home for the Prairie Food Co-op. This same facility includes a restaurant and craft brewery, both led by Lombard residents, who along with PFC are exclusively committed to our team's proposal. This will become the spiritual heart of Lombard. In addition, we have created potential designs to respond to interest on the part of the Lombard Park District for an indoor public space which would further heighten the project's ability to bring people together.

And Luxica has assembled the perfect team to deliver on this vision. Luxica's dual mission, along with providing high quality housing, is to utilize real estate to sustain and grow local entrepreneurs and organizations. We have helped new entrepreneurs and organizations open their first location, as well as invested in and provided the means for successful businesses to expand while staying local. Our general contractor and affiliate, La Gambina Construction has completed nearly 30 projects in the Village of Lombard and is renowned by the Village Building Division for quality craftsmanship. Farr Associates, the AIA Chicago Firm of the Year and nationally-recognized pioneer in integrating sustainability into mixed-use urban places, will lead planning and design. Farr's Uptown Plan for Normal, Illinois received the EPA's 2011 Award for the Best New Civic Space in America. Lombard's own nationally acclaimed Conservation Design Forum will provide integrated, ecologically-focused civil engineering and landscape architecture services.

As we submit this proposal to you, the majority of available space in this proposal has already been committed to by the groups above, culminating in an economically and environmentally sustainable proposal that brings together many, many Lombardians for the public good.

Our proposal seeks to find the best possible long-term return on what is a significant public-private investment. It will provide an essential role as a gateway to Main Street, provide a diverse mix of dining and retail options steps from Lombard's transit hub, offer housing choices, and create gathering spaces that foster a sense of community.

Please allow us to offer the creative energies, experience, and desires of hundreds of Lombardians to partner with the Village in continuing to build on all the reasons we chose this as the place to live, work, and raise our families.

Sincerely,

Luxica Development, LLC



Chris Czarnowski  
Partner

# Section 2

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## Development Team

## Development & Construction Team

### Luxica Group

Luxica Group is a full service real estate company that includes acquisition, development, leasing, & management of properties of a variety of property types focused on improving communities in the west suburbs of Chicago. In Lombard and the surrounding communities, we have helped citizens grow and thrive, providing families with quality housing, facilities for new businesses to plant roots, and worked with existing local business to grow and expand to their fullest potential while remaining in the communities they serve. Luxica does not desire to become a national builder. Rather, the firm focuses an exceptional level of dedication, experience, and care for the local communities that it serves.

We invest to strengthen the communities that our families work and live in. Our deep local roots give us a citizen's viewpoint of the needs and potential of the towns we serve. Luxica has deep ties to Lombard, both partners having spent time living, working, and raising their families in the Village. **The firm continues to own and manage many of the projects it undertakes. As part of its larger portfolio, Luxica currently owns and manages 13 properties within the Villages of Lombard and Villa Park.**



### La Gambina Construction

Incorporated in 2005 as La Gambina Homes Inc., La Gambina is a full service General Contractor and Construction Services firm, serving residential and commercial needs. La Gambina provides services for both ground up as well as value-add construction initiatives.

La Gambina has a great deal of project history in Lombard. Over the past decade, La Gambina has worked hand in hand with local government and has developed an excellent reputation in the community. This includes interactions with Village of Lombard trustees, building department, planning and zoning, and village engineering staff. Owner Frank La Gambina has built a reputation for technical expertise, quality craftsmanship, and attention to detail, personally overseeing every phase of construction, and putting his name on it, literally. **In the past ten years, La Gambina completed a combined 29 projects in the Village of Lombard alone. These properties in Lombard currently generate an estimated \$435,306 in property taxes on an annual basis.**

As of April 2018, La Gambina Construction is currently serving as general contractor for ten projects, with five additional projects in the pipeline, for a combined value of \$20.2 million.

## Development & Construction Team

Chris Czarnowski and Frank La Gambina met while members of the School Board at Sacred Heart School in Lombard, IL. Both were managing different firms at the time. Frank focused on development, and Chris specialized in real estate investment and asset management. They found that their individual areas of specialization complemented each other in what turned out to be an amazing collaboration. Technology was changing the investment research and acquisition process and market opportunities presented emerging synergies between the two firms' development and investment goals and capabilities. This made them eager to combine forces, one that would leverage their respective areas of expertise and interests. Choosing to specialize in a concentrated area of communities where they build relationships and raise their families is what sets them apart.



**Luxica  
Group**

**Chris Czarnowski**  
Partner



**La Gambina  
Construction**

**Frank La Gambina**  
Partner

With more than 15 years of investment, development, and asset management experience, including experience managing assets at several privately held real estate investment management companies, Chris has a proven track record in real estate management and investments. He possesses a strong understanding of investment principles and of the real estate acquisition and management process, and is an expert in the DuPage and Will County real estate markets. Czarnowski earned his MBA as well as his undergraduate degree in Economics at the University of Illinois at Urbana-Champaign. Czarnowski is a licensed Realtor and Project Management Professional (PMP).

With over 20 years of construction experience, including retail, office, and residential property types, Frank leads Luxica's construction strategy, budgeting, and development efforts. His responsibilities include complete oversight of projects and selecting third party vendors as well as dispositions. In addition to his work with Luxica, La Gambina founded La Gambina homes in 2002. Before that, he worked for his family business VLC Equipment and Supply, where he gained his first experience with large commercial building projects. La Gambina is a licensed Illinois Real Estate Broker and earned his Bachelor of Science Degree from Benedictine University.

## Architecture & Urban Design



Farr Associates is a firm of optimistic architects and planners passionate about cities, sustainability and leadership. For over twenty-years we have been agile, early-adopters—pioneering cutting-edge sustainable strategies and technologies and working to overcome the technical and regulatory limits of sustainability at all scales. Located in the historic Monadnock Building in Chicago’s Loop since its founding in 1990, Farr Associates’ planners and architects work in integrated design teams to create award-winning plans and designs that are sustainability-minded. This interdisciplinary approach allows us to see the big picture and translate it into actionable implementation.

Our architecture and planning studios are driven by creating resilient, vibrant places across the country. Our expertise is urban-focused and includes commercial, education, mixed use, residential, affordable housing, master planning, and historic preservation projects. Our best work results from collaboration with clients on projects that aspire to attain social, economic and environmental goals, often at the crossroads of policy and design.

As an Illinois Benefit Corporation and Just Organization, Farr Associates strives for a positive and measurable impact on society, employees, our community, and the environment. We maintain a reputation of actively working on behalf of those with diverse needs and identities, while belonging and contributing to a larger and just context.



BUILDINGS + PLACES

## Landscape Architecture & Civil Engineering



Based in the Great Lakes region, we see water as the most influential element in the landscape – guiding our approach to site design and resource management. Inspired by its innate beauty and regard for its power, we integrate design and engineering to engage natural water cycles resulting in public and private spaces that are ecologically resilient, appealing, and dynamic.

For more than 20 years, Conservation Design Forum has been at the forefront of the ecological design movement implementing technologies and principles that have helped shape and influence public perception and policy regarding land use, preservation, restoration, and the benefits of mobilizing natural systems.

Each project begins with a careful exploration and analysis of a site and an understanding of the people it will serve – representing the immediate community or extending to the regional scale. Both the cultural bearing and natural assets of a place are expressed in the design and functional elements. Created and refined through a multi-disciplinary approach, our aggregate team of planners, civil engineers, landscape architects, botanists and ecologists deliver performance-based solutions that are restorative to both the environment and the human spirit.





**FARR**  
ASSOCIATES

**Douglas Farr**  
FAIA, LEED AP  
Principal

Doug Farr is the president of Farr Associates, a Chicago-based firm of optimistic architects and urban designers who plan and design lovable, aspirational buildings and places. He is a published author who lectures widely on the topics of urbanism and sustainability. A native Detroit, Doug was the founding chair of the USGBC LEED-ND Core Committee and has served on the boards of urban sustainability organizations including the Congress for New Urbanism, EcoDistricts, and Elevate Energy.

Doug is the author of *Sustainable Urbanism*, an urban planning best-seller, with a new follow-up, *Sustainable Nation: Urban Design Patterns for the Future*. To implement the ideas found in *Sustainable Nation*, he launched The Pattern Project in 2018, a Farr Associates initiative to accelerate change and promote decarbonization strategies. In 2017, Planetizen readers named him one of “the 100 most influential urbanists of all time.”

## Experience

**Uptown Renewal Plan & Uptown 2.0 Update**  
Town of Normal, Illinois

**Orland Park TOD Redevelopment Plan**  
Village of Orland Park & RTA

**Harper Court**  
Harper Court Partners, LLC (Vermillion Development)

**Mundelein Plaza Circle Master Plan**  
Village of Mundelein

**Prairie Crossing Phase V Master Plan, Grayslake, Illinois**  
Terra Firma Co.

**Lathrop Homes Redevelopment Master Plan**  
Lathrop Community Partners, LLC (Related Midwest)

**South Chicago LEED-ND Initiative Master Plan**  
City of Chicago

**Central-Main Street TOD Plan, City of West Chicago**

**Tinley Park 108th Street TOD Master Plan**  
Village of Tinley Park



**FARR**  
ASSOCIATES

**Tim Kirkby**  
AIA, AICP, LEED AP  
Project Architect

Tim joined Farr Associates in 2009, and he has over 14 years of experience working with developers on master plans, commercial, residential, and mixed use projects through all phases of the design and construction process. Sustainability and urban design are core areas of Tim's expertise, and he is currently serving as the project architect on Northwest Indiana's first LEED-ND development. Tim is a visualization specialist, adept at multiple 3-D modeling programs, constantly bringing an urbanist eye to his work. He is a National Charrette Institute certified planner, and he is active within the Congress for the New Urbanism. He is a former Planning and Zoning Commissioner in his hometown of Park Ridge, Illinois.

## Experience

**Harper Court**  
Harper Court Partners, LLC (Vermillion Development)

**Mundelein Plaza Circle Master Plan**  
Village of Mundelein

**Lathrop Homes Redevelopment Master Plan**  
Lathrop Community Partners, LLC (Related Midwest)

**Lincolnwood Village Center Master Plan**  
Holsten Real Estate Development

**Toldeo Civic Center Charrette**  
General Services Administration (GSA)

**Jazz at Walter Circle, Signature Development**

**Cardinal Campus: LEED-ND Mixed Use Professional Center, Highland, Indiana, CG Indiana Holdings**

**Tinley Park 108th Street TOD Master Plan**  
Village of Tinley Park

**1008 S. 4th Street & 908 S. 1st Street (Multifamily Housing), Champaign, Illinois, Roland Realty\***

\*Denotes work completed at prior firm





**FARR**  
ASSOCIATES

**Grant Hromas**  
LEED AP

**Project Associate**

Grant joined Farr Associates in 2016 as an urban designer and planner. His priorities include designing more attractive, economically and environmentally sustainable communities that create lasting connections between place and people. A background in architecture, as well as streetscape and corridor design, program development, town planning, and zoning and feasibility analysis, round out his diverse experience. He is currently earning a Master of Science in Real Estate from DePaul University.

In the past year, he worked with the Village of Mundelein's Community Development Department as a consultant performing design review on multiple development proposals submitted to the Village in their TOD area. He also recently completed TOD studies for the Northwest Indiana Commuter Transportation District (NICTD), Tinley Park, West Chicago, Illinois.

## Experience

**Central-Main Street TOD Plan**, City of West Chicago

**Mundelein Downtown North Implementation Plan**  
Village of Mundelein

**Lathrop Homes Redevelopment Master Plan**  
Lathrop Community Partners, LLC (Related Midwest)

**Toldeo Civic Center Charrette**  
General Services Administration (GSA)

**Yorkville Downtown Overlay & Streetscape Master Plan**  
United City of Yorkville

**Westlake TOD**  
Northwest Indiana Commuter Transportation District

**Tinley Park 108th Street TOD Master Plan**  
Village of Tinley Park



**Thomas Price**  
P.E.

**Principal Civil Engineer/Hydrologist**

In over 32 years of practice, Tom has been involved in a wide variety of stormwater and non-point source pollution management activities. These have included assisting watershed organizations in preparing watershed management plans, planning, designing, and implementing stormwater best management practices, and teaching courses on designing and implementing BMPs, ranging from naturalized detention basins to bioretention to streambank and shoreline restoration. A significant emphasis of Tom's work has been addressing the hydrologic impacts of watershed development through integration of stormwater drainage and retention systems into the overall development plan.

As Principal Civil Engineer/Hydrologist, Tom is responsible for the oversight of all engineering aspects and the integration of this discipline into every project at CDF. Tom identifies and implements innovative stormwater management techniques to prevent and mitigate the impacts of urban development.

## Experience

**30th Street Industrial Corridor Sustainable Stormwater Management Strategy**, Milwaukee, Wisconsin

**Charles City Permeable Streetscape**, Charles City, Iowa

**Iowa Green Streets Pilot Project**, West Union, Iowa

**Carol Stream Recreation Center**, Carol Stream, Illinois

**The Jackson at Woodlawn Park- LEED for Homes**  
Chicago, Illinois

**Detroit East Riverfront District Sustainable Urban Design & Redevelopment Guidelines**

**Kane County Stormwater Technical Guidance Manual**  
Kane County, Illinois



**Jason Cooper**  
RLA, LEED AP

**Principal Landscape Architect**

Jason's work as a landscape architect has expanded the integration of green infrastructure systems and restorative design principles across the realms of neighborhood redevelopment, higher education, public parks, healthcare facilities, corporate campuses, and sustainable agriculture projects.

His role in numerous award-winning projects often encompasses community engagement, project visioning, design development, and project management; resulting in completed landscapes that optimize performance benefits as well as engage the human spirit. His design portfolio is comprised of headquarters for Fortune 500 companies, more than 50 park and recreation facilities, numerous downtown streetscapes, and many natural area restoration projects.

He is well-versed in green technologies, with significant practice in the integration of multiple applications such as bioretention, rainwater harvesting, permeable paving, LEDs, and clean energy delivery systems on both public and private lands.

## Experience

**Iowa Green Streets Pilot Project, West Union, Iowa**

**The Jackson at Woodlawn Park- LEED for Homes**  
Chicago, Illinois

**Charles City Permeable Streetscape, Charles City, Iowa**

**Powerhouse High School, LEED Platinum, Chicago, Illinois**

**Iowa State University College of Design, LEED Platinum**

**Iowa State University Biorenewables Laboratory,**  
Target LEED Silver

**Johnson Controls Corporate Headquarters, LEED**  
Platinum, Glendale, Wisconsin



**Uptown Normal**  
Normal, Illinois

**LEED-ND SILVER CERTIFIED  
LIVING COMMUNITY CHALLENGE- PILOT  
2011 U.S. EPA SMART GROWTH- BEST CIVIC SPACE**

*Uptown Circle used placemaking, coupled with interactive green infrastructure and other sustainability strategies, to catalyze over \$200 million in redevelopment projects since 2003.*

In the early 2000s, Uptown in Normal, Illinois, was suffering from years of decline and lacked a sense of place. Farr Associates worked with leaders and residents to create an ambitious redevelopment plan built around a new centerpiece plaza and anchored by an existing Amtrak station.

The 2003 Uptown Renewal Plan has far exceeded initial goals. In 2010, the new Uptown Circle opened to become a beloved civic attraction with a design that elegantly and interactively treats stormwater from surrounding Uptown blocks. A new multi-modal train and bus station opened in 2012; the facility also houses new Town Hall offices. Two new hotels, a conference center, and the Central Illinois Children’s Discovery Museum located in Uptown. This redevelopment activity has catalyzed \$200 million in new private sector investment.

In 2014, the Town and Farr Associates updated the original plan to expand the economic development footprint of Uptown and raise the bar on sustainability. "Uptown 2.0" calls for an underpass to cross beneath railroad tracks that bisect Uptown and currently act as a barrier to the area to the south called Uptown South. It also creates a framework for the future development of Uptown South that meets the rigorous standards of the Living Community Challenge- a pilot certification which explores net-positive energy and water systems and requires Red List-free materials in buildings and infrastructure.



**FARR ASSOCIATES**



## Harper Court

Chicago, Illinois

Harper Court Partners

**LEED-CS GOLD & LEED-ND GOLD CERTIFIED  
2012 CNU ILLINOIS CHARTER AWARD**

*The Harper Court redevelopment recharged the 53rd Street Corridor, giving Hyde Park residents access to high-quality retail and dining that they once sought outside the community. A new streetscape easily transitions into a neighborhood gathering place, hosting street festivals and a farmer's market.*

In 2014 at the gateway to the 53rd Street retail corridor in Chicago's Hyde Park neighborhood, a transformation began. The corridor, which serves as the University of Chicago and Hyde Park's main street saw renewed investment from the City and private sector for the first time in many years, and a Farr Associates' master plan for the development and urban design for the project's new streets guided the redevelopment.

A new 3.1-acre multiphase development called Harper Court contains a Hyatt Place hotel property, a mixed-use office building whose anchor tenant is the University of Chicago, and condominiums. 53,000 square feet of ground floor retail, which activated the corridor and transformed the pedestrian experience by adding activity where there were once vast parking lots.

Farr Associates provided project developers with a Planned Development scheme that ultimately was chosen by the City of Chicago as the best for the site- winning the team development rights for the project. Sustainability and innovation lie at the center of the plan, with Harper Court achieving LEED-CS Gold and LEED-ND Gold certification.



