

Village of Lombard

*Village Hall
255 East Wilson Ave.
Lombard, IL 60148
villageoflombard.org*



Meeting Minutes

Wednesday, April 6, 2011

7:00 PM

Village Hall

Economic & Community Development Committee

*Trustee Peter Breen, Chairperson
Trustee Keith Giagnorio, Alternate Chairperson
Dennis McNicholas, Matthew Phillips, Garrick Nielsen,
Jodee Baker, Matthew Pike, Joe Glazier, Jr.,
Brenda Gannon and Student Member Jolie-Grace Wareham
Staff Liaison: Bill Heniff*

1.0 Call to Order and Pledge of Allegiance

The meeting was called to order by Chairperson Ware at 7:03 p.m.

Chairperson Ware led the Pledge of Allegiance.

2.0 Roll Call

Present: Bill Ware, Dennis McNicholas, Jon Grant, Brenda Gannon, James W. Hogan, David Irion, Martin Carroll, Garrick Nielsen and Joe Glazier, Jr.

Absent: Greg Gron

Also present: William Mueller, Lombard Village President; William Heniff, AICP, Director of Community Development; Christopher Stilling, AICP, Assistant Director of Community Development; Karen Stonehouse, AICP, Executive Director of Lombard Town Centre; Dan Whittington, President of Lombard Town Centre; Kim Cotton, Walter Smith and Belinda Mahon of Lombard Town Centre; Tom Masterson and Howard Pang.

3.0 Public Participation

Tom Masterson, 128 W. St Charles, spoke about 3 issues:

*Downtown Retail Business Grant (DRBG) and the recent changes to the policy
Mr. Masterson expressed his concern about the DRBG program and that the ECDC needs to do more due diligence before approving grants. He cited a few businesses that closed shortly after receiving grant money. He also raised concerns with a few service businesses that also received grant dollars saying that service businesses rarely leave spaces. He said he has concerns with the 5 year lien provision and that it places a burden on the lessor and landlord. He said the ECDC needs to determine the long term goal of the downtown and the success rate before giving money away.*

LTC Funding

Mr. Masterson said he favored their funding 2 years ago. He expressed a concern about the lack of dialogue between the ECDC and LTC and that there needs to be more interaction.

Downtown Code Enforcement

Mr. Masterson expressed his concern with code enforcement issues in the downtown area. He said there are weeds on McGuire Drive that have not been addressed. He said businesses do not shovel the sidewalks as required by Village Code. He said there needs to be a long term vision.

Mr. Masterson thanked the committee for their time.

4.0 Approval of Minutes

On a motion by McNicholas and seconded by Glazier the minutes of the February 16, 2011 meeting were unanimously approved by the members present.

5.0 Unfinished Business

110024

Resale Shops

Request to amend the Downtown Retail Grant Program (DRGP) to allow resale shops as an eligible business.

Chairperson Ware provided the committee with background on the past discussion stating that at the February 16, 2011 ECDC meeting, the committee continued the discussion related to amending the Downtown Retail Business Grant (DRBG) program to include Resale Shops as an eligible business.

Ms. Gannon asked why resale shops were not allowed as eligible businesses for the DRBG. Mr. Heniff responded by stating that they are allowed to operate by right, however when the program was originally created, it was determined that specific type of use did not warrant the need for TIF dollars since they typically require little capital improvements.

Mr. Glazier stated that he originally supported the concept; however after speaking with a few business owners downtown, he has some concerns.

Ms. Gannon said that there may be higher end resale shops that want to locate downtown and she would not want the grant program to exclude them. Ms. Stonehouse stated that some resale shops sell new and used merchandise.

Mr. Carroll said the business is retail in nature and does not see the harm in making it an eligible business. He said the downtown has a lot of vacancies and we should have the opportunity to say yes or no.

Mr. Irion asked if "Play It Again" sports would be eligible. Mr. Stilling said that business sells both new and used items and staff would have to review their business plan.

Mr. Grant stated that we should have the discretion to determine if the store supports the retail mix downtown.

Mr. McNicholas expressed concern about the availability of TIF funds. He also expressed concern about someone claiming we abused our discretion if we approve this change. He said resale shops are not the long term solution to the challenges facing downtown.

It was moved by Carroll, seconded by Hogan, that this matter be recommended to the Board of Trustees for approval. The motion carried by the following vote:

Aye: 6 - Gannon, Grant, Hogan, Irion, Carroll and Nielsen

Nay: 2 - McNicholas and Glazier, Jr.

