

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

Resolution or Ordinance (Blue) Waiver of First Requested
Recommendations of Boards, Commissions & Committees (Green)
Other Business (Pink) X

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Huliseberg, Village Manager *DAM*

DATE: January 27, 2010 (B of T) Date: February 4, 2010

TITLE: Lombard Town Centre Update & FY2011 Funding

SUBMITTED BY: Department of Community Development *DAM*

BACKGROUND/POLICY IMPLICATIONS:

The Department of Community Development transmits for your consideration a memorandum prepared by staff dated February 4, 2010 providing an update on Lombard Town Centre and requesting discussion and direction to staff relative to the issues addressed in the memo.

Please place this as a workshop item on the February 4, 2010 Special Board of Trustees agenda.

Fiscal Impact/Funding Source:

Review (as necessary):

Village Attorney X

Finance Director X

Village Manager X

[Signature]

Date

Date

Date


1/27/10

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



MEMORANDUM

TO: David A. Hulseberg, Village Manager

FROM: William J. Heniff, AICP, Director of Community Development 

DATE: February 4, 2010

SUBJECT: Workshop Session – Lombard Town Centre Update & FY2011 Funding

Staff recently met with Lombard Town Centre (LTC) President Dan Whittington and Treasurer Kathy Hogan to review recent changes to their organization, particularly the recent resignation of their Executive Director (ED), Laura Bergeson and two (2) board members. In light of this information, the LTC has requested the Economic and Community Development Committee (ECDC) and the Village Board provide some direction with regard to future Village funding and responsibilities. This request was made so that they would know which direction to proceed with their ED position and related activities.

At the February 3, 2010 ECDC meeting, the LTC will provide the ECDC with a mid year update on their goals and accomplishments, as they relate to their 2009 funding request (report attached). Staff will provide the Board with an update of that meeting.

In review of this request, staff provides the Village Board with the following background information and a recommendation regarding future funding.

FUNDING

LTC Funding History

In 2005, the Village made a commitment to fund at least one-third of Lombard Town Centre's budget for its first three years of the organization's existence, in an amount not to exceed \$75,000 per year. One year funding commitments of \$75,000 were approved by the Village in 2008 and 2009. Overall, Lombard Town Centre was granted a total of \$375,000 for operating funding for the 2005 through 2009 years. A 2009 amendment to the agreement also provided for reimbursement of professional auditing services for their requisite auditing reports.

The purpose of the funding allocation was to provide funds for the initial start up operations of the organization. It would also free the organization and the ED to undertake professional downtown marketing and economic development activities without having to spend significant time on private fundraising activities. Over time, it was envisioned that the organization would be self-sustaining and the Village's contribution could be decreased. The funding allowed the organization to meet the staffing, office presence and training requirements set forth by the Illinois Main Street

organization in order to retain its standing as a Main Street Community without needing to generate its own revenue.

Current LTC Balance Sheet

Attached is a copy of the LTC's profit and loss statement and balance sheet, as of January 27, 2010. According to their balance sheet, the LTC currently has \$62,989.05 available for their activities.

Current TIF Obligations

At the November 4, 2009 EDC meeting, staff provided an overview to the committee highlighting the revenues and expenditures as they relate to the Village's downtown TIF district for FY 09/10. Staff noted that the Village had a balance of \$765,868 in the downtown TIF. However, much of this balance has already been identified for future public improvements, grant programs and related programs. In light of the recent economic conditions, the Village is considering shifting some of its current and future expenditures to the downtown TIF from the Hotel/Motel budget and the general fund. As a result, downtown TIF expenditures may significantly increase, which will decrease funds available for other activities and programs.