**FARR ASSOCIATES**



**Mundelein Plaza Circle**  
Mundelein, Illinois

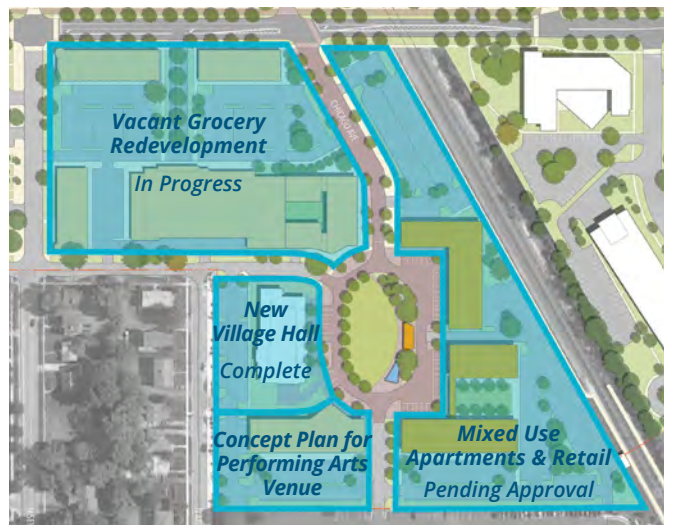
2012 CNU ILLINOIS CHARTER AWARD

*The Village of Mundelein focused on implementation in their TOD area from Day One, and within ten months of adoption, infrastructure and shovel-ready sites were ready. Today, all four sites have active development proposals or have been built-out.*

In July 2012, the Village of Mundelein purchased a 10.5 acre property adjacent to their Metra station. Understanding the importance of developing a vision for this strategic property in the center of the station area, they hired Farr Associates to prepare a redevelopment plan for the site. This plan included a central square– named Plaza Circle, and a partnership with Weston Solutions to redevelop portions of the site, which includes a 35,000 square foot office building housing Weston Solutions and new Village Hall. Additional lots available for redevelopment are flexible and include commercial, office, and residential.

Within ten months from the plan kickoff, the infrastructure for the site redevelopment was complete. Old industrial buildings were razed. Utilities were laid, and the street infrastructure completed. The Village Hall/Weston Office building opened in Summer 2014.

As of early 2018, all four of the shovel-ready development sites have either been constructed or have a development proposal pending. This includes a proposal for a community performing arts venue, the redevelopment of a large vacant grocery space, and a new mixed use building containing 108 apartments and 30,000 square feet of commercial space.



FARR ASSOCIATES



## Iowa Green Streets Pilot Project

West Union, Iowa

*Client: City of West Union Iowa, Iowa Department of Economic Development*

*Construction Budget: \$9.6 million*

The Iowa Green Streets Pilot Project is an innovative community-wide sustainability initiative serving as a catalyst for further investment in the historic downtown of West Union, Iowa. The project began with a visioning workshop in October of 2007 when Iowa’s Economic Development Authority (IEDA) completed a Technical Assistance Visit to advise West Union about the potential for multi-purpose pedestrian-scaled streetscape improvements. The result of the initial visioning and subsequent Conceptual and Schematic Planning was a Streetscape Master Plan which led to the Pilot Project which was completed in 2013.

The innovative approaches applied in West Union include six blocks of a porous paving system that infiltrate, cleanse and cool storm water on site; 27,000 square feet of rain gardens; a district geothermal heating and cooling system connected to 60 downtown buildings; LED street lights; building energy audits and energy efficiency incentives; electric vehicle charging stations; improved walkability and accessibility; upper-story housing; public art; increased community awareness of sustainable practices; a community gathering plaza; and a research project studying the environmental, social and economic impacts of the project.

**1000 FRIENDS OF IOWA BEST DEVELOPMENT AWARD, 2014  
IOWA ASLA MERIT AWARD, 2015**





## Carol Stream Recreation Center

Carol Stream, Illinois

Carol Stream's newest recreation center represents one of the biggest developments for the Carol Stream Park District. The design team, which was led by Williams Architects, was charged with creating a design that would unify the adjacent Town Center and the surrounding park land. CDF supplied Civil Engineering and Landscape Architecture services for the project.

To improve the quality of rain water leaving the site, permeable pavers were installed in the parking lot and vegetated bioswales filter and treat runoff from the building's roof. The landscape plan includes a hearty combination of perennial plantings, shrubs and shade trees.

The building consists of a two-story 87,200 sf space with a gymnasium, running track, indoor swimming pool, fitness, aerobic, babysitting and multi-purpose rooms. In keeping with sustainable design principles, all of the building's programmed spaces have expansive views of the surrounding park setting and Town Center. Windows allow for natural daylight in all of the rooms.

The project boasts several innovative green technologies, including a geothermal well field to the rear of the building. CDF prepared a successful grant application to the DuPage County Stormwater Management division to defray the upfront costs of the permeable paving. Based on that application, the County awarded the Park District funds to cover 20% of the parking lot's construction cost.

**DUPAGE COUNTY STORMWATER MANAGEMENT GRANT  
LEED SILVER CERTIFIED**



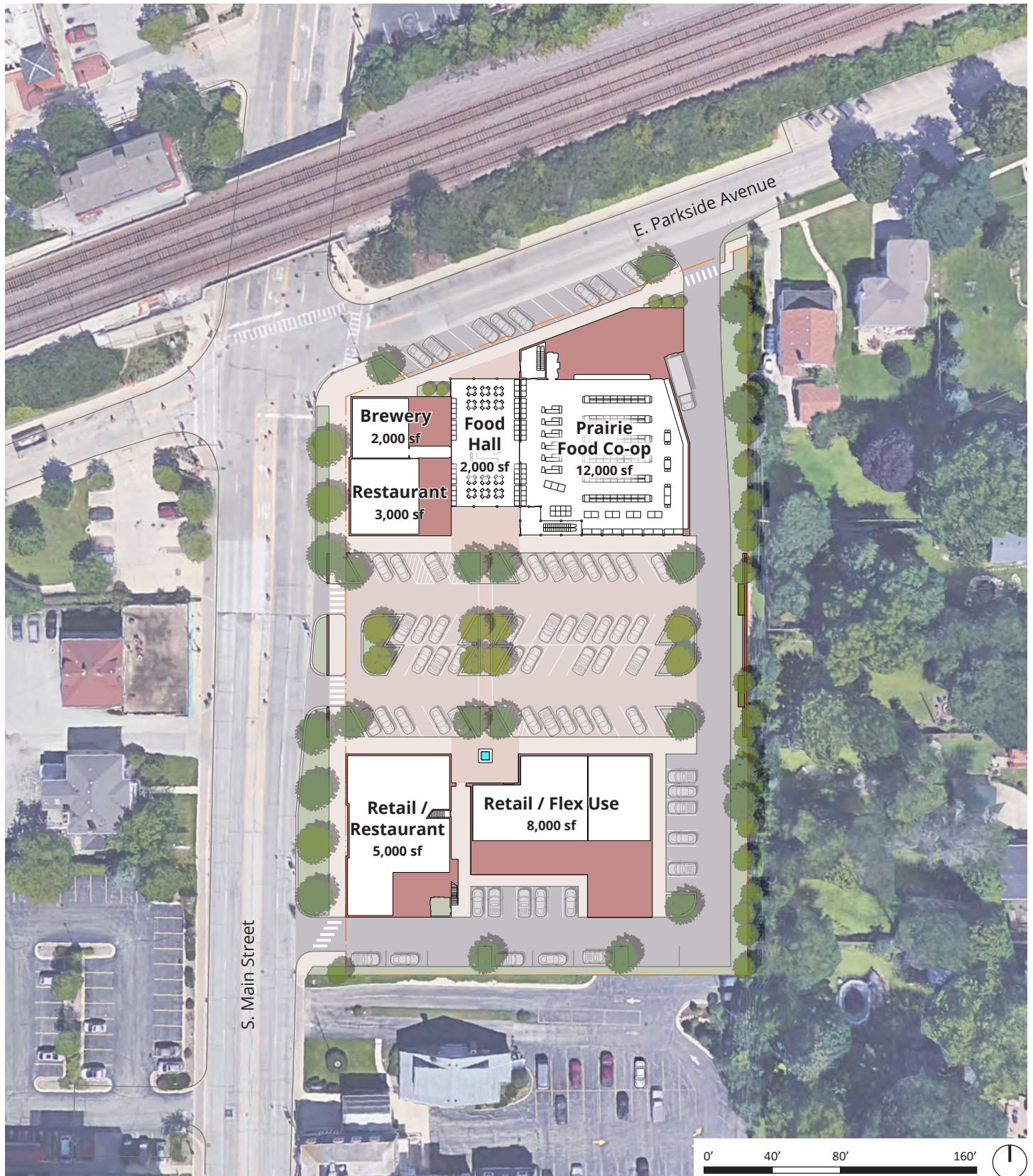
# Section 3

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## Preliminary Design

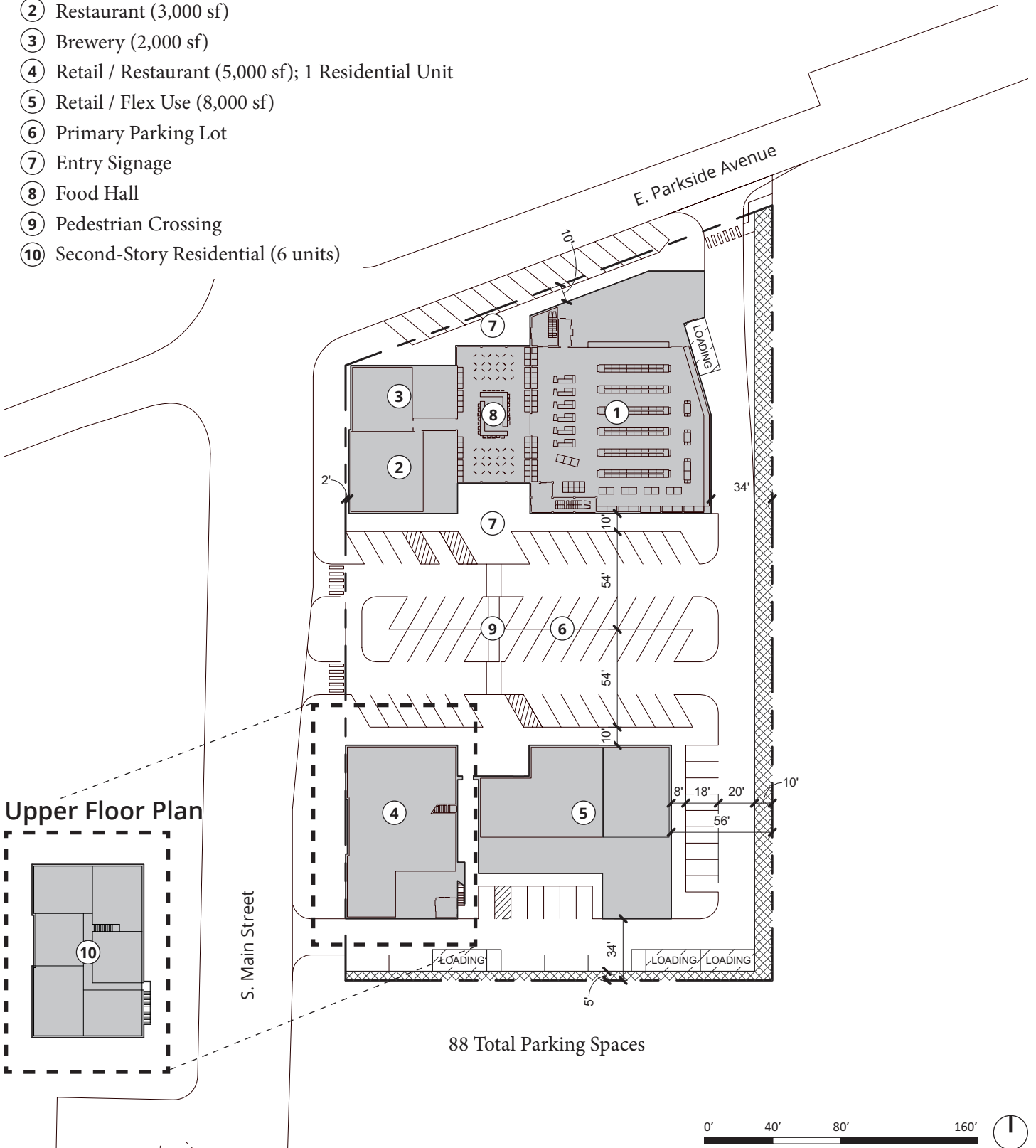


# Illustrative Site Plan

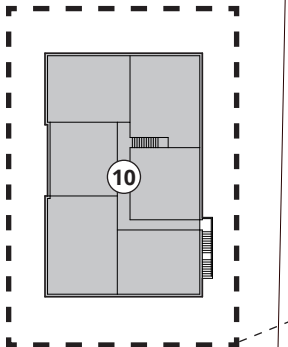


# Dimension Site Plan

- ① Prairie Food Co-op (12,000 sf)
- ② Restaurant (3,000 sf)
- ③ Brewery (2,000 sf)
- ④ Retail / Restaurant (5,000 sf); 1 Residential Unit
- ⑤ Retail / Flex Use (8,000 sf)
- ⑥ Primary Parking Lot
- ⑦ Entry Signage
- ⑧ Food Hall
- ⑨ Pedestrian Crossing
- ⑩ Second-Story Residential (6 units)



## Upper Floor Plan



## High Visibility with a Unique Brand



View from Metra

The view of the Prairie Food Coop from the Metra track has been designed to turn riders into customers. TOD studies show that transit riders typically cannot shop as part of their weekday commute, but instead come back as customers on evenings or weekends. This pedestrian friendly scene of architecturally-distinctive restaurants and shops will allow PFC to grow its membership base and for the other establishments to thrive off the PFC's traffic.

This corner view of a dynamic and inviting marketplace has been carefully designed to draw pedestrians, bicyclists, and motorists. The high-ceilinged food hall adjacent to the Prairie Food Coop anchors the site and serves as a beacon day and night. Pedestrians are celebrated with beautiful signage, frequent building entries, distinctive architecture, and varied storefront

design. Convenient bike parking at the major entries encourages non-motorized travel and reduces parking demand. Convenient parking will encourage motorists to park once and walk between the stores and restaurants.



S. Main Street Elevation

The Main Street façade of architecturally-varied one and two story buildings reflects the surrounding low-scale context. Masonry walls at the rear of the site contain automobile noise and headlights and provide a backdrop for landscaping and artwork.



E. Parkside Avenue Elevation

This elevation shows a continuously pedestrian-friendly environment. Lilac Brewing Company can be entered at the corner while PFC and the Food Hall can be entered midblock. Taller building elements are scaled to “hold their own” against the railroad embankment.



View from base of Metra steps at S. Main Street looking southeast

## Main Street Sidewalk Frontage



View from Main Street looking northeast

The project is designed to delight pedestrians and maximize their safety and comfort while conveniently accommodating families arriving by car. Street trees provide shade and buffer pedestrians from adjacent traffic. Solid-looking brick buildings flank the surface lot while other buildings have a more industrial look. Arched steel gateways signal to drivers that they are entering a low-speed driving environment and landscaping and masonry sitting walls screen parked cars. Second story housing enhances overall security by providing “eyes on the street.”

## Where Community Meets



View from Food Hall looking south

This brightly-lit food hall will serve as a community living room and bring together Lombardians from all walks of life. The tables and seating shared by a coffee kiosk and a brewpub is designed to be a Third Place: a place that brings people and families together on a recurring basis and encourages them to linger so that strangers become acquaintances and acquaintances become friends. This is the heart of the project.

## More than a Retail Center



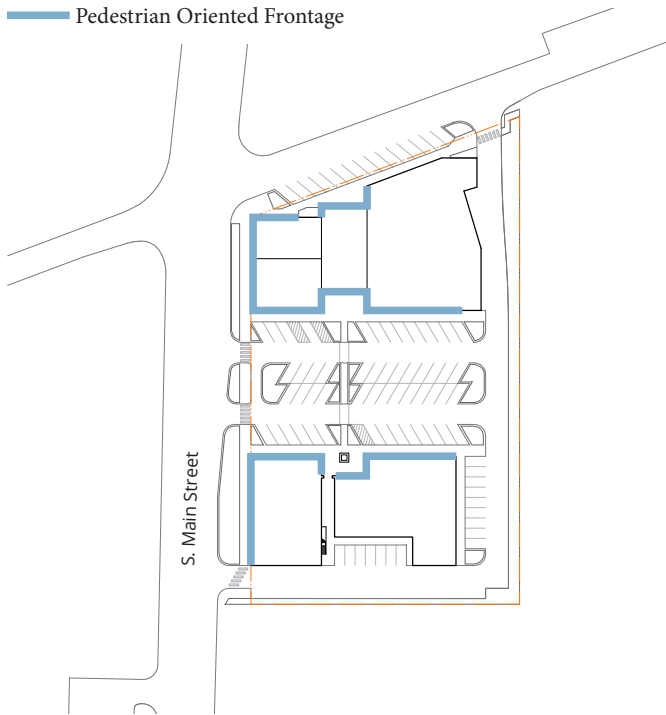
View from parking toward PFC south entry

Prominent signage announces the Prairie Food Coop and welcomes customers into the food hall where moveable doors allow direct access in good weather. East of the food hall conventional entries with vestibules admit shoppers to the PFC. South facing windows provide a glimpse into the produce aisle inviting shoppers to the PFC's healthy choices. The project's sustainability is on full display with prominent bike parking, photovoltaic solar panels producing electricity, trees and landscape providing beauty and shade, and pervious pavers storing stormwater.