Absent: 1 - Greg Gron

100599

Village Wide Economic Development Plan

Request to discuss and provide comment on staff's final draft.

Mr. Stilling summarized the memo and draft report stating that at the December 1, 2010 ECDC meeting, staff introduced the draft work plan for the Village Wide Economic

Development Strategy and Action Plan ("the Plan"). Specifically, staff discussed the following components of the Plan:

- 1. Develop Goals*
- 2. Prepare an assessment of our current and past economic development tools*
- 3. Identify development strategies*
- 4. Identify priorities and develop a timeline for completion.*

Mr. Stilling stated that staff has completed the first draft of the Plan. The following items are identified in these sections:

- o Goals*
- o Strategies and Objectives for each goal*
- o Market Overview*
- o Summary of Commercial Corridors*
- o Economic Development Tools*
- o Development opportunities*
- o Implementation*

Chairperson Ware asked the committee for comments.

Mr. Nielsen suggested that the database that is shared with business owners on visits should be personalized to target their specific industry in an effort to make connections. He also suggested that we do more promotions as a "Business Friendly Village".

Ms. Gannon suggested that the database be properly managed and that it should have linkages.

All members supported the first draft and directed staff to proceed.

6.0 New Business

110198

14 W. St. Charles Road - Downtown Retail Business Grant

Request to approve a Downtown Retail Business Grant for Cabinet Depot in an amount not to exceed \$11,737.50. (DISTRICT #1)

Mr. Stilling summarized the staff memo regarding the request. He stated that staff has recently received a request for a Downtown Retail Business Grant (DRBG) for a home improvement store to be known as Cabinet Depot located 14 W. St. Charles Road. It is important to note that the work associated with the eligible improvements, excluding signage, has already been completed. The applicant did submit the application prior to the issuance of the building permit. Furthermore, a complete application had been received prior to the issuance of the Certificate of Occupancy/Zoning Certificate. The applicant and property owner were informed that they are proceeding at their own risk as the grant request needed to go through the required process. It should also be noted that this grant request is being reviewed in accordance with the old requirements since the application was made prior to the effective date of the new program.

Mr. Stilling said that Cabinet Depot is considered a home improvement store and is a permitted use within the B5 Zoning District. The business will operate as a showroom where several display kitchens will be located within the space highlighting their products. According to the information submitted by the business owner, they will only be selling cabinets at this location. Cabinets are manufactured in China and delivered to

the customer's home for installation or sometimes picked up by the customer at the business. Renovations to the tenant space include work on the existing electrical and HVAC systems as well as several new walls partitioning off display areas.

The submitted cost estimates include \$23,475 in potentially eligible build-out, signage, and rent expenditures. The applicant is eligible to receive up to \$11,737.50 from the Downtown Retail Business Grant program. According to the business plan submitted by the applicant, they anticipate gross revenues of \$432,000 in the first year of business. However, as the business did not previously exist at another location, this figure is an estimate only.

ECDC member Garrick Nielsen stated that he would be recusing himself from the discussion because he has an ownership stake in the property where Cabinet Depot is going to be located.

Mr. Irion asked what the hours of operation were going to be. Mr. Pang stated that they would be 9am to 5pm Monday-Friday and 10am to 3pm on Saturday. He said they would be closed on Sundays.

Mr. Glazier asked if they were an independent business and if there would be any assembly. Mr. Pang responded by stating they are independent and that they do some minor assembly at the rear of the space installing hardware. He said they do not install the cabinets except for what is in their showroom.

Mr. Irion asked if they serve contractors/builders and if they charge sales tax to the contractors. Mr. Pang stated that much of their business will be with contractors and some homeowners. He said if the contractor has a sales tax ID number from the state showing they are exempt, then they will not charge sales tax to them.

Ms. Gannon asked what attracted them to the downtown. Mr. Pang stated that it was a factor of location and rent.

It was moved by Carroll, seconded by Grant, that this matter be recommended to the Board of Trustees for approval. The motion carried by the following vote:

Aye: 7 - McNicholas, Gannon, Grant, Hogan, Irion, Carroll and Glazier, Jr.

Abstain: 1 - Nielsen

Absent: 1 - Greg Gron

110199

Lombard Town Centre - FY 2011 Request for Funding

Discussion relative to the level of funding support that should be provided to the LTC for FY 2011.