Future Funding Requests and Direction

The Village Board is asked to offer direction regarding future Village funding and roles & responsibilities for the LTC. Staff would like to offer the following items for the Village Board to consider when reviewing future funding considerations for the LTC:

- **Executive Director Position-** As previously stated, Laura Bergeson has recently resigned as the ED. Although some members of the LTC have expressed a desire to fill the vacant position (either part-time or full-time), staff notes that this would be their fourth ED in the five years the organization has been operating. Additionally, staff is concerned that too much of the ED's time was spent on fundraising and membership activities, which can detract from the core responsibilities of the position. Staff would like to note that approximately 83% of their annual funding request is spent on their payroll expenses, rent and utilities.
- **Board Membership-** In addition to the Executive Director resigning, 2 board members, Jaime Kashin and Vern Schuyler, also resigned. Therefore, they currently have 4 active board members. Their bylaws require 9 board members. In addition, the LTC has not met as a board since December 1, 2009.
- **Illinois Main Street-Currently,** the Illinois Main Street Program is on suspension with the National Trust Main Street Center. Apparently they only have one person running the entire program, statewide. In addition, they are providing no support to the LTC in terms of training, consulting services, etc. Moreover, the state has not provided significant resources to the Village or LTC over the past few years that would substantiate its adherence to the program. The LTC would like to keep

some type of organization, however representations have been made that they are not wedded to the Illinois Main Street format. Comparatively speaking, in 2009, the LTC spent \$2,802.67 on training and travel expenses associated with Illinois Main Street Program. For reference purposes, the Village's entire Planning Services Division has spent \$890.20 in the same period for training and travel.

- Economic Development Activities- Although the LTC has been successful creating several downtown special events and facilitating the French Market, there has been no measurable success with filling the vacancies to date.

- Future Roles and Responsibilities- Based on staff's recent meetings with a few of the LTC Board members, it appears that they do not have a clear consensus on how to proceed. Some LTC members felt that they lack expertise with economic development activities and suggested that the Village assist/undertake that role for the downtown. They recognize that this element has been a priority for the Village and that they have not been completely successful to date in meeting this objective. Staff did request a plan from the LTC outlining how they would like to proceed, should additional future funding be approved. To date, they have not provided that information.

Options Available

Staff believes there are four general options available to the Village Board regarding Lombard Town Centre:

1. Continue to fund LTC at a funding level of \$75,000, as has been done in prior years.
2. Cease future funding for LTC.
3. Provide funding for the LTC to establish a contract position (i.e., a 1099 position) to fill the roles of the past Executive Director. This position would report to the Director of Community Development, but would be funded through the LTC grant from the Village and would serve as a liaison between the LTC Board and the Village.

4. Utilizing the \$62,989 already in the LTC reserves, the LTC should be directed to allocate those funds specifically for their marketing, recruitment, promotion and membership activities for the LTC. The funds would also be used to for special events, as deemed appropriate. Village staff would advance the economic development and business recruitment efforts within the downtown area, utilizing TIF expenditures to accomplish this additional activity.

RECOMMENDATION

In light of the current economic situation and the additional future expenditures being shifted into the TIF, staff recommends that the future funding for the LTC not be granted for the FY2011 year and that Option 4 be pursued.

Recognizing that economic development activities and filling existing vacant tenant spaces is a key priority set by the Village Board and recognizing that through the Village's visioning efforts, Village staff has facilitated and will continue to seek out opportunities to fill spaces. Village staff has historically played a recruitment role for the downtown, as Village staff managed the TIF grant program activities. Moreover, by having Village staff facilitate this effort, it would provide for a comprehensive approach to business recruitment by directly tying Board directives and policies, knowledge of inter-departmental issues and linking together resources in the business recruitment process.

To: Bill Heniff
Village of Lombard
From: Kathy Hogan, Treasurer
Lombard Town Centre

Lombard Town Centre 2009 Report

Organization Committee - 2009 Goals:

1. Membership drive, 30% increase year over year from 2008.

Action: There were 91 paid memberships in 2009 which is an increase of 28% over the 71 paid memberships in 2008. Numbers used in previous reports contained free memberships (for other non-profit groups) or members whose dues were past due. Using actual paid memberships is the most accurate and objective number and is therefore being used for this progress report. As of December 31, 2009, LTC had 32 individual members, 17 family members, 9 property owner members and 33 business members.

2. Newsletter distribution via LTC web site, selected downtown businesses, and Village Hall. Newsletter will be published every 2 months and contain downtown news, event coverage, pictures, interviews with businesses, and a letter from the VP or President, these will be sent directly to member via e-mail. Newsletter change, once per quarter.

Action: Two newsletters were published in 2009. They were distributed through Constant Contact and were also available to the public at various business and community locations.