# Site Plan Diagrams

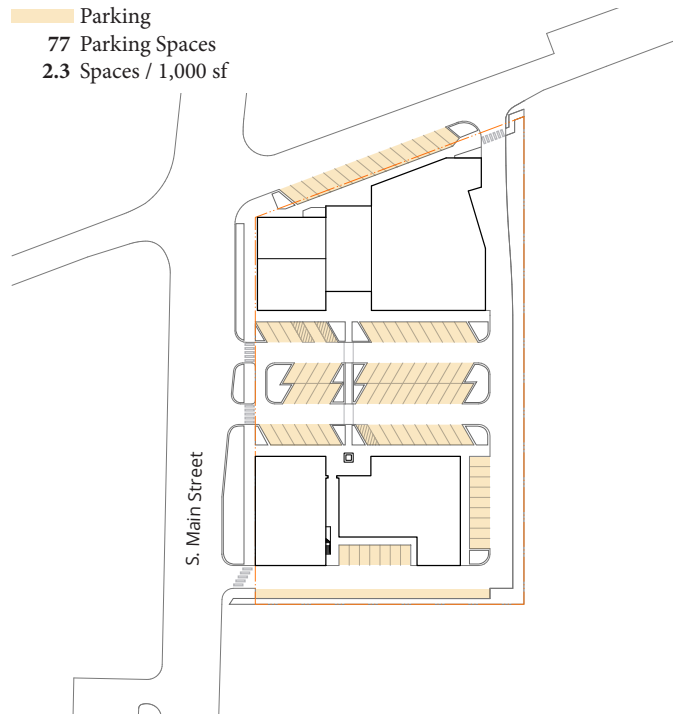
## Pedestrian / Main Street Frontage

— Pedestrian Oriented Frontage



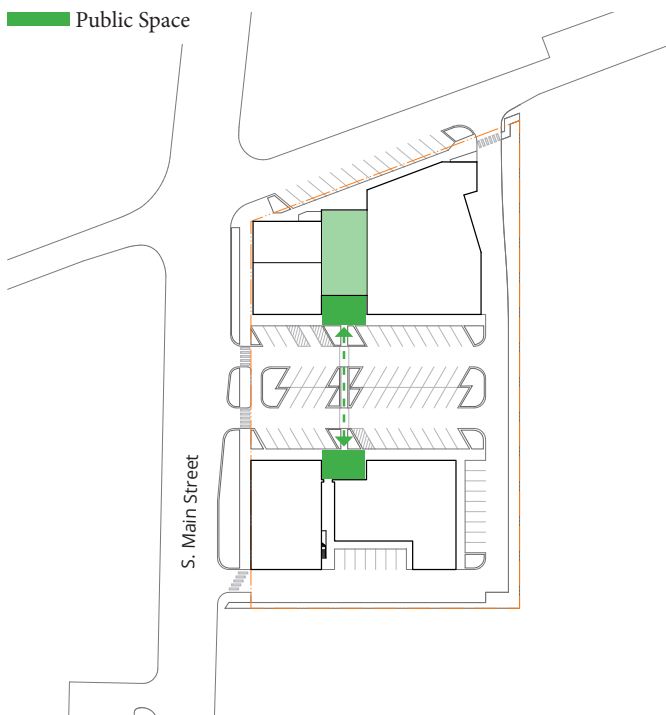
## Parking

— Parking  
77 Parking Spaces  
2.3 Spaces / 1,000 sf



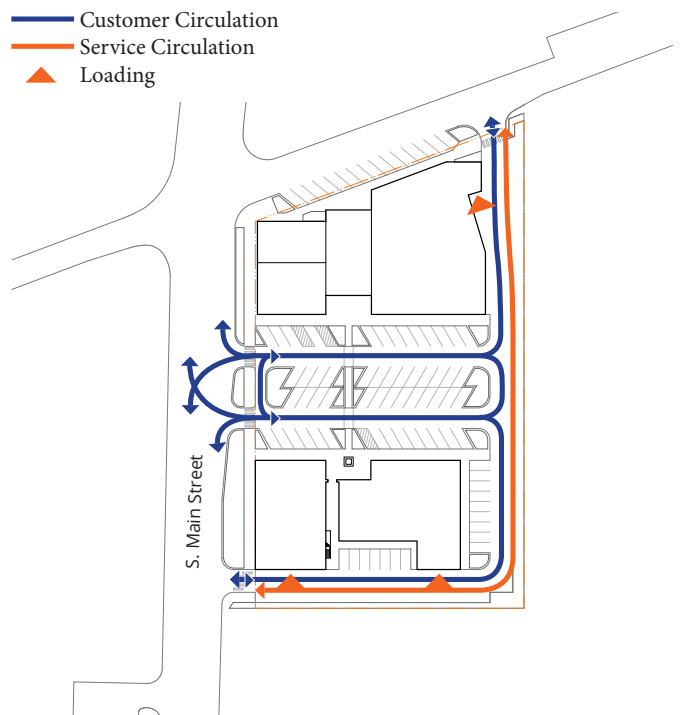
## Public Space

— Public Space



## Site Circulation

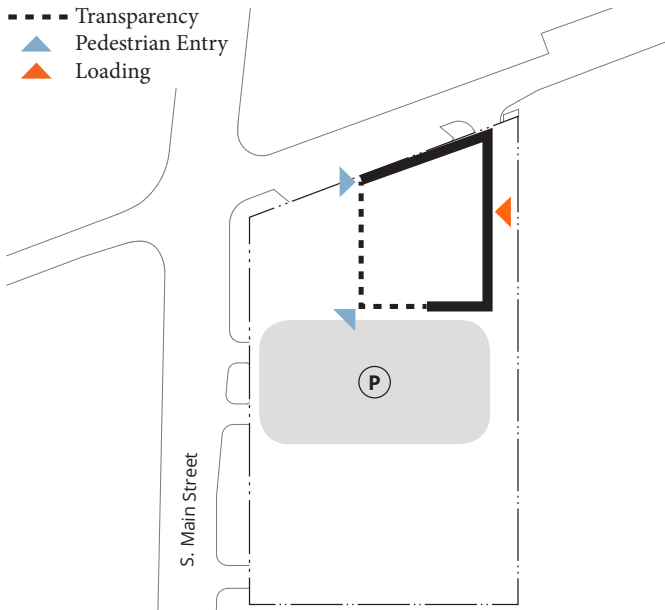
— Customer Circulation  
— Service Circulation  
▲ Loading





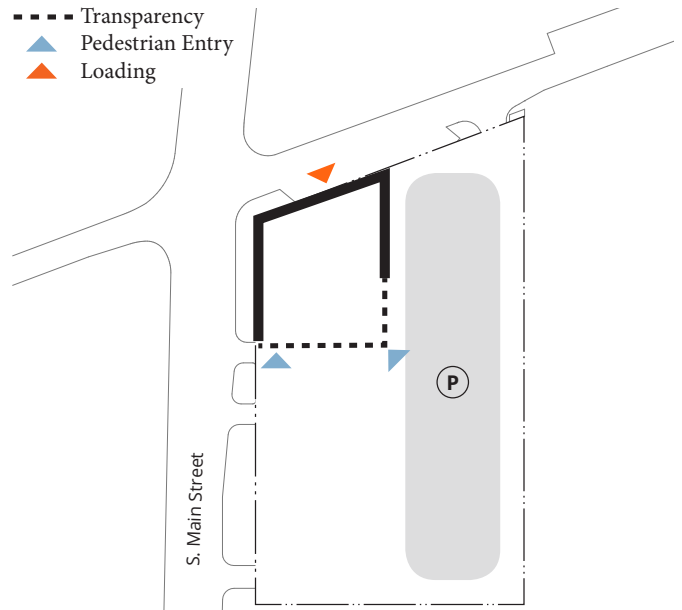
# Grocery Store Location Studies

## Preferred Location



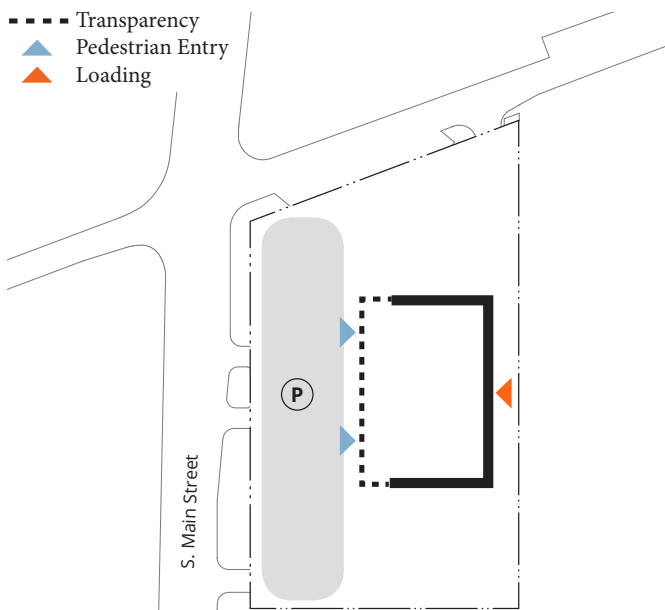
Locating the grocery in the NE corner of the site allows more pedestrian friendly uses to front Main Street while accommodating loading towards the rear of the site.

## Option A Location



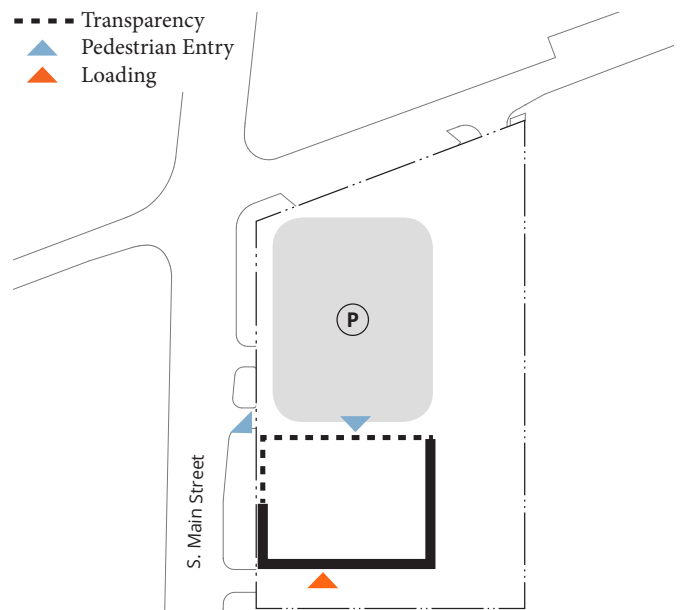
By locating the grocery in the NW corner of the site it is all but inevitable that blank walls will face Main Street and that loading will occur along E. Parkside Ave.

## Option B Location



Locating the grocery in the center of the site requires parking pushed to the N or S, or it requires parking along Main Street. Loading can be accommodated at the rear of the site.

## Option C Location



Locating the grocery in the SW corner of the site allows for visibility unless a building is constructed on the NW corner of the site. Loading can be accommodated on the south edge or rear of the site.

# Inspiration Images

Source: Lake | Flato



Source: Lancashire Life



Source: MCG2



Source: The Spaces



Source: Lake | Flato



## Parking Tables

Parking Scenario A - Desired Program (13Ksf restaurants)				
Building	Building Use	Building Area (sf)	Parking Spaces Req'd per 1,000 sf*	Parking Req'd
1a	restaurant	2,000	8	16.0
1b	restaurant	3,000	8	24.0
2a	grocery	12,000	1.75	21.0
2b	grocery annex	3,000	1.75	5.3
3a	commercial	2,000	2	4.0
3b	commercial	3,000	2	6.0
4a	restaurant	3,000	8	24.0
4b	restaurant	5,000	8	40.0
total		33,000		140.3

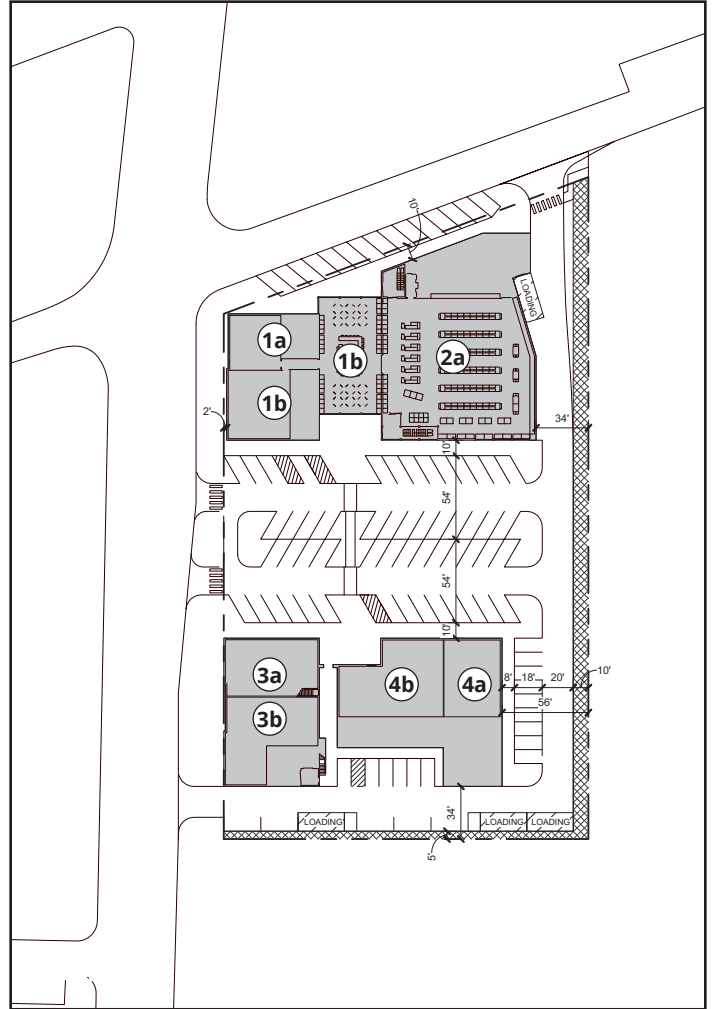
\* parking reduction 50% per § 155.602 - Off-street parking. (A) (2)

Parking Scenario B - Alternate Program (5Ksf restaurants)				
Building	Building Use	Building Area (sf)	Parking Spaces Req'd per 1,000 sf*	Parking Req'd
1a	restaurant	2,000	8	16.0
1b	restaurant	3,000	8	24.0
2a	grocery	12,000	1.75	21.0
2b	grocery annex	3,000	1.75	5.3
3a	commercial	2,000	2	4.0
3b	commercial	3,000	2	6.0
4a	commercial	3,000	2	6.0
4b	commercial	5,000	2	10.0
total		33,000		92.3

\* parking reduction 50% per § 155.602 - Off-street parking. (A) (2)

Parking Scenario C - Desired Program with Variance on Parking				
Building	Building Use	Building Area (sf)	Parking Spaces Req'd per 1,000 sf**	Parking Req'd
1a	restaurant	2,000	3	6.0
1b	restaurant	3,000	3	9.0
2a	grocery	12,000	1.75	21.0
2b	grocery annex	3,000	1.75	5.3
3a	commercial	2,000	2	4.0
3b	commercial	3,000	2	6.0
4a	restaurant	3,000	3	9.0
4b	restaurant	5,000	3	15.0
total		33,000		75.3

\*\* parking reduction 50% per § 155.602 - Off-street parking. (A) (2) and further reduction on restaurant parking



# Section 4

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## Business Plan

## New Downtown Business

One of the key strengths of our proposal is the demand from the business community. We are proud that Prairie Foods Coop chose our proposal as the exclusive developer for signing a Letter of Intent for a ten year lease. In addition to PFC, two additional businesses have also signed letters of intent to occupy an additional 5,000 square feet of retail space. These are created by experienced, local, entrepreneurs who wish to seize a new opportunity in Downtown Lombard. With these three businesses all flowing into the market style food court, **this proposal carries commitments for the majority of retail space provided in the plan. This is a defining feature of the proposal.**

### *PRAIRIE FOOD CO-OP*

Prairie Food Co-op will be a full-service community owned grocery store that will provide 50 new jobs, drive millions of dollars in economic development to downtown Lombard, and result in a successful, high-profile, full-service, health-driven and independent grocery option for Lombard residents. Prairie Food Co-op will make the site a vibrant, distinctive destination like no other business can, and will serve as an anchor for revitalization and economic development on Main Street. PFC will occupy an estimated 12,000 square feet. As the anchor tenant to our proposal, Prairie Food Co-op has prepared a full response (see PFC Response section).



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**PRAIRIE PATH KITCHEN & TAP**

Prairie Path Kitchen & Tap will be Lombard's newest neighborhood family friendly restaurant. Sustainability, locality, healthy lifestyles and fitness are all becoming truly recognizable attributes of our community. Walking or biking to a local restaurant is challenging, as most of the mainstream restaurants are on Roosevelt Road or 22nd . Prairie Path Kitchen & Tap will be the first and finest family friendly pub style restaurant and provide a neighborhood gathering place where all are welcome to enjoy healthy food options, and craft beverages at reasonable prices, right off the Prairie Path, with biking and walking are encouraged and accessible.