Dan Whittington, President of the Lombard Town Centre, referenced the packet of materials provided and gave an overview of their accomplishments and activities over the past year. He said that Spooktacular is their biggest annual event and that it has grown each year. He said their recruiting efforts for board members have increased and that there is a strong level of support and commitment by the current board. He gave background on the various committees and their accomplishments. He stated that they still do not have a qualified person for the design committee. He also said that they have had some recent success implementing the WiFi for the downtown area. He provided additional information and background on the program.

Karen Stonehouse, Executive Director (ED), provided some additional information about

her activities over the last 10 months. She cited a list of businesses she has visited as part of her retention visits and a list of prospective businesses that were considering a downtown Lombard location. She also highlighted a calendar of events for the upcoming summer.

Mr. Heniff summarized the staff memo. He stated that at the February 16, 2011 Special Meeting of the Economic and Community Development Committee (ECDC) meeting, it was requested that the Lombard Town Centre (LTC) provide the ECDC with a mid-year update on their goals and accomplishments, as they relate to their 2010 funding. This discussion was also intended to serve as a basis for discussion of proposed 2011 funding activities. The LTC is making its request for up to \$40,000 in funding for their 2011 calendar year, based upon the draft budget submitted by the organization. The ECDC and ultimately the Village Board is asked to review the funding request and make a recommendation as to the level of funding support that should be provided accordingly.

Mr. Heniff provided some additional background on the history of the organization and its past funding. He stated that the LTC has requested the ECDC and the Village Board also provide direction with regard to future Village funding. This request was made so that they would know which direction to proceed with their activities. They have identified a request of \$40,000 to undertake the activities within their goals.

Mr. Heniff provided information about their current balance sheet, as of March 23, 2011. According to their balance sheet, the LTC currently has \$45,943 available for their activities. For comparative purposes, the LTC balance sheet had a surplus of \$62,989 as of February 5, 2010. The \$35,000 funding granted by the Village for the LTC was used for the Executive Director costs. The LTC directly expended \$17,046 for all other operations and activities over this time period. He then provided an overview of the proposed budget:

* 74% of LTC 2010 revenues were derived through the Village grant, 9% was through membership fees and 14% was through various fundraising efforts. Their 2011 budget has similar percentages.

* Program expenses are anticipated to be 63% higher than 2010 levels (\$8,332 to \$13,297), with the major difference being the WiFi program and organizational (training) funding

* Overall expenses are 88% higher than 2010 levels, primarily attributable to the LTC ED full-year employment.

Mr. Heniff stated that before the ECDC considers any level of funding, staff and the LTC President have noted that funding consideration for the LTC should be considered in the Fall, rather than the Spring. In the past, LTC funding was always considered in the late winter or spring months. The LTC has historically operated on a calendar year budget and as such the Village funding consideration is occurring three months into their budget year. From the Village's standpoint, the FY2012 budget is largely completed and such funding requests should be considered as part of the overall Village budget discussion. As such, staff recommends that the funding request be considered for the 2011 calendar year only and that any funding requests for 2012 should be made to the Village in October. This request would be considered by the ECDC in November, so that when the overall Community Development budget is considered in December the funding levels are known.

Mr. Heniff stated that as with the 2010 funding request, staff offers the following options for the ECDC:

Option 1: Deny Funding

If the ECDC finds that in review of the LTC request and performance that additional funding is not warranted, funding could be denied. It should be noted that if no funding is provided directly by the Village, they estimate that they could continue operations in their current manner for approximately the next ten months, using reserve funds. As an alternate option, if this option was supported, the LTC could still make an application for 2012 program funding, should the Village find that they met their 2011 goals.

Option 2: Limited Selective Funding

This option would take a cafeteria approach to funding LTC. Items that the Village cannot or traditionally would not do (such as operate Spooktacular) and could be done with individual requests or as a blanket request for funding. This approach would require the LTC position to be funded through their existing reserves, while the special event activities would be partly funded by the Village. For comparison purposes, some co-sponsored events the Village operates with the Chamber operate in this manner. Based upon the 2011 budget, the Village could provide up to \$13,297 for their events.

Option 3: Limited Funding - Tie with Reserves

The LTC budget shows that 2010 and projected 2011 net loss. However, this was covered by a large surplus in reserves from unspent dollars they received from the Village. Staff also notes that the existing \$45,943 in reserves exceeds their total expenditures in 2010 (\$36,899) and is 66% of their anticipated total expenditures. From an accounting perspective, having a reserve of 25% of annual expenditures is common (and is also used as the standard of the Village). In order to keep the LTC level at the 25% level or above, \$17,368 (of 2011 annual expenditures of \$69,472), would be needed. This option would require funding of \$28,584 for a full year (through the Village's FY2012 budget, or \$14,292 for a half year (until the end of the calendar year).