The menu will be seasonal and when available, locally sourced and organic. It will be well rounded with vegan and gluten-free options. Knowing where prepared food is coming from has become increasingly important to consumers. A menu that can be customized to meet people's dietary requirements is crucial. Freshly prepared soups, sauces and dressings can meet those needs and create a consumer that is happy and content to frequent this type of environment.

Prairie Path Kitchen and Tap will be serving American fare with a \$7 to \$15 price point in a full service restaurant and bar, serving the finest quality foods at the popular price points.

Prairie Path Kitchen & Tap will be owner managed. **Tracy Nelson** possesses over twenty years in the restaurant industry in both downtown Chicago and Arizona, in corporate and family owned restaurants. Most recently she was the Development and Training Director for Pazzo's Cucina Italiana, Chicago, assisting ownership in developing and training new restaurant managers and staff during their opening of three concepts in downtown Chicago, as well as leading various marketing initiatives.

Prior to Pazzo's , Mrs. Nelson was the Food Service Manager for Morrison Senior Dining in Sun Lakes, Arizona, managing dining, nutrition, and wellness programs to over 400 residence.

Before the Arizona experience, Tracy was the General Manager at Pazzo's at 311 South Wacker Drive Chicago General Manager – Solely responsible for all aspects of opening and developing an over 200 seat restaurant and banquet facility located next to the Willis Tower in the business district. Her responsibilities included hiring, training, vendor relationships, accounts payable/receivable, event bookings, payroll, banking, equipment maintenance, purchasing, and quality control. This restaurant is still a successful flagship store for the Pazzo's family of restaurants.

There is no facet of the restaurant business that is unfamiliar. Owner management are residents of Lombard, with the goal of provide neighbors and friends a place where community is important and valued. Advisors to the restaurant include:

-**Rocky Aiyash**, Founder of Pazzo's Cucina Italiana Longtime restaurateur and franchise development entrepreneur in Chicago, Rocky is a friend and a mentor. His extensive knowledge in restaurant start-ups, build-outs and financial experience is imperative in the development of Prairie Path Kitchen & Tap.

-**Michael Stadnicki**, restaurant owner and franchise developer. Michael Stadnicki heads Franchise Development for both Al's Beef and Nancy's Pizza; he is responsible for franchise marketing, lead generation, and franchise sales. Michael is also a current Al's Beef franchisee; Michael will consult on **MARKETING** strategies and building business relationships outside the typical restaurant diner.

Prairie Path Kitchen & Tap is rooted in the community of Lombard, providing residents with a local full service restaurant that encourages a healthy lifestyle.

Prairie Path Kitchen and Tap will initially employ approximately 12-16 employees, including 4 full time employees.

**LILAC BREWING CO.**

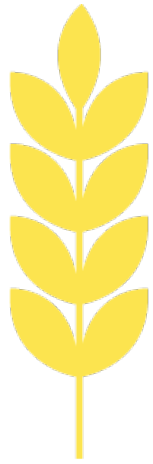
Lilac Brewing Company was created with the vision of bring craft brewing to Downtown Lombard. The lilac name was selected because of its significance to the local community and instant recognition to our guests with Lombard. Lilac Brewing Company has the vision of brewing the best possible beer using sustainable brewing practices. Beer will be brewed on site, with a small taproom. Lilac Brewing Company harkens back to the way breweries used to be, not sent across the globe, but catering to local residents, Lombardians. Patrons will be able to relax with friends or make a quick stop on the way home to say hello and sample our offerings.

The owners and advisors culminate a wealth of experiences.

-**Jackie Bogan** knows breweries, with over a decade of industry experience. Mrs. Bogan worked in management roles at Rock Bottom Brewery in Lombard, IL as well as roles within the corporate office, CraftWorks Restaurants & Breweries, Inc. Craftworks is the nation's largest operator of brewery and craft beer-focused casual dining restaurants (owner of Rock Bottom, Bordon Biersch, Old Chicago Pizza & Taproom, and more). Jackie is proud to have grown up in Lombard.

-Lombardian **Kevin Katzbeck** is an entrepreneur in the food and beverage industry. He has a vast experience in creating and developing beverage brands. His experience includes ownership of Kona King, a local purveyor of Certified Organic and 100% fair trade coffees. Kevin will bring his operational and entrepreneurial experience to manage and grow the business.

-**Shawn Olenec** is an investor as well as advisor for the team's branding and marketing. Shawn has served in many sales, marketing, and distribution roles in the adult beverage industry, including National Account Manager at Remy Cointreau, as well as National Accounts at Proximo Spirits.



# PRAIRIE FOOD CO-OP

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## COMMUNITY GROCERY





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Dear Village of Lombard,

April 16, 2018

Prairie Food Co-op is pleased to be included in this bid for the 101-109 South Main development opportunity. Prairie Food Co-op will be a full-service community owned grocery store that will provide 50 new jobs, drive millions of dollars in economic development to downtown Lombard, and result in a successful, high-profile, full-service, health-driven and independent grocery option for Lombard residents. Prairie Food Co-op will make the 101-109 S Main site a vibrant, distinctive destination like no other business can. We will be an anchor for revitalization and economic development on Main Street.

Across the country, consumer grocery cooperatives account for more than \$2.1 billion in sales revenue – and more than 15,000 jobs and \$252 million in wages and benefits paid.

Food co-ops are thriving around the nation, and Prairie Food Co-op will be the third food co-op in the Chicago area – **making Prairie Food Co-op at 101-109 S. Main a destination.** We already have more than 800 Owners from across DuPage, each of whom has a financial stake in our store and we expect more than 1500 Owners by opening. In addition to Owners, shoppers from across the area will travel to Lombard for our healthy grocery items and commitment to transparency and consumer education.

Prairie Food Co-op not only reflects the values of local community members, it speaks directly to the recommendations provided in the 2011 Lombard Downtown Revitalization Project Guidebook. As stated in the Guidebook, the “previous DuPage Theater offers the most significant development potential in the downtown” and the “long term development opportunity for this site is a commercial building.” The Project Guidebook specifically recommends a “fresh market grocery” to “provide a local food market option for downtown Lombard.” Prairie Food Co-op meets every one of these directives.

According to the USDA Food Access Atlas, much of North Lombard is a “Low Food Access Area” where at least 500 people or 33% of the population lives farther than 1 mile (urban) from the nearest supermarket. Despite the presence of big box chains and conventional grocery stores, there is demand for a local, natural grocery solution. Indeed, since the release of the RFP, more than 1,000 people have signed the petition in support of Prairie Food Co-op at the 101-109 S. Main site, voicing their support for an independent business.

### **Business Experience**

Our 11-member Board of Directors has, collectively, many decades of experience in the food industry. The larger planning team includes business owners, real estate professionals, marketing professionals, attorneys, accountants, IT experts, designers, and writers. More than 50 volunteers staff more than 8 committees. Our business plan calls for the hiring of a General Manager with a minimum of 10 years’ experience in managing a grocery store, as well as for highly trained staff. Additional job training will be provided for all new employees, and broad job opportunities will be available to Lombard residents.

We also work closely with the Food Co-op Initiative and Cooperative Development Services, national co-op service and trade organizations that work with hundreds of retail food co-ops and provide

consulting, planning, implementation and operation services to start-up food co-ops.

### Sales and Employment Projections

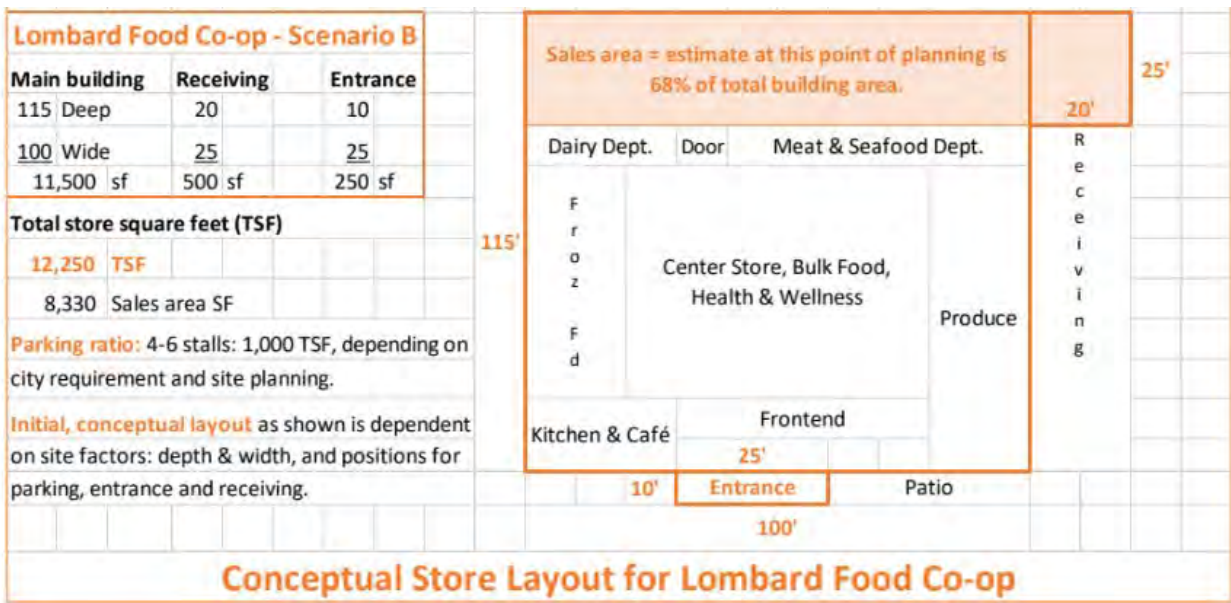
- \$4 million in gross sales in our first year, growing to \$9.4 million by year 10
- 50 jobs upon opening, up to 80 at store maturity

### Proposed Concept and Use

Prairie Food Co-op will be a community-owned grocery store that exists to serve Lombard’s need for a centrally located grocery store and to help rebuild the connection between food producers and consumers. Powered by its individual Owners, each of whom own a stake in the store, the co-op will feature local, sustainable, fresh foods, healthy prepared foods, and all of the amenities of a full-service grocery store.

The vision of Prairie Food Co-op is to provide a friendly, accessible shopping experience that is open to everyone. Prairie Food Co-op is committed to transparency, food and health education, and serving our community. More than just a store, Prairie Food Co-op will be a vibrant community hub and gathering place that supports the Lombard economy and contributes well-paying jobs with benefits.

A conceptual design and layout are presented below.



Prairie Food Co-op aligns strongly with interests of the Lombard community and its leadership:

- We have the support of several Trustees and Village Committee members, as well as leadership of many public and civic institutions
- Over 800 people have contributed equity into Prairie Food Co-op.
- More than 1,000 people have signed our petition supporting our bid.

The proven economic strength of cooperatives is due to all profits remaining locally in the store – no



money goes to private shareholders or investors as a result of their investment. Instead, in the cooperative model, profits are shared among Owners, in the form of patronage refunds to be re-invested in the community.

Finally, Prairie Food Co-op's big, bright, beautiful grocery store -- well-lit, well-designed, and drawing people from Glen Ellyn, Villa Park, Downers Grove, Elmhurst, and beyond, as well as Lombard residents -- will be a high-profile leader in the local food movement.

Lombard deserves a centrally located grocery store organized by community members who believe in strengthening our local economy, creating better access to local and sustainable products, and bringing significant traffic to the downtown corridor. We look forward to partnering with the Village to fulfill our mission.

Sincerely,

*The Board of Directors of Prairie Food Co-op, on behalf of the 800+ Equity Owners of Prairie Food Co-op and the Chicagoland co-op community.*



## **Prairie Food Co-op Business Summary**

Prairie Food Co-op is a for-profit, mission-driven business that aims to provide local, healthy food, boost our local economy, provide jobs and training, and build community connections. A full-service food store open to the public year-round, Prairie Food Co-op will carry a full range of fresh and prepared grocery products. Our mission includes focusing on local and organic food and transparency: how and where food was produced, from farm-fresh produce and eggs, to artisan breads and cheeses, to locally prepared and packaged goods. Shoppers will have sourcing information through our labeling system, our in-store displays and information systems and informed employees.

The store will feature additional services that may include a deli, bakery, and/or café seating area. The concept for Prairie Food Co-op is based on existing food co-ops that are successfully operating in areas with demographics similar to Lombard.

Prairie Food Co-op will ideally include a community space that will be home to cooking and education classes. The adjacent parking lot will also be a prime location for farmers markets, seasonal cafe seating, and outdoor live music performances, further activating the vitality of downtown Lombard.

## **Prairie Food Co-op Corporate Structure**

Prairie Food Co-op is organized as a consumer-owned cooperative corporation under Illinois Cooperative Act 805 ILCS and derives capital from its Ownership, the members. Prairie Food Co-op Owners are entitled to vote for directors and to participate in the decision making process for issues concerning the business. Owners are entitled to receive patronage dividends based on their proportionate share of purchases during the year if declared by the Prairie Food Co-op Board. Co-ops are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. Co-op Owners believe in the ethical values of honesty, openness, social responsibility and caring for others. Co-ops operate under the principles of voluntary and open membership, democratic member control, owner's economic participation, autonomy and independence, education training and information, cooperation among co-ops and concern for community.

## **Prairie Food Co-op Legal and Business Status**

Prairie Food Co-op is a registered Illinois cooperative. No current food service or retail locations are owned, operated or controlled by Prairie Food Co-op. We have no current commercial location or landlord.



## **Prairie Food Co-op Board of Directors, Owner Volunteers, and Consultants**

Our 11-member Board of Directors and planning team has, collectively, many decades of experience in the food industry. Our team includes the former front end manager of Sugar Beet Food Co-op in Oak Park, the current General Managers of the two local food co-ops, business owners (including several from downtown Lombard), real estate professionals, marketing professionals, attorneys, accountants, IT experts, designers, and writers. Our more than 50 volunteers staff more than 8 committees. In addition, our business plan calls for the hiring of a General Manager with a minimum of 10 years' experience in managing a grocery store, as well as for highly trained and fully competent staff.

### **Experience and Capabilities**

Our larger planning team includes the volunteers and consultants listed below, followed by the group of people who will be directly involved with launching Prairie Food Co-op's day-to-day operations.

*BOARD OFFICERS and DIRECTORS:* Prairie Food Co-op's board is an all-volunteer working board which meets in person monthly, but maintains daily contact through Google project management and Nationbuilder CRM/CMS software. The board holds legal and fiduciary responsibility for the co-op and supervises the working committees and network of non-board volunteers. As a working board, each member contributes an average of 8-12 hours per week to Prairie Food Co-op.

- **Kathy Nash, Board President:** *Project Management; Site team; IT team, Administration.* Kathy is a Senior Software Engineer at University of Illinois. As a Senior Engineer, Kathy helped develop a Software Development Life Cycle that is used by project managers to more efficiently design and develop software solutions. Kathy has also served as Project Manager for several large-scale cross-campus software development projects.
- **Stephanie Eby, Vice President:** *Ownership and Outreach team; Capital Campaign Planning team.* Stephanie is the Office Manager for Montessori Academy in Glen Ellyn where she also oversees Budgeting and Marketing.
- **Tom Lamberty, Treasurer:** *Finance team; Capital team.* Tom is the Director of ERP Development at Metra. Tom has more than 3 decades of work in accounting and finance as well as a lifetime of experience as a member of various cooperatives – bookstore and grocery store while in college and graduate school, a housing co-op as an adult, and 2 energy co-ops in Wisconsin.
- **Theresa Giambrone, Secretary:** *Election Committee; Finance team.* Theresa is a Senior Staff Accountant with Office Max. In college, Theresa was Vice President of the Student Governing Association for 2 terms during which she was an active volunteer with S.I.F.E.

While participating with S.I.F.E. (Students in Free Enterprise), Theresa helped to aid co-ops internationally.

- **Emmarie Burger**, *GM Hiring Committee; HR team*. Emmarie has been a manager with McMaster Carr Supply Co. for over 30 years. Emmarie helped create the popular and successful Glen Ellyn Backyard BBQ (GEBYBBQ,) where 100% of proceeds are donated to Bridge Communities. In only 10 years, the GEBYBBQ has grown from a small block party to a much-anticipated annual event drawing thousands of attendees to Glen Ellyn.
- **Jessica Buttimer**, *Capital Campaign Planning team; IT team*. Jessica is a Research Consultant for Gfk. Jessica designed websites for Abraham Lincoln PTA and The Gardenworks Project, and helps with communication and fundraising for both organizations. In 2017, Jessica helped ensure critical funding was approved via referendum for the Glen Ellyn school district.
- **Michelle Coppedge**, *Finance team; Ownership and Outreach team*. Michelle is the Purchasing Manager for The Cary Company in Addison.
- **Frank Marousek**, *Finance team*. Frank owned and operated his own machining business for over 50 years and brings significant business and finance expertise to his role with Prairie Food Co-op.
- **Angela Mullins**, *Ownership and Outreach team, Administration*. Angela has over 12 years professional experience in sales, marketing, public relations and event management. Angela's has served as a marketing and communications volunteer with the Chicago International Film Festival, Chicago Tribune, and Metromix.
- **Beth Peluse**, *Ownership and Outreach team, Social Media team*. Beth is Marketing Director for 2 boutique, adventure travel companies. She has professional marketing, personnel management and event planning experience.
- **Dan Wimsatt**, *Capital Campaign Planning team*. Dan is a licensed Clinical Social Worker with over 16 years' experience. Dan is an owner of Wiley Street Co-op in Madison, WI and has been involved in housing co-ops for over a decade.

**STAFF:** Prairie Food Co-op has one part-time paid employee.

- **Jeremy Nash**, *Ownership and Outreach Manager*. Jeremy's past employment includes Front End Manager for Sugar Beet Food Co-op (a recently opened food co-op in Oak Park), Bakery Manager at Strawberry Fields Natural Foods, Manager at Standard Market (an uptrend, successful grocery store in Westmont), and over 20 years' experience in the food industry working in restaurants as a chef, server, and front of house manager. Within the food cooperative community, Jeremy is nationally recognized as a highly effective Outreach Coordinator and has shared his expertise at several regional and national co-op conferences.

**LEAD VOLUNTEERS:** The following Lead Volunteers represent 8 of the 50+ volunteers who leverage their professional and personal experience:

- **Jimmy Brophy**, *Graphic design*. Jimmy is founder of Off Center Design, a marketing and branding company. Jimmy has over 25 years' experience developing brands and materials for a wide range of clients across all media.
- **Andi Cooper**, *Site team*. Andi is President of Cooper Design Studios, Inc. and Director of Business Development for Conservation Design Forum. Andi also served on the Lombard Planning Commission for 7 years.
- **Julie Johnson**, *Legal team*. Julie is an attorney with Aronberg Goldgehn. In May 2017, Julie was presented with the Alta May Hulett Award by the Chicago Bar Association's Alliance for Women. Julie's work has influenced the Illinois Supreme Court in several rulings. Julie participated in the recent effort to modernize the Illinois Cooperative Act.
- **Megan Harte**, *AIA, EDAC, LEED AP, Site team*. Megan is Principal at 845 Design Group, P.C. Megan is also Vice President of AIA Northeast Illinois Chapter.
- **Chuck Lukavasky**, *Finance team, Capital team*. Chuck recently retired after a successful 43 year career in accounting and finance. Chuck spent the last 34 years of his career as the CFO of a mid-sized distribution company.
- **Mark Mockus**, *Site team*. Mark is Associate Principal at The Lamar Johnson Collaborative. Mark is an experienced Retail Center Project Manager and Architect with a 30 year history of successfully delivering complex projects.
- **Tom Nendic**, *Store Planning*. Tom was Manager of the Meat and Deli department at Standard Market in Westmont. Mark created a juice cleanse program at Standard Market that netted the business \$2.7 million over 4 years.
- **Terry Reid**, *Site team*. Terry's experience includes Vice President and Branch Manager for BRH Builders & Constructors and EEI Holding, Inc. and Properties Partner, and previously, a Project Executive, Construction Division Manager, Vice President and Officer responsible for the development and delivery of major and significant projects for Kajima International in The United States, Mexico and South America. Terry was the construction manager for the recently opened Green Top Grocery co-op in Bloomington, Illinois.

**CONSULTANTS:** Prairie Food Co-op has engaged the following consultants with extensive experience in community centered grocery and retail operations, business planning, and marketing to augment the contributions of our Volunteer network:

- **Bill Gessner**: *Finance, pro forma analysis and funding*. Bill is a lead consultant



with CDS Consulting, with over 25 years of experience assisting over 250 co-op expansion projects. His primary focus is assisting food co-ops in the planning and implementation of expansion, relocation, and new store projects.

- **Jacqueline Hannah:** *Marketing; Board governance; funding; administration.* Jacqueline is the Assistant Director of the Food Co-op Initiative. She has 17 years of experience in the natural foods industry, including as general manager of Common Ground Food Co-op, which was the fastest growing retail food co-op in the nation from 2008-2013. Jacqueline holds the Innovation Award for Economic Development Impact by the University of Illinois; in 2014 she was awarded Co-op Executive of the Year by the Illinois Cooperative Council.
- **Nicole Klimek:** *Store Design.* Nicole is Store Planning & Design Consultant at CDS Consulting Co-op. Nicole has over 15 years' experience working with independent retailers and co-ops to create the best design for their project.
- **Don Moffit:** *Business planning.* Don is a consultant at CDS Consulting Co-op specializing in business planning. Don's career spans thirty years of leadership in multiple business environments, including retail store operations, new store development, and project management. For two decades, he held a number of positions with Whole Foods Market, including president and COO of the southeast region, and in 2000 began advising food industry startups and established businesses. He was project manager for the startup food co-op Durham Central Market. Don currently serves as an elected member of the Durham City Council.
- **Katie Novak:** *Capital Campaign.* Katie was the Outreach Manager for the successful opening of Green Top Grocery (GTG) food co-op in Bloomington, Illinois. Katie helped GTG raise over \$1.5 million in Owner loans. Katie is owner of Katie Novak Cooperative Consulting and provides consulting services to start-up and existing food co-ops across the country.
- **Sean Park:** *Business planning.* Sean is Program Manager at the Illinois Cooperative Development Center (ICDC) as well as Director of Economic Development for the city of Rushville, Illinois. Sean is Adjunct Professor at Spoon River College where he teaches Business Development and Advertising courses.
- **Melanie Reid:** *GM Hiring team.* Melanie has worked in natural food co-ops since 1996. A former general manager and human resource manager at two co-ops, her areas of expertise include fostering organizational culture, improving human resource practices and leadership development.
- **Debbie Suassuna:** *Market Study.* Debbie is the Senior Market Analyst at G2G Research. For over 20 years, she has worked with national and regional supermarket chains to forecast first three year sales for potential new retail stores, performs site analyses utilizing gravity, analog, and/or regression models.
- **Keith Wicks,** *Market Study.* Keith is founder and Principal at Keith Wicks and

Associates, a retail trade consulting business. Keith has over 40 years of store design and retail planning for regional and national chains such as SuperValu, Certco, Fairway Foods, Loblaw, and various regional supermarket chains. Experience includes location analysis, performance forecasting, store design, formatting, pro forma, construction management, operations analysis, budgeting, and business tracking.

## **Prairie Food Co-op Management Plan**

Along with team members and consultants, the following people will be supporting our start-up operations, leveraging their extensive, successful experiences operating co-ops around Chicago and the United States. This group of people will be working on the build-out and launch of Prairie Food Co-op in cooperation with CDS Consulting Co-op experts.

- **Steve Nance** is the GM of Oryana Food Co-op in Traverse City, Michigan. Oryana opened in 1973 and is now a \$16 million cooperative business serving Traverse City and beyond. Steve has been involved in business development for more than 40 years and has overseen the successful growth of Oryana for the past decade.
- **Chris Roland** is the GM of the Sugar Beet Food Co-op in Oak Park and has been employed in the natural food industry since college, which accounts for his extensive knowledge of the co-op culture and experience. Chris has filled almost every available co-op position including finance manager, produce manager, interim GM, deli manager and several more. Before Sugar Beet, Chris served for three years as the GM at Sierra Vista Co-op in Arizona. During that time, he took Sierra Vista to financial success and almost completely eradicated their debt, allowing them to consider expansion.

This group of people will also oversee the hiring of key management personnel, which will take place prior to beginning the build-out of the 101-109 S Main site.

## **Prairie Food Co-op Staff**

### *Management*

The Prairie Food Co-op Board of Directors will hire a General Manager to oversee all aspects of the business. The General Manager is effectively the CEO reporting to the Board, and will have complete responsibility for operating the business.

The Board plans to conduct a national search and interview General Manager candidates with broad retail food store management experience. Most key management positions are expected to be filled by employees with previous retail food co-op experience. The General Manager is expected to be in place *no later than* 6 months prior to store opening.



The senior management team will also include a finance manager. Department managers will include grocery, wellness, meat, produce, and prepared foods. We will offer a competitive wage and benefit package including vacation and health care coverage for all full time employees.

### *Labor Force*

Prairie Food Co-op will employ approximately 50 employees, with a mix of full and part time staff. Prairie Food Co-op expects to source a majority of the staff from within the region. A starting wage of approximately \$9.00 per hour plus benefits for entry level staff is expected to attract a number of quality applicants for each position.

### **Prairie Food Co-op Partners with the Growing Co-op Community**

Prairie Food Co-op is a founding member of the Chicagoland Food Co-op Coalition (CFCC), which we formed with Logan Square food co-op The Dill Pickle, and Oak Park food co-op The Sugar Beet, as well as startups in Ravenswood, Rogers Park, Elgin and Batavia. Importantly, unlike traditional grocery stores, we are not a competitor against these markets -- we will be collaborators advancing Chicagoland's co-op grocery community together. Future plans include cooperating with local co-ops for food distribution, sharing administrative resources such as human resources and accounting, and building strength in purchasing power, marketing and business development and growth.

### **Prairie Food Co-op's Financial Plan: Informed by rigorous market analysis.**

Shortly after Prairie Food Co-op's first board was elected, we invested in two major efforts that have informed our financial plan. First, we hired G2G Research to perform extensive modeling to assess the viability of Prairie Food Co-op. G2G Research performs market and sales analysis for grocery stores using Locus Pro and Synergies Technologies datasets to compile spending patterns, population statistics, consumer research and historical performance information. Using this data, the study considered grocery stores most similar to Prairie Food Co-op in size, demographics and other market factors. To ensure sales projections also factored in local competition, the study also reviewed all stores in Prairie Food Co-op's sales area that sell groceries.

Next, Prairie Food Co-op hired Bill Gessner of CDS Consulting Co-op to complete our pro forma. CDS Consulting Co-op supports cooperative businesses and helps them to meet their goals as strong marketplace competitors whose success is predicated on ethical business practices. Bill is CDS Consulting's lead consultant, with more than 25 years of experience focusing on the planning and implementation of more than 250 co-op projects. The pro forma he produced is based on projections from the market study, estimates from local contractors, architects, designers, and consultants, as well as data drawn from the Combined Cooperative Financial Statements (CoCoFiSt) database, which encompasses a vast history of financial performance data from across the grocery cooperative sector. As in the market study, care was taken to use the data from stores that were most analogous to Prairie Food Co-op. As much as possible, the

data shown and the analysis presented represents a view of the finances of the cooperative that skew conservative, to allow a realistic potential to meet or exceed the projections.

Lastly, after learning about the 101-109 S. Main development opportunity, Prairie Food Co-op hired Keith Wicks to conduct an additional market feasibility study to assess the viability of that site. Keith Wicks has over 40 years' experience creating market studies for national, regional, and local grocery stores. The Board was interested to compare the market study results with those of G2G Research to ensure that sales forecasts were as accurate as possible. We were also interested to learn how the rapidly changing retail grocery market affects our sales potential. The results of both the G2G Research and Keith Wicks market study were similar and provided additional reassurance on the accuracy of the sales projections and the viability of our project.

#### Business Analysis

- \$4.1 million first year revenue
- Up to \$7 million in annual revenue by year 5, and \$9.4 million by year 10
- Population: 75,000 in trade area
- 0 competitors within a 1 mile radius
- The target market presents significant retail food potential per urban population density, middle- to higher-income households and distant competitive structure.

As a registered Illinois cooperative corporation, our funding is provided in part by our Owners and in part by funding institutions. Our business plan calls for raising \$4 million through the following channels:

- \$300,000 through Owner Equity
- \$1.5 million through a combination of Owner Loans and Preferred Share sales
- \$1.5 - \$2 million in bank financing - depending on availability of TIF funds
- \$500,000 in potential TIF funding and Economic Incentive Programs

Bank financing is expected to be provided by:

- National Cooperative Bank
- Chicago Community Loan Fund
- Shared Capital Cooperative
- West Suburban Bank

The study performed by Keith Wicks and CDS Consulting led to our financial statements, presented below.

## Financial Statements

**Table 1: Sources and Uses Budget**

SOURCES	
Benefits, Donations & Co-op Grants	\$50,000
Owner Equity	\$300,000
Owner Loans & Preferred Shares	\$500,000
Preferred Share Sales	\$1,000,000
Total Owners Contribution	\$1,850,000
TIF Grant	\$70,000
Co-op/CDF Loan Fund	\$800,000
Landlord Contribution	\$262,500
Total Subordinated Debt	\$1,132,500
Bank Debt	\$1,160,110
<b>Total Sources</b>	<b>\$4,142,610</b>

USES	
Leasehold Improvements	\$1,050,000
Equipment	\$945,000
Inventory	\$328,000
Fees	\$232,300
Start-up promotion	\$25,649
Start-up staffing	\$169,497
Operating/Admin prior to opening	\$150,000
Holding/Site Costs	\$52,500
Interest during project	\$33,688
Working Capital allowance	\$615,576
Overrun Allocation	\$540,400
<b>Total Uses</b>	<b>\$4,142,610</b>

**Financing:** As shown in the Sources and Uses budget (Table 1, above), current fundraising plans call for accumulating approximately \$4 million from a combination of sources. Sales of equity shares to Owners will account for approximately \$300,000 and Owner loans and Preferred Share sales will account for approximately \$1.5 million. The Owner loans range in term from 5 to 10 years with interest rates from 0% to 4%. The co-op will not begin securing Owner loans until after a lease is signed, but already has full Board commitment. The co-op expects to raise up to \$120K in co-op grants, TIF, and donations, subtotaling approximately \$1.9 million from Owner and community contributions.

First position financing of \$1.2 million is expected to be from NCB. Major expenses include approximately \$1 million for leasehold improvements, approximately \$945,000 for equipment, and \$328,000 for store inventory. Budget plans include a contingency for cost overruns and an allowance for working capital.

**Sales Projection Reduction:** The projected sales volumes for Prairie Food Co-op are 20% lower than the market study forecasts. This reflects conservative financial planning and because it will take the co-op several years to reach maturity as a business. However, the ability of key management to attract new customers and promote sales can speed up the rate of sales growth.

**Gross and Operating Margins:** As shown in the Income Statement (Table 2), first-year gross margins are estimated to be 36%, moving to 36.5% in year two and 37.5% in year three and beyond. These reflect national food co-op industry average of 38%. Operating expenses as a percentage of gross sales begin at 56% reflecting increased startup promotions, staffing, and consulting and drops, over the next five years, to a stabilized rate of about 35%.

**Profit Potential and Durability:** Grocery cooperatives, although operating with relatively slim margins, can develop significant profit potential through sales volume. Prairie Food Co-op is projecting tapering losses in its first few years, with modest profits growing from \$242,000 in year 8 and steady profit growth thereafter. Many factors affect long-term profit durability but cooperatives have shown, with strong management and governance, the ability to yield steady, modest profit as a sustainable long-term business.

**Fixed, Variable and Semi-variable Costs:** Cost of Goods Sold is always the largest cost category starting at 64% of gross sales and stabilizing at 62% as volume grows and selection is refined for Prairie Food Co-op's customer base. As shown in Table 2, Personnel is next, starting at 26% and stabilizing at 22.5% by year three. Occupancy is third, beginning at 6.5% due to initial depreciation/amortization but dropping to below 5%. Operating, Administrative, Governance and Promotion expenses are the remainder of the costs.

**Table 2: Income Statement**

INCOME STATEMENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8
<b>INCOME</b>								
<b>GROSS SALES**</b>	\$4,103,840	\$5,006,685	\$6,008,022	\$6,488,664	\$7,007,757	\$7,428,222	\$7,873,915	\$8,346,350
<b>GROSS MARGIN</b>	\$1,477,382	\$1,827,440	\$2,253,008	\$2,433,249	\$2,627,909	\$2,785,583	\$2,952,718	\$3,129,881
<b>EXPENSES</b>								
Total Personnel Costs	\$1,066,998	\$1,201,604	\$1,351,805	\$1,459,949	\$1,576,745	\$1,671,350	\$1,771,631	\$1,877,929
Total Occupancy Expenses	\$876,913	\$539,824	\$549,524	\$560,217	\$580,381	\$594,553	\$609,747	\$453,140
Total Operating Expenses	\$168,721	\$158,170	\$189,130	\$204,056	\$220,171	\$233,251	\$247,112	\$261,801
Total Administrative Expenses	\$104,875	\$110,594	\$88,396	\$93,226	\$99,253	\$104,922	\$110,922	\$117,273
Total Governance/Member Expense	\$13,543	\$16,522	\$19,826	\$21,413	\$23,126	\$24,513	\$25,984	\$27,543
Total Promotional Expenses	\$100,492	\$99,279	\$108,020	\$117,008	\$126,783	\$134,971	\$143,765	\$153,227

TOTAL OPERATING EXPENSES	\$2,331,542	\$2,125,994	\$2,306,702	\$2,455,869	\$2,626,459	\$2,763,559	\$2,909,161	\$2,890,913
INCOME FROM OPERATIONS	(\$854,159)	(\$298,554)	(\$53,694)	(\$22,621)	\$1,450	\$22,024	\$43,557	\$238,968
Total Other Revenues (Expenses) *	\$28,727	\$35,047	\$36,048	\$38,932	\$42,047	\$44,569	\$47,243	\$50,078
Total Interest Expense	\$133,916	\$124,702	\$114,865	\$104,361	\$92,314	\$78,150	\$63,119	\$47,171
PROFIT/(LOSS) BEFORE TAXES	(\$959,349)	(\$388,209)	(\$132,511)	(\$88,050)	(\$48,817)	(\$11,557)	\$27,681	\$241,875
Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFIT/(LOSS)	(\$959,349)	(\$388,209)	(\$132,511)	(\$88,050)	(\$48,817)	(\$11,557)	\$27,681	\$241,875

\*\* Gross Sales figures from Market Study reduced by 20%

\* Income from sales tax rebates through Village of Lombard, over 10 year period

**Time to Break Even and to Positive Cash Flow:** As shown in the following Tables, the estimated breakeven point is in the seventh year, with positive cash flow remaining steady starting in the first year. Additional Owner financing may supplant some of the primary financing, which would improve cash flow further. The numbers we show are comparable to other successful cooperative grocery startups.