Option 4: Full Funding

If the ECDC finds that they have met their goals and additional support is warranted, a recommendation for funding of \$40,000 (or \$20,000 for half year) can be made. The ECDC can add any special provisions to the funding grant that would be placed within the final resolution of approval.

Mr. Heniff went on to say that if funding is cut or eliminated to the LTC, the following observations are made:

- * The LTC could continue on its own, similarly to the manner Downtown Lombard United operated in the 1990s or as the Lombard Area Chamber of Commerce exists. Staff also recognizes that it is not likely that the Executive Director would be able to operate in the same extent or manner.*
- * Direct impacts on Community Development staffing or operations would not be greatly impacted. Staff currently administers the grant programs directly, is responsible for implementation of the downtown plan and is part of ongoing economic development activities for the overall community. LTC is identified as a partner in the implementation of these activities.*
- * Outreach to prospective businesses could be handled by Village staff, albeit the degree of outreach would be more limited or accomplished more in concert with general business outreach activities.*
- * Fund reallocation would likely be made to capital improvements and programs identified in the Plan (such as branding implementation), and staff would play an increased role in its implementation.*
- * Social and promotional activities would have to be re-evaluated or restructured.*

Staff recommends that the ECDC should review the materials provided by the LTC and

staff and make a finding that it is in the downtown's best interest to continue to provide funding assistance in its operations, and to what extent such funding should be provided is based upon one of the options noted above. As noted earlier, staff recommends that any future funding should be based upon 2011 considerations (i.e., a half year allocation) and that future requests should be considered in the subsequent October.

Mr. McNicholas stated that he had to leave the meeting early, but wanted his comments for the record. He provided some history about his role with the past downtown organization, Downtown Lombard United. He said the Village has spent over \$400,000 on funding and said if it was an SSA, more property owners and stakeholders might be involved. He said that property owners need to make an investment as well. He said an SSA could make it self sufficient since it benefits downtown properties. He said any funding should only go through 2011, as proposed by staff.

Chairperson Ware said that he also supports 6 month funding and then come back in the fall for a 12 month cycle.

Mr. Nielsen said that he supports options 2 or 3.

Mr. Whittington said that their reserve balance is high because they did not have an ED for 6-8 months. He said they are requesting funds in an amount similar to what was approved last year.

Ms. Gannon asked about their fundraising efforts. Mr. Whittington responded.

Mr. Irion asked what would happen if funding is denied. Mr. Whittington said that they will continue until they have no more money.

Mr. Glazier said the LTC is important and he supports options 2 or 3.

Ms. Gannon suggested that the LTC develop a self funding plan.

Mr. Grant said that he is worried that the ECDC decision could be holding the current regime responsible for past regime actions. He said the LTC needs an Executive Director. He said he supports option 3.

Most members agreed that option 3 was the best and said that they support the day to day service of the LTC.

President Mueller stated that he recently attended the downtown forum and said the meeting went well. He said downtown has always been the heart of Lombard. He asked the ECDC to let him and staff know about any issues and do they still want the regular staff support.

Kim Cotton, Vice President of the Lombard Town Centre, said she is the longest member and said that they need to have a full time Executive Director.

It was moved by Nielsen, seconded by Grant, that this matter be recommended to the Board of Trustees for approval to provide funding in the amount of \$14,292 for the 2011 calendar year subject to conditions. The motion carried by the following vote:

Aye: 7 - Gannon, Grant, Hogan, Irion, Carroll, Nielsen and Glazier, Jr.

Absent: 2 - Greg Gron and McNicholas

1. The funding request is for the 2011 calendar year only (6 months) and that any funding requests for 2012 should be made to the Village in October, 2011. This request would be considered by the ECDC in November, 2011, so that when the Community Development budget is considered in December the funding levels are known.

2. The 6-month funding be in an amount not to exceed \$14,292. This will still allow the LTC to have a 25% reserve at the end of the 2011 calendar year.

7.0 Other Business

There was no other business.

8.0 Information Only

Development Update

Village staff provided an update to the Committee about recent development and business activities. Mr. Stilling stated that Chick-Fil-A is proposing to open a new store on Butterfield.

9.0 Adjournment

The meeting adjourned at 9:06 p.m.