**Table 3: Balance Sheet**

BALANCE SHEET	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8
<b>ASSETS</b>								
CURRENT ASSETS	\$753,111	\$552,242	\$652,188	\$746,866	\$685,082	\$651,908	\$640,913	\$634,025
FIXED ASSETS	\$2,331,451	\$2,078,753	\$1,837,912	\$1,580,309	\$1,391,801	\$1,143,722	\$900,405	\$834,021
OTHER ASSETS	\$0	\$79,374	\$93,662	\$96,742	\$99,939	\$103,118	\$106,404	\$109,802
<b>TOTAL ASSETS</b>	<b>\$3,084,562</b>	<b>\$2,710,369</b>	<b>\$2,583,762</b>	<b>\$2,423,918</b>	<b>\$2,176,822</b>	<b>\$1,898,747</b>	<b>\$1,647,722</b>	<b>\$1,577,848</b>
<b>LIABILITIES</b>								
CURRENT LIABILITIES	\$330,033	\$375,524	\$423,414	\$527,890	\$563,507	\$595,914	\$630,282	\$666,736
LONG TERM LIABILITIES	\$2,173,878	\$2,022,403	\$1,860,416	\$1,614,146	\$1,340,251	\$1,051,326	\$746,452	\$424,648
<b>TOTAL LIABILITIES</b>	<b>\$2,503,911</b>	<b>\$2,397,927</b>	<b>\$2,283,831</b>	<b>\$2,142,037</b>	<b>\$1,903,758</b>	<b>\$1,647,240</b>	<b>\$1,376,733</b>	<b>\$1,091,384</b>
<b>EQUITY</b>	<b>\$580,651</b>	<b>\$312,442</b>	<b>\$299,931</b>	<b>\$281,881</b>	<b>\$273,064</b>	<b>\$251,507</b>	<b>\$270,989</b>	<b>\$486,464</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$3,084,562</b>	<b>\$2,710,369</b>	<b>\$2,583,762</b>	<b>\$2,423,918</b>	<b>\$2,176,822</b>	<b>\$1,898,747</b>	<b>\$1,647,722</b>	<b>\$1,577,848</b>

DEBT/EQUITY RATIO	4.31	7.67	7.61	7.60	6.97	6.55	5.08	2.24
DEBT/EQUITY + OWNER								
LOANS RATIO	1.82	2.24	2.08	1.91	1.90	1.90	1.75	1.15

**Table 4: Statement of Cash Flow**

STATEMENT OF CASH FLOWS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8
Profit (loss)	(\$959,349)	(\$388,209)	(\$132,511)	(\$88,050)	(\$48,817)	(\$11,557)	\$27,681	\$241,875
Depreciation	\$611,082	\$267,698	\$270,841	\$272,603	\$283,508	\$288,079	\$293,317	\$126,384
Interest Expense Add back	\$133,916	\$124,702	\$114,865	\$104,361	\$92,314	\$78,150	\$63,119	\$47,171
Subtotal	(\$214,351)	\$4,191	\$253,195	\$288,914	\$327,004	\$354,672	\$384,118	\$415,430
<b>Changes In Working Capital</b>								
Inventories	(\$9,840)	(\$10,135)	(\$10,439)	(\$10,752)	(\$11,075)	(\$11,407)	(\$11,749)	(\$12,102)
Accounts Payable	\$151,111	\$31,804	\$33,126	\$17,283	\$18,666	\$15,119	\$16,027	\$16,988
Accrued Payroll and Payroll Taxes	\$20,519	\$2,589	\$2,888	\$2,080	\$2,246	\$1,819	\$1,928	\$2,044
Sales Tax Payables	\$4,275	\$940	\$1,043	\$501	\$541	\$438	\$464	\$492
Total	\$166,065	\$25,198	\$26,619	\$9,111	\$10,378	\$5,970	\$6,670	\$7,423
<b>CASH FLOWS FROM OPERATIONS</b>	(\$48,285)	\$29,389	\$279,814	\$298,026	\$337,382	\$360,642	\$390,788	\$422,853
<b>INVESTMENTS</b>								
NCG Joint Liability Fund	\$0	(\$73,367)	(\$13,287)	(\$2,600)	(\$2,678)	(\$2,758)	(\$2,841)	(\$2,926)
NCG Equity	\$0	(\$6,007)	(\$1,001)	(\$481)	(\$519)	(\$420)	(\$446)	(\$472)
Equipment	(\$2,500)	(\$10,000)	(\$15,000)	(\$10,000)	(\$60,000)	(\$25,000)	(\$25,000)	(\$35,000)
Leasehold Improvements	(\$3,500)	(\$5,000)	(\$15,000)	(\$5,000)	(\$35,000)	(\$15,000)	(\$25,000)	(\$25,000)
<b>CASH FLOW FROM INVESTMENTS</b>	(\$6,000)	(\$94,374)	(\$44,288)	(\$18,080)	(\$98,197)	(\$43,178)	(\$53,286)	(\$63,398)
<b>CASH FLOWS FROM EQUITY ACTIVITIES</b>	\$120,000	\$120,000	\$120,000	\$70,000	\$40,000	(\$10,000)	(\$8,200)	(\$26,400)
<b>CASH FLOW BEFORE DEBT SERVICE</b>	\$65,715	\$55,015	\$355,526	\$349,945	\$279,185	\$307,464	\$329,301	\$333,055
<b>DEBT SERVICE (Principal &amp; Interest)</b>								
City/Community Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bank Debt	(\$154,555)	(\$154,555)	(\$154,555)	(\$154,555)	(\$154,555)	(\$154,555)	(\$154,555)	(\$154,555)
CILF Loans	(\$111,464)	(\$111,464)	(\$111,464)	(\$111,464)	(\$111,464)	(\$111,464)	(\$111,464)	(\$111,464)
Owner Loans	\$0	\$0	\$0	\$0	(\$86,026)	(\$86,026)	(\$86,026)	(\$86,026)
<b>TOTAL DEBT SERVICE</b>	(\$266,019)	(\$266,019)	(\$266,019)	(\$266,019)	(\$352,045)	(\$352,045)	(\$352,045)	(\$352,045)
<b>TOTAL CASH FLOW</b>	(\$200,305)	(\$211,004)	\$89,506	\$83,926	(\$72,860)	(\$44,581)	(\$22,744)	(\$18,990)
<b>BEGINNING CASH</b>	\$615,576	\$415,271	\$204,267	\$293,773	\$377,699	\$304,840	\$260,258	\$237,515
<b>ENDING CASH</b>	\$415,271	\$204,267	\$293,773	\$377,699	\$304,840	\$260,258	\$237,515	\$218,524



**Note on Owners of Prairie Food Co-op:** As a cooperative, Prairie Food Co-op’s Owners are not Owners in the conventional sense. Each Owner is accorded one equal vote in governance matters, and interests do not increase in value. With more than 1,500 Owners anticipated by opening, each Ownership interest will be less than .06% and will continue to decrease in percentage of ownership as additional ownership interests are sold. In addition, pursuant to 805 ILCS 310/23, liability for Owners is “jointly with the association as well as severally, for the debts of the association only to the extent of the amount that may be unpaid upon the share or shares held by him.”

### **Economic Impact: Injecting millions of dollars into the Lombard Community**

The Co-op will be a destination business for the community. Our market study indicates constituents from Glen Ellyn, Oakbrook, Oakbrook Terrace, Villa Park, Elmhurst, Downers Grove, Wheaton, and beyond will visit Lombard for our locally grown, sustainably produced products, healthy grocery items, and unprecedented commitment to transparency and education.

Prairie Food Co-op will inject sales of more than \$4 million into Lombard’s local economy in its first year. The benefits of co-ops to their local communities are well-documented. According to [this](#) 2013 report from the National Cooperative Grocers Association, the average co-op:

- Generates \$1,604 in the local economy for every \$1,000 spent by shoppers. Using this estimate, Prairie Food Co-op is expected to generate \$6.5 million in local economic impact in its first year of operation and over \$110 million in local economic activity over a 10 year period (based on sales projections)
- Purchases from 51 local farms and 106 local product producers
- Donates three times more of their profits to charity than conventional grocery stores

The economic impact of Prairie Food Co-op specifically is outlined below.

- Over a 10 year period, it is estimated that Prairie Food Co-op will pay approximately:
  - \$273,000 sales tax to Lombard, after Sales Tax Incentive reimbursement
  - \$1,127,817 sales tax from additional Lombard sales (using 1.6 economic multiplier)
  - \$550,000 property taxes to Lombard
- The co-op expects to create 50 quality jobs in its first year of operation, and over 80 jobs at maturity.
- The presence of the co-op is expected to increase property values in the adjacent community as well as the downtown corridor, in addition to retaining and attracting additional commercial business to downtown and other key economic corridors.

As an active, engaged, community-focused organization partnering with deep-rooted community organizations and attracting shoppers from across the region, Prairie Food Co-op’s presence at 101-109 S. Main is a long-term and valuable investment in the economic growth and cultural vitality of the surrounding neighborhood and downtown corridor.

## **Economic Incentive Proposal**

### **Justification**

With Prairie Food Co-op at 101-109 S. Main, Downtown Lombard will gain a substantial anchor retail business that can take downtown's identity, character and activity to another level, with increasing daily destination traffic and adding to community culture and socializing. As mentioned in the section above, Prairie Food Co-op will inject millions of dollars into the Lombard community.

1. Property has remained vacant since 2007, or eleven (11) years
2. The Co-op is expected to create job opportunities within the Village
3. The Co-op will serve to further the development of adjacent areas
4. Without this Agreement, the project would not be possible
5. The Co-op will strengthen the commercial sector of the Village
6. The Co-op will enhance the tax base of the Village
7. According to the downtown revitalization guidebook, 101 - 109 S Main "offers the most significant development potential in the downtown" and the "long term development opportunity for this site is a commercial building."
8. The downtown revitalization guidebook specifically recommends a "fresh market grocery" to "provide a local food market option for downtown Lombard."
9. As a cooperative business, all revenue generated by the Co-op must be either re-invested in the business to better serve the community or paid back to the Co-ops 800+ Owners as dividends. The Co-op exists to serve the community, not to make a profit for any small group of individuals.

### **TIF Proposal**

The 101-109 S. Main site "offers the most significant development potential in the downtown" according to the 2011 Lombard Downtown Revitalization Project Guidebook. Prairie Food Co-op will help the Village achieve its goal of revitalization of downtown Lombard by serving as a prominent retail anchor.

The most significant challenge faced by a full service grocery store operator is the high cost of interior build-out, assumed to be \$100 per square foot. This does not include store fixtures or equipment, which have been projected at an additional \$945,000, or \$90 per square foot. Overall project costs, as outlined in Sources and Uses, will be approximately \$4 million. This requires raising significant capital, potentially in the form of Tax Increment Financing funds and economic incentives, as well as other significant capital contributions and/or debt financing. At least \$1.9 million of the required capital will come from investments made by Lombard and nearby residents.

Given the high cost of interior build-out paired with the significant economic activity Prairie Food Co-op expects to generate, the co-op is seeking a TIF grant of \$70K in accordance with Illinois' Tax

Increment Allocation Redevelopment Act, section (q) "Redevelopment project costs". Grant funds will be used for professional services including store design, market study, architectural design and engineering costs, legal fees, job training, and other qualified TIF expenses. This grant helps offset the high upfront costs the Co-op must incur to open a successful retail grocery business. The co-op expects occupancy in late 2019. As such, the TIF award can be divided between 2019 and 2020 so that the co-op receives \$35K in each year.

### **Sales Tax Reimbursement Incentive**

Prairie Food Co-op would like to take advantage of the Sales Tax Reimbursement Incentive available to Lombard businesses. The program prefers that rebates "be established in such a manner that the Village receives at least one-half of the anticipated additional tax generation attributable to the project during the life of the agreement." However, given the high start-up costs required to open a retail grocery store, this incentive would be most useful to the co-op if the Village retains 30 percent of generated sales tax in the first two years of operation, and 40 percent for the remaining agreement (assumed to be 10 years with total rebate capped at \$500K). This allows the co-op to more quickly grow the business and meet the needs of our community. Using projected sales revenue, the total value of this incentive is approximately \$430,000, and capped at \$500,000.

### **Precedence**

The vast majority of retail grocers receive funding from their City, regional local food initiatives, and/or the USDA. This is due to the fact that co-ops generate significant economic activity in their community and support local and regional food systems. Below are a few examples from recently opened or expanded food co-ops in our region.

- Sugar Beet Food Co-op in Oak Park received a \$250K TIF grant and \$250 line of credit for a 5,000 square foot store. The \$250K TIF grant was contingent on the co-op raising \$800,000 from its 500 members, which the co-op did.
- Green Top Grocery, recently opened in Bloomington, Illinois, received a \$500K economic incentive package that includes sales and property tax abatement. Their store is 10,000 square feet and is part of a larger commercial development project.
- The Village approved a \$3 million economic incentive program for Mariano's. That program includes both property and sales tax reimbursement incentives. Total project cost was estimated at \$25 million. The approved incentive package represents 12% of the total project costs. The Co-op's total TIF request plus Sales Tax Incentive Program represents 12% of the Co-op's expected project costs.

Prairie Food Co-op representatives, along with national food co-op consultant Jacqueline Hannah, meet with Village staff in 2016 to informally request up to \$500,000 in assistance, over a 10-year

period, and Village staff were agreeable. The total requested in this proposal via Sales Tax Reimbursements and TIF funds is approximately \$500,000 and is in line with assistance provided to other recently opened Illinois food co-ops. It is also in line with assistance provided to other retail grocers recently opened in Lombard.

### **Governed by the Community, for the Community**

Prairie Food Co-op is more than a full-service grocery store; it is a co-op owned by many of the people who shop there. Anyone who wishes can purchase a share to become an Owner, with full owner rights and responsibilities, including a vote at yearly elections for board members, an opportunity to run for a board position, many opportunities to volunteer and otherwise participate in the decision-making and operations of the store, and dividends at the end of years in which the co-op is profitable.

As a co-operative business, Prairie Food Co-op is by its very nature local and of the community. It will serve as an economic engine in the community not only through employment opportunities but as a destination that will draw more spending dollars to Lombard as a whole. Further, the profits of the store stay local:

- Employees are hired locally and paid competitively with benefits
- Profits are driven back into the co-op to improve and expand
- Local employees drive local economies, with spending blossoming outwards through Lombard
- Profits above expenses and business planning are distributed to Owners as patronage refunds.
- Unlike a national retailer there is no faraway corporate headquarters somewhere else needing to be fed by the store's proceeds or short-term shareholder returns that need to be maximized.

The store at this location will serve as a locus for the thousands of people walking by, using Metra, and visiting the Medical Centers on Main Street. It will be a hub of activity by providing an opportunity to shop for drinks, snacks, and lunches for those on the way to work and meals and grocery shopping for those on the way home—as well as a café to sit and relax and watch the neighborhood pass by.

Building Prairie Food Co-op at 101-109 S. Main will add a valuable amenity that complements and enhances downtown Lombard as well as a destination location for shoppers from across the area who will come to Lombard for their groceries and to take part in co-op activities.

## LETTER OF INTENT

This Letter of Intent describes the proposed terms for the lease of the property located at 101-109 Main Street, Lombard by Kevin Katzbeck, Shawn Olenec, Jacqueline Bogan dba Lilac Brewing Company (“Proposed Tenant”) from Luxica, LLC (“Proposed Landlord”). The parties understand that this Letter of Intent is to be used to by Luxica, LLC in their proposed package for the development of the property, which is currently owned by the Village of Lombard. Signing of this letter confirms agreement of these terms.

Provided the proposed development plan is accepted by the Village of Lombard, both parties intend to move forward with a lease based on the following terms:

### SECTION 1: PROPOSED TERMS

<b>Building</b>	101-109 Main Street, Lombard, IL
<b>Premises:</b>	Approximately 2,000 Rentable Square Feet, subject to a mutually agreeable space plan.
<b>Use:</b>	Use of the Premises as a Brewery, and tavern, including the sale of beer, subject to obtaining municipal approvals and applicable licenses. Operating Hours: TBD
<b>Building Ownership:</b>	Luxica LLC, if proposal is chosen by the Village of Lombard, or assignee.
<b>Tenant:</b>	Kevin Katzbeck, Shawn Olenec, Jacqueline Bogan dba Lilac Brewing Company
<b>Building Management:</b>	Luxica LLC, 53 E St. Charles Rd., Villa Park, IL, or assignee.
<b>Lease Commencement Date:</b>	TBD. The Lease shall commence upon the later of Tenant occupancy of the Premises for business purposes or 120 days after Landlord delivers possession of the Premises to Tenant for construction.
<b>Initial Term:</b>	10 years
<b>Base Rent:</b>	Base Rent of \$16 per square foot for Base Conditions defined below for initial 12-month period. For each subsequent 12 month period, Base Rent to be 103% of prior 12 month period.
<b>Building Hours:</b>	Tenant shall have access to the Premises 24/7, 365 days per year. Hours of Operation TBD.
<b>Operating Expenses and Taxes:</b>	<p>Tenant shall be responsible to pay Landlord on a monthly basis its proportionate share of operating expenses as it relates to the common area maintenance (CAM). All controllable expenses, i.e., management, common area janitorial, maintenance contracts, etc., shall not increase more than 5% per year for the term of the lease. Operating expenses shall include building management (only as it relates to maintaining the building – not for any residential management needs), common area maintenance, common building utility services, property insurance, and parking lot maintenance including snow removal. Estimated Operating Expenses are \$4.00/sf.</p> <p>Tenant shall be responsible to pay 100% of the property taxes associated with the Premises if it is given its own parcel i.d. number (PIN) – or proportionate share if part of a larger parcel. Property taxes are determined by the township. Taxes will be paid to Landlord monthly (as a pro-rated share of the most recent ascertainable tax bill).</p>

<b>Parking:</b>	Surface parking will be provided to meet or exceed requirements set by the Village of Lombard.
<b>Signage:</b>	Landlord understands that visibility is key for the Tenant. Landlord will provide for the maximum signage for the retail occupants allowed under Village ordinances. Tenant's share of signage will be in proportion to the total amount of retail square footage the premises occupies within the building.

**SECTION 2: TENANT**

<b>Base Building Conditions:</b>	<p>Base building conditions that will be provided by Landlord at its sole cost prior to initiation of Tenant Improvement work are as follows:</p> <ul style="list-style-type: none"> <li>- All perimeter walls will be concrete</li> <li>- Floor will be finished concrete</li> <li>- Ceiling will be unfinished</li> <li>- HVAC units will be set on curbs in the roof.</li> <li>- Life safety</li> <li>- Standard utilities (Electric, gas, water, and sewer services) to be provided to space.</li> </ul>
<b>Tenant Improvements:</b>	Landlord understands that tenant improvements may be required and are most cost effective to implement during building construction. Landlord agrees to work with Tenant to determine tenant improvement costs once full build out plan is provided by Tenant. Additional work and floor plan additions will be at Tenant's cost.
<b>ADA/Building Code Compliance:</b>	Landlord affirms that base building conditions will be code compliant, including those relating to handicap and ADA requirements.
<b>Restoration:</b>	Tenant shall not have the obligation to restore the Premises to its original shell condition upon expiration or termination of the Lease. However, Tenants shall maintain the Premises in good repair and leasable condition. In other words, if Fixtures and Furnishing are removed, Tenant shall repair any damage or holes in walls, cap off utilities, etc.

**SECTION 3: RIGHTS AND OPTIONS**

<b>Termination Option:</b>	Tenant shall have the right to terminate the Lease at the end of year five (5) by providing twelve (12) months' notice. If such notice is provided to Landlord, Tenant shall remit a penalty equal to unamortized leasing commissions and Tenant Improvements contributed by Landlord upon vacating the premises for the remaining five (5) years of the initial term.
<b>Right of First Refusal:</b>	Tenant shall have the continuing Right of First Refusal during the initial term, the renewal option period, and/or any other extensions thereafter to adjacent space as it become available within the Building (or other such commercial space that Landlord converts to available space).
<b>Renewal Options:</b>	Tenant will be provided one (1) 5-year option to renew the Lease for all or part of the Premises upon twelve (12) months prior written notice. The rental rate for each renewal term shall be 103% of rental rate then being paid for the premises.
<b>Assignment and Sublease:</b>	Tenant shall have the right, subject to Landlord's written consent, which shall not be unreasonably withheld or delayed, to sublease or assign any portion of the Premises and any portion of any space subsequently leased, at any time during the initial term and renewal option period. Tenant shall have the right to assign or sublease to an affiliate company without Landlord consent. Affiliate shall mean an affiliate of Tenant, a division of Tenant, or a corporation or other entity controlling, controlled by or under common control (directly or indirectly) with Tenant, including, without limitation, any parent corporation controlling Tenant of any subsidiary that Tenant controls.
<b>Subordination and Non-Disturbance:</b>	Landlord and Tenant shall agree to mutually acceptable lease language addressing Subordination and Non-disturbance. The Lease is contingent upon the execution of a Non-disturbance agreement by the Landlord any lender(s) of security instruments on this building. The Lease shall contain Non-disturbance language-protecting Tenant in the event of future sale or foreclosure. The Non-disturbance Agreement shall protect all terms of the Lease.

**SECTION 4: MISCELLANEOUS**

<b>Financial Statements:</b>	Tenant will provide Landlord with annual Financial Statements, as well as monthly sales reports.
<b>Security Deposit:</b>	Tenant shall provide Landlord with security deposit of \$5,000.
<b>Personal Liability/Guaranty:</b>	Tenant to sign lease personally, or, if entity-owned, tenant will provide a personal guarantee associated with the Lease.

<b>Repairs/Maintenance</b>	Landlord shall be responsible for repair/maintenance of common areas and the exterior and roof of the Building (excluding entry door(s) and window glass). Tenants shall be responsible for all maintenance/repairs on the interior premises (inside the 4 walls), entry door(s), and window glass.
<b>Insurance</b>	Tenant shall maintain insurance coverage in amounts mutually agreeable to Tenant and Landlord, naming Landlord and Building Owner as Additional Insured, and provide a Certificate of Insurance coverage each year. Policy to include property, liability, crime, and workers compensation insurance with umbrella coverage not less than \$2MM.
<b>Contingencies:</b>	<p>The following contingencies must be met for this Lease Agreement:</p> <ol style="list-style-type: none"> <li>(1) Developer/Landlord's Proposal to be successfully accepted by the Village of Lombard.</li> <li>(2) Developer/Landlord receiving approval and written commitment for all its requested lender financing.</li> <li>(3) Tenant reaches financing goals.</li> <li>(4) Mutually agreeable lease document following the terms outlined above.</li> </ol>

Agreed:

TENANT:

Kevin Katzbeck 4-13-18  
 Kevin Katzbeck (Lilac Brewing Company) Date

Shawn Olenc 4-13-18  
 Shawn Olenc (Lilac Brewing Company) Date

Jacqueline Bogan 4-13-18  
 Jacqueline Bogan (Lilac Brewing Company) Date  
 JACQUELYN

LANDLORD:  
 Luxica LLC

Chris Czarnowski 4/13/18  
 Chris Czarnowski, Member and Representative Date



# LETTER OF INTENT

This Letter Of Intent describes the proposed terms for the lease of the property located at 101-109 Main Street, Lombard by Prairie Food Co-op (“Proposed Tenant”) from Luxica, LLC (“Proposed Landlord”). The parties understand that this Letter of Intent is to be used to by Luxica, LLC in their proposed package for the development of the property, which is currently owned by the Village of Lombard. Prior to Village selecting a proposal, Landlord will not enter into separate LOI or written agreement with another grocery store for the purposes of this RFP. Accordingly, Tenant will not enter into separate LOI or written agreement with another developer prior to Village selecting a proposal.

Provided the proposed development plan is accepted by the Village of Lombard, both parties intend to move forward with a lease based on the following terms:

## SECTION 1: PROPOSED TERMS

- Building:** 101-109 Main Street, Lombard, IL
- Premises:** Approximately 12,000 Rentable Square Feet, subject to a mutually agreeable space plan.
- Use:** Use of the Premises as a full-service grocery store (including the sale of beer, wine and liquor), subject to obtaining municipal approvals and applicable licenses. Operating Hours: TBD
- Building Ownership:** Luxica LLC, if proposal is chosen by the Village of Lombard, or assignee.
- Tenant:** Prairie Food Co-op
- Building Management:** Luxica LLC, 53 E St. Charles Rd., Villa Park, IL, or assignee.
- Lease Commencement Date:** TBD. The Lease shall commence upon the later of Tenant occupancy of the Premises for business purposes or 120 days after Landlord delivers possession of the Premises to Tenant for construction.
- Initial Term:** 10 years (with 2 Tenant 5 year options)
- Base Rent:** Base Rent of [redacted] square foot for Base Conditions defined below for initial 12-month period. For each subsequent 12-month period, Base Rent to be 103% of prior 12-month period.
- Building Hours:** Tenant shall have access to the Premises 24/7, 365 days per year. Hours of Operation TBD.
- Operating Expenses** Tenant shall be responsible to pay Landlord on a monthly basis its proportionate share of

**and Taxes:**

operating expenses as it relates to the common area maintenance (CAM). All controllable expenses, i.e., management, common area janitorial, maintenance contracts, etc., shall not increase more than 5% per year for the term of the lease. Operating expenses shall include building management (only as it relates to maintaining the building – not for any residential management needs), common area maintenance, common building utility services, property insurance, and parking lot maintenance including snow removal. Estimated Operating Expenses are \$4.00/sf.

Tenant shall be responsible to pay 100% of the property taxes associated with the Premises if it is given its own parcel i.d. number (PIN) – or proportionate share if part of a larger parcel. Property taxes are determined by the township. Taxes will be paid to Landlord monthly (as a pro-rated share of the most recent ascertainable tax bill).

**Parking:**

Surface parking will be provided to meet or exceed requirements set by the Village of Lombard.

Landlord will work with tenant to additionally ensure that medium sized trucks will have space to park, load, and unload for the delivery of goods. Landlord is willing to reasonably work with Tenant on determining a mutually agreeable loading arrangement.

**Signage:**

Landlord understands that visibility is key for the Tenant. Landlord will provide for the maximum signage for the retail occupants allowed under Village ordinances. Tenant's share of signage will be in proportion to the total amount of retail square footage the premises occupies within the building.

**SECTION 2: TENANT IMPROVEMENTS**

**Base Building  
Conditions:**

Base building conditions that will be provided by Landlord at its sole cost prior to initiation of Tenant Improvement work are as follows: - All perimeter walls will be concrete - Floor will be finished concrete

- Ceiling will be unfinished - HVAC units will be set on curbs in the roof. - Life safety - Standard utilities (Electric, gas, water, and sewer services) to be provided to space.

Tenant Improvements: Landlord understands that tenant improvements may be required and are most cost effective to implement during building construction. Landlord is offering the following options outlined directly below that Tenant can elect to utilize. Improvements performed using tenant incentive program shall be provided by Landlord, its affiliates, and subcontractors at the time of construction, in accordance with tenant's architect print and requirements. Tenant to decide on which of these options below to utilize prior to Lease execution:

Increment	Incentive /sqft.	Total Incentive	Incremental Rent / sqft.	Ttl. Base Rent /SqFt.	Additional Monthly Rent
First \$10/sqft.	\$10	up to \$120K	\$ -	\$10.25	\$ -
Next \$10/sqft.	\$10 to \$20	up to \$240K	\$ 1.00	\$11.25	\$ 1,000
Next \$10/sqft.	\$20 to \$30	up to \$360K	\$ 2.00	\$12.25	\$ 2,000
Next \$10/sqft.	\$30 to \$40	up to \$480K	\$ 3.00	\$13.25	\$ 3,000

ADA/Building Code Compliance: Landlord affirms that base building conditions will be code compliant, including those relating to handicap and ADA requirements.

Restoration: Tenant shall not have the obligation to restore the Premises to its original shell condition upon expiration or termination of the Lease. However, Tenants shall maintain the Premises in good repair and leasable condition. In other words, if Fixtures and Furnishing are removed, Tenant shall repair any damage or holes in walls, cap off utilities, etc.

**SECTION 3: RIGHTS AND OPTIONS**

Termination Option: Tenant shall have the right to terminate the Lease at the end of year five (5) by providing twelve (12) months' notice. If such notice is provided to Landlord, Tenant shall remit a penalty equal to unamortized leasing commissions and Tenant Improvements contributed by Landlord upon vacating the premises for the remaining five (5) years of the initial term.

Right of First Refusal: Tenant shall have the continuing Right of First Refusal during the initial term, the renewal option period, and/or any other extensions thereafter to adjacent space as it become available within the Building (or other such commercial space that Landlord converts to available space).

Renewal Options: Tenant will be provided two (2) 5-year options to renew the Lease for all or part of the Premises upon twelve (12) months prior written notice. The rental rate for each renewal term shall be 103% of rental rate then being paid for the premises.

Assignment and Sublease: Tenant shall have the right, subject to Landlord's written consent, which shall not be unreasonably withheld or delayed, to sublease or assign any portion of the Premises and any portion of any space subsequently leased, at any time during the initial term and renewal option period. Tenant shall have the right to assign or sublease to an affiliate company without Landlord consent. Affiliate shall mean an affiliate of Tenant, a division of Tenant, or a corporation or other entity controlling, controlled by or under common control (directly or

indirectly) with Tenant, including, without limitation, any parent corporation controlling Tenant of any subsidiary that Tenant controls.

Subordination and Non-Disturbance: Landlord and Tenant shall agree to mutually acceptable lease language addressing Subordination and Non-disturbance. The Lease is contingent upon the execution of a Non-disturbance agreement by the Landlord any lender(s) of security instruments on this building. The Lease shall contain Non-disturbance language-protecting Tenant in the event of future sale or foreclosure. The Non-disturbance Agreement shall protect all terms of the Lease.

#### **SECTION 4: MISCELLANEOUS**

Financial Statements: Tenant will provide Landlord with annual Financial Statements, as well as monthly sales reports.

Security Deposit: Tenant shall provide Landlord with security deposit equivalent to one month of Base Rent, or \$10,000. Landlord will allow this to be amortized over the first three months following lease Commencement Date.

No Personal Liability/Guaranty: Tenant will not provide a personal guarantee associated with the Lease.

Repairs/Maintenance: Landlord shall be responsible for repair/maintenance of common areas and the exterior and roof of the Building (excluding entry door(s) and window glass). Tenants shall be responsible for all maintenance/repairs on the interior premises (inside the 4 walls), entry door(s), and window glass.

Insurance: Tenant shall maintain insurance coverage in amounts mutually agreeable to Tenant and Landlord, naming Landlord and Building Owner as Additional Insured, and provide a Certificate of Insurance coverage each year. Policy to include property, liability, crime, and workers compensation insurance with umbrella coverage not less than \$2MM.

Contingencies: The following contingencies must be met for this Lease Agreement:

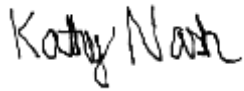
1. Developer/Landlord's Proposal to be successfully accepted by the Village of Lombard.
2. Developer/Landlord receiving approval and written commitment for all its requested lender financing.
3. Tenant reaches financing goals.
4. Mutually agreeable lease document following the terms outlined above.

This Letter of Intent is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered

by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length.

**TENANT:**

Prairie Foods Co-Op



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Kathy Nash, President

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Stephanie Eby, Vice President

**LANDLORD:**

Luxica LLC



04/03/2018

Chris Czarnowski, Member and Representative

## LETTER OF INTENT

This Letter Of Intent describes the proposed terms for the lease of the property located at 101-109 Main Street, Lombard by Tracy Nelson dba Prairie Path Kitchen & Tap or Nominee (“Proposed Tenant”) from Luxica, LLC (“Proposed Landlord”). The parties understand that this Letter of Intent is to be used to by Luxica, LLC in their proposed package for the development of the property, which is currently owned by the Village of Lombard. Signing of this letter confirms agreement of these terms and will be binding if all contingencies are fulfilled.

Provided the proposed development plan is accepted by the Village of Lombard, both parties intend to move forward with a lease based on the following terms:

### SECTION 1: PROPOSED TERMS

<b>Building</b>	101-109 Main Street, Lombard, IL
<b>Premises:</b>	Approximately 3,000 Rentable Square Feet, subject to a mutually agreeable space plan.
<b>Use:</b>	Use of the Premises as a full-service restaurant and tavern, including the sale of beer, wine and liquor, subject to obtaining municipal approvals and applicable licenses. Operating Hours: TBD
<b>Building Ownership:</b>	Luxica LLC, if proposal is chosen by the Village of Lombard, or assignee.
<b>Tenant:</b>	Tracy Nelson or Nominee
<b>Building Management:</b>	Luxica LLC, 53 E St. Charles Rd., Villa Park, IL, or assignee.
<b>Lease Commencement Date:</b>	TBD. The Lease shall commence upon the later of Tenant occupancy of the Premises for business purposes or 120 days after Landlord delivers possession of the Premises to Tenant for construction.
<b>Initial Term:</b>	10 years
<b>Base Rent:</b>	Base Rent of \$15 per square foot for Base Conditions defined below for initial 12 month period. For each subsequent 12 month period, Base Rent to be 103% of prior 12 month period. The lease will not include a percent of sales provision.
<b>Building Hours:</b>	Tenant shall have access to the Premises 24/7, 365 days per year. Hours of Operation TBD.
<b>Operating Expenses and Taxes:</b>	<p>Tenant shall be responsible to pay Landlord on a monthly basis its proportionate share of operating expenses as it relates to the common area maintenance (CAM). All controllable expenses, i.e., management, common area janitorial, maintenance contracts, etc., shall not increase more than 5% per year for the term of the lease. Operating expenses shall include building management (only as it relates to maintaining the building – not for any residential management needs), common area maintenance, common building utility services, property insurance, and parking lot maintenance including snow removal. Estimated Operating Expenses are \$4.00/sf. This estimate includes property taxes.</p> <p>Tenant shall be responsible to pay 100% of the property taxes associated with the Premises if it is given its own parcel i.d. number (PIN) – or proportionate share if part of a larger parcel (included in CAM). Property taxes are determined by the township. Taxes will be paid to Landlord monthly (as a pro-rated share of the most recent ascertainable tax bill).</p>

<b>Parking:</b>	<p>Surface parking will be provided to meet or exceed requirements set by the Village of Lombard.</p> <p>Landlord will work with tenant to additionally ensure that medium sized trucks will have space to park, load, and unload for the delivery of goods. Landlord is willing to reasonably work with Tenant on determining a mutually agreeable loading arrangement.</p>
<b>Signage:</b>	<p>Landlord understands that visibility is key for the Tenant. Landlord will provide for the maximum signage for the retail occupants allowed under Village ordinances. Tenant's share of signage will be in proportion to the total amount of retail square footage the premises occupies within the building.</p>

**SECTION 2: TENANT**

<b>Base Building Conditions:</b>	<p>Base building conditions that will be provided by Landlord at its sole cost prior to initiation of Tenant Improvement work are as follows:</p> <ul style="list-style-type: none"> <li>- All perimeter walls will be concrete</li> <li>- Floor will be finished concrete</li> <li>- Ceiling will be unfinished</li> <li>- HVAC units will be set on curbs in the roof.</li> <li>- Life safety</li> <li>- Standard utilities (Electric, gas, water, and sewer services) to be provided to space.</li> </ul>
<b>Tenant Improvements:</b>	<p>Landlord understands that tenant improvements may be required and are most cost effective to implement during building construction. Landlord agrees to work with Tenant to determine tenant improvement costs once full build out plan is provided by Tenant. Additional work and floor plan additions will be at Tenant's cost.</p> <p>Improvements that are attached to or part of the building such as walls, floor coverings, etc. will remain with the property at the end of the lease. Landlord is not entitled to non-attached improvements.</p>
<b>ADA/Building Code Compliance:</b>	<p>Landlord affirms that base building conditions will be code compliant, including those relating to handicap and ADA requirements.</p>
<b>Restoration:</b>	<p>Tenant shall not have the obligation to restore the Premises to its original shell condition upon expiration or termination of the Lease. However, Tenants shall maintain the Premises in good repair and leasable condition. In other words, if Fixtures and Furnishing are removed, Tenant shall repair any damage or holes in walls, cap off utilities, etc.</p>

**SECTION 3: RIGHTS AND OPTIONS**

<b>Termination Option:</b>	Tenant shall have the right to terminate the Lease at the end of year five (5) by providing twelve (12) months' notice. If such notice is provided to Landlord, Tenant shall remit a penalty equal to unamortized leasing commissions and Tenant Improvements contributed by Landlord upon vacating the premises for the remaining five (5) years of the initial term.
<b>Right of First Refusal:</b>	Tenant shall have the continuing Right of First Refusal during the initial term, the renewal option period, and/or any other extensions thereafter to adjacent space as it become available within the Building (or other such commercial space that Landlord converts to available space).
<b>Renewal Options:</b>	Tenant will be provided one (1) 5-year option to renew the Lease for all or part of the Premises upon twelve (12) months prior written notice. The rental rate for each renewal term shall be 103% of rental rate then being paid for the premises.
<b>Assignment and Sublease:</b>	Tenant shall have the right, subject to Landlord's written consent, which shall not be unreasonably withheld or delayed, to sublease or assign any portion of the Premises and any portion of any space subsequently leased, at any time during the initial term and renewal option period. Tenant shall have the right to assign or sublease to an affiliate company without Landlord consent. Affiliate shall mean an affiliate of Tenant, a division of Tenant, or a corporation or other entity controlling, controlled by or under common control (directly or indirectly) with Tenant, including, without limitation, any parent corporation controlling Tenant of any subsidiary that Tenant controls.
<b>Subordination and Non-Disturbance:</b>	Landlord and Tenant shall agree to mutually acceptable lease language addressing Subordination and Non-disturbance. The Lease is contingent upon the execution of a Non-disturbance agreement by the Landlord any lender(s) of security instruments on this building. The Lease shall contain Non-disturbance language-protecting Tenant in the event of future sale or foreclosure. The Non-disturbance Agreement shall protect all terms of the Lease.

**SECTION 4: MISCELLANEOUS**

<b>Financial Statements:</b>	Tenant will provide Landlord with annual Financial Statements. However, sales and financials do not impact this lease agreement or rental amount.
<b>Security Deposit:</b>	Tenant shall provide Landlord with security deposit of \$5,000.
<b>Personal Liability/Guaranty:</b>	Tenant to sign lease personally, or, if entity-owned, tenant will provide a personal guarantee associated with the Lease.



**Repairs/Maintenance**

Landlord shall be responsible for repair/maintenance of common areas and the exterior and roof of the Building (excluding entry door(s) and window glass). Tenants shall be responsible for all maintenance/repairs on the interior premises (inside the 4 walls), entry door(s), and window glass.

**Insurance**

Tenant shall maintain insurance coverage in amounts mutually agreeable to Tenant and Landlord, naming Landlord and Building Owner as Additional Insured, and provide a Certificate of Insurance coverage each year. Policy to include property, liability, crime, and workers compensation insurance with umbrella coverage not less than \$2MM.

**Contingencies:**

The following contingencies must be met for this Lease Agreement:  
(1) Developer/Landlord's Proposal to be successfully accepted by the Village of Lombard.  
(2) Developer/Landlord receiving approval and written commitment for all its requested lender financing.  
(3) Tenant reaches financing goals.  
(4) Mutually agreeable lease document following the terms outlined above.  
(5) Tenant's receipt of full liquor license and approved building permits from the Village of Lombard and permitting requirements for the operation of the premises as a restaurant and bar.

Agreed:

**TENANT:**

Tracy Nelson (Prairie Path Kitchen & Tap)

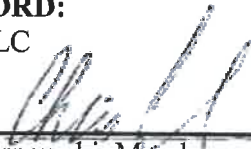


Tracy Nelson

4/16/2018  
Date

**LANDLORD:**

Luxica LLC



Chris Czarnowski, Member and Representative

3/17/2018

Date

# Section 5

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## Financial Strategy

## Financial Analysis

Our team's mixed use concept will be developed at an estimated cost of \$10.6M. The concept will generate a net operating income (EBITDA) approximately \$500K in its first stabilized year with a 3% annual increase each year going forward. See exhibits A and B for a detailed project pro forma analysis.

Over the 20 year period once we are stabilized, we project that the Village will receive new Sales and Places for Eating tax revenues of \$6.7M that they would not have if but for this project. The present value of that future income in today's dollars is \$4M. That does not include \$2.4M in property taxes that will be generated by the project over the same period. The present value of these is a combined \$5.5MM.

There are many intangible additional financial benefits, including the creation of over 100 jobs (50 alone from Prairie Food Co-Op) and the associated taxes and redistribution of income locally. This also excludes increased area property taxes of properties in proximity to the new development. Therefore, we believe this analysis is conservative. Detailed annual projections are included in Exhibit C.

Planned funding sources are Owner Equity of \$1.1M, Net Economic Incentives of \$2.5M, and Bank & Non-Owner Equity Financing of \$7.0M.

### ASSUMPTIONS:

The following assumptions are part of the attached financial analysis for the concept:

1. Assumes construction begins March 2019
2. Upon execution of the agreement, we will work with the Village to procure net proceeds of \$2.48 million from a combination of available TIF funds as well as funding procured in accordance with the Village's established Economic Incentive Policy. Net proceeds will be placed in an escrow account by the Village. Luxica will submit to the Village draw requests on a monthly basis. The Village will review and once approved, instruct the escrow agent to release these funds for payment to the eligible costs.
3. Escrow to fund or Village to waive any and all Village and county fees including zoning application fees, permit fees, real estate transfer taxes and impact fees associated with the project.
4. Escrow to fund all utility impact and relocation fees and costs associated with the project. Utility relocation includes capping or removal of existing overhead lines and utility piping. All services to be installed or relocated such that they are underground.
5. Escrow to reimburse Luxica for all site utility costs associated with the project.
6. Any and all fees associated with TIF consultants, legal, etc. will be paid for by the escrow.

7. Escrow will fund or Village will waive any public or private bond requirements.
8. Escrow will reimburse Luxica for any costs associated with any remaining environmental remediation work.
9. All costs related to the storm water management, including site improvement needs may be reimbursed by the escrow.
10. All streetscape including asphalt, curbs, sidewalks, civic plaza, landscaping, monument signs, site furniture, site lighting, etc. may be reimbursed by the escrow.

The project is designed to meet the requirements to achieve LEED Certification. However the project budget does not include the cost to acquire the certification. Luxica estimates total costs to achieve the cost for certification, including design and documentation fees, and third party certification at \$75,000. If the Village of Lombard wishes to pursue LEED certification, Luxica will accommodate this request with the understanding that all costs associated with the certification would be an additional reimbursement by the Village.

## Exhibit A – Pro Forma Analysis

101 – 109 S. Main Street

### Development Summary Cost

LAND	
Land Entitlement Costs	\$ 400,000
HARD COSTS	
Construction costs	6,110,000
Site Improvements & Storm Water Management	1,920,000
General Conditions (5%)	401,000
Contingency (5%)	402,000
Construction Mgt Fee (4%)	321,000
SOFT COSTS	
Due Dilligence Costs	19,000
Leasing costs (Commissions)	21,000
Design Consultants	265,000
Operating reserve / working capital	150,000
Loan Transaction & Origination Costs	61,000
Interest payments to construction & mezzanine lenders	150,000
Development Fee (4%)	321,000
Environmental & Other 3rd Party Reports	14,000
Insurance	16,000
Legal & Accounting	11,000
TOTAL DEVELOPMENT COSTS	\$ 10,582,000

Exhibit B – Pro Forma Analysis

101 – 109 S. Main Street

Financial Projections

	Year 0 YK2019	Year 1 YK2020	Year 2 YK2021	Year 3 YK2022	Year 4 YK2023	Year 5 YK2024	Year 6 YK2025	Year 7 YK2026	Year 8 YK2027	Year 9 YK2028	Year 10 YK2029
<b>INCOME</b>											
Commercial Rental Income	-	453,000	466,590	480,588	495,005	509,835	525,151	540,906	557,133	573,847	591,062
Residential Rental Income	-	139,969	139,969	144,168	148,493	152,948	157,537	162,263	167,131	172,144	177,309
Total Gross Potential Income	-	592,969	606,559	624,756	643,499	662,804	682,688	703,168	724,263	745,991	768,371
Less: Vacancy	-	(23,719)	(24,262)	(24,990)	(25,740)	(26,512)	(27,308)	(28,127)	(28,971)	(29,840)	(30,735)
Less: Credit Loss	-	(2,965)	(3,033)	(3,124)	(3,217)	(3,314)	(3,413)	(3,516)	(3,621)	(3,730)	(3,842)
Effective Rental Income	-	566,286	579,264	596,642	614,541	632,977	651,967	671,526	691,672	712,422	733,794
Common Area Maintenance Fee (CAM) (Includes Lease Billback)	-	120,000	123,600	127,308	131,127	135,061	139,113	143,286	147,585	152,012	156,573
<b>TOTAL OPERATING INCOME</b>	<b>\$ -</b>	<b>\$ 686,286</b>	<b>\$ 702,864</b>	<b>\$ 723,950</b>	<b>\$ 745,668</b>	<b>\$ 768,039</b>	<b>\$ 791,080</b>	<b>\$ 814,812</b>	<b>\$ 839,256</b>	<b>\$ 864,484</b>	<b>\$ 890,567</b>
<b>EXPENSES</b>											
Property Taxes	-	107,582	109,703	111,897	114,135	116,418	118,746	121,121	123,543	126,014	128,535
Insurance	-	21,358	21,785	22,221	22,665	23,118	23,581	24,052	24,533	25,024	25,525
Utilities	-	13,342	13,648	14,057	14,479	14,913	15,360	15,821	16,296	16,785	17,288
Maintenance & Repairs	-	22,883	23,341	23,808	24,284	24,770	25,265	25,770	26,286	26,812	27,348
Marketing & Advertising	-	2,100	2,100	2,163	2,227	2,294	2,363	2,434	2,507	2,582	2,660
Administrative	-	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951
Turnover Costs	-	2,965	3,033	3,124	3,217	3,314	3,413	3,516	3,621	3,730	3,842
Management Fee	-	22,651	23,171	23,866	24,582	25,319	26,079	26,861	27,667	28,497	29,352
Capital Reserves	-	7,116	7,279	7,497	7,722	7,954	8,192	8,438	8,691	8,952	9,220
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ -</b>	<b>\$ 209,966</b>	<b>\$ 214,258</b>	<b>\$ 219,056</b>	<b>\$ 225,924</b>	<b>\$ 228,924</b>	<b>\$ 234,041</b>	<b>\$ 239,276</b>	<b>\$ 244,692</b>	<b>\$ 250,112</b>	<b>\$ 255,720</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>\$ -</b>	<b>\$ 476,319</b>	<b>\$ 488,606</b>	<b>\$ 504,914</b>	<b>\$ 521,745</b>	<b>\$ 539,114</b>	<b>\$ 557,039</b>	<b>\$ 575,536</b>	<b>\$ 594,625</b>	<b>\$ 614,922</b>	<b>\$ 634,647</b>

Exhibit C – Pro Forma Analysis

101 – 109 S. Main Street

Incremental Projected Tax Benefits

Year	Prairie Food Coop	Sales Tax, Food & Beverage <i>(excludes PFC)</i>	Sales Taxes, Other Retail <i>(excludes PFC)</i>	Total New Village Sales + Food/Bev Taxes	New Property Taxes	Total Benefit	Total Cumulative Benefit
1	\$ 20,519	\$ 185,250	\$ 33,250	\$ 239,019	\$ 107,552	\$ 346,571	\$ 346,571
2	25,034	190,808	34,248	250,089	109,703	\$ 359,792	\$ 706,363
3	30,040	196,532	35,275	261,847	111,897	\$ 373,744	\$ 1,080,106
4	32,444	202,428	36,333	271,204	114,135	\$ 385,339	\$ 1,465,446
5	35,039	208,501	37,423	280,963	116,418	\$ 397,380	\$ 1,862,826
6	37,141	214,756	38,546	290,442	118,746	\$ 409,188	\$ 2,272,015
7	39,370	221,198	39,702	300,270	121,121	\$ 421,391	\$ 2,693,406
8	41,732	227,834	40,893	310,459	123,543	\$ 434,003	\$ 3,127,408
9	44,236	234,669	42,120	321,025	126,014	\$ 447,039	\$ 3,574,447
10	46,890	241,709	43,384	331,983	128,535	\$ 460,518	\$ 4,034,965
11	47,828	248,961	44,685	341,474	131,105	\$ 472,579	\$ 4,507,544
12	48,784	256,429	46,026	351,239	133,727	\$ 484,967	\$ 4,992,511
13	49,760	264,122	47,407	361,289	136,402	\$ 497,691	\$ 5,490,201
14	50,755	272,046	48,829	371,630	139,130	\$ 510,760	\$ 6,000,961
15	51,770	280,207	50,294	382,271	141,913	\$ 524,184	\$ 6,525,145
16	52,806	288,613	51,802	393,222	144,751	\$ 537,972	\$ 7,063,118
17	53,862	297,272	53,356	404,490	147,646	\$ 552,136	\$ 7,615,254
18	54,939	306,190	54,957	416,086	150,599	\$ 566,685	\$ 8,181,939
19	56,038	315,376	56,606	428,020	153,611	\$ 581,630	\$ 8,763,569
20	57,159	324,837	58,304	440,300	156,683	\$ 596,983	\$ 9,360,552
				<b>\$ 6,747,321</b>	<b>\$ 2,613,231</b>		

Assumptions: Remaining unallocated commercial space in project 45% food and beverage, remainder other retail, with average sales of \$500 per sqft.

## Financial References

Please feel free to contact any of the references listed below regarding our credit history.

**Mr. Garrick L. Nielsen**

Sr. Vice President  
Oxford Bank & Trust  
T: 630.576.2275

**Ms. Amy Woods, CTP**

Vice President, Fifth Third Bank  
T: 630-294-2109

**Mr. Jason A. Nelson**

Sr. Mortgage Loan Originator  
U.S. Bank  
T: 630.465.6938



# Section 6

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## Special Considerations

## Sustainability Features

An overarching goal of ours is to design the 101-109 Main Street site to become a local sustainability “Pilgrimage Site.”

We define Pilgrimage Sites as future-oriented places and buildings with performance that goes well beyond current sustainability norms and practices. We will bring forward designs that feature net-zero energy, building water reuse, Passive House building envelopes, renewable energy generation, and on-site stormwater treatment. In addition to sustainability, we are also interested in how the project can connect neighbors to each other. We will bring forward ideas for how project programming creates spaces for neighbors to create shared experiences.



Project elements include:

- Vegetation in the streetscape and surrounding areas.
- Carefully planned site design that maximizes existing infrastructure for utilities, public transportation, and retail.
- Installation of low-flow faucets and other plumbing fixtures to greatly reduce water consumption.
- Installation of energy efficient mechanical equipment, appliances, and light fixtures to reduce overall energy consumption.

# Section 7

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## Project Timeline

## Project Timeline