3. Broaden our e-mail delivery to include e-mails in Constant Contact's 600 + listings in our data base. E-mail announcements and newsletters.

Action: Constant Contact has been used throughout 2009 to publicize events, grand openings, sales and promotions at member businesses and the like. Currently we have 581 e-mail addresses that are receiving our e-blasts.

4. Increase attendance at our monthly Membership meetings, this will inherently increase membership and focus attention on LTC projects as well as create interest in volunteerism needed to successfully man promotions.

Action: Community Forum meetings have been held monthly throughout 2009. Average attendance at these meetings is estimated to be about 18 individuals per meeting.

5. Operate with a balanced budget for all of 2009.

Action: Copies of the draft income statement, balance sheet and budget report for 2009 are attached. LTC ended the year with a net income of \$4751. In comparison, budgeted net income for 2009 was \$1257. Year-end adjustments are still in process, however final numbers are not expected to deviate greatly from what is presented here.

Action: There were 3 downtown events held in 2009. The first was the Swap Meet which attracted about 70 visitors for its first year. The next event was Spooktacular and an estimated 2500 visitors came out to enjoy this expanded event. Finally, Jingle Bell Jubilee had approximately 300 visitors in 2009. To date, there has not been a way to measure the uses of the Passport card, but downtown businesses have reported satisfaction with this way of bringing additional customers into their establishments.

2. Organize, coordinate, execute while providing resources for 3 downtown events that draw a minimum of 250 visitors to downtown. Spooktacular, a new and improved Jingle Bell Jubilee, and our ongoing Passport Program. LTC has a presence and partnership in all downtown events and will continue to increase our presence support with these events.

Action: The Downtown Passport Program was created in 2009 and 22 businesses have participated in offering discounts to LTC members who show their passport card. This card was given to members when they joined or renewed their membership. Business sponsorship was up dramatically as well. For example, Spooktacular had 15 sponsors contribute \$2768 in 2009 when only 2 businesses contributed \$190 to the 2008 Spooktacular.

1. Increase business participation by 50% year over year.

Promotions Committee – 2009 Goals

Action: Relationships were enhanced with many of these groups in 2009. There were successful collaborations on special events such as the Arts & Crafts show and Jingle Bell Jubilee. There was more involvement with business and property owners including informational meetings held just for them. There needs to be better communication with some groups and businesses and LTC will continue to strive to make improvements in this area.

8. Positively enhance LTC image with all property owners, our downtown businesses owners and managers, our Village Hall, and our Villages community stakeholders such as the Library, Park District, Chamber of Commerce, and Historical Society. Drive relationships and partnerships with these important parts of our Village.

Action: Sponsorships were a priority in 2009 and a total of \$4018 was raised. The Swap Meet received \$700 in sponsorship dollars and the Wine Dinner sponsorships totaled \$550 dollars. Spooktacular produced the largest amount with 15 sponsors contributing \$2768 for this event.

7. Increase direct sponsorships from Lombard area businesses.

Action: Two fundraising events were held in 2009. The first was a Swap Meet in September that raised \$283. The second event was a Wine Dinner at Praga in December which netted \$2090. LTC committee members that worked on these events intend to hold them again in 2010 and are confident that proceeds will exceed the \$2373 total that was raised in 2009.

6. Increase fundraising dollars, 5,000.00 is required 10,000 is our goal.

Action: At least 32 different prospective restaurants or retailers came to tour downtown Lombard in 2009. These tours included 7 Irish pubs, 6 Mexican restaurants, 3 Greek restaurants, 6 other types of restaurants, 3 florists, 2 shoe stores, a women's accessory store, a popcorn shop, a hot dog place, Senese Winery and the Olive Tap.

2. Support our E.D.'s talents as a recruiter for new vibrant restaurants and specialty retail.

Action: LTC planned and executed the Passport Card Program in 2009 to encourage new and repeat business from our members. Throughout 2009, special events and sponsorship opportunities have given businesses more opportunities to promote themselves. In addition, a restaurant radio show was part of Spooktacular so that existing restaurants could gain more exposure.

1. Put as much effort in business retention as new business attraction.

Economic Restructuring -2009 Goals

Action: Funding was not obtained in 2009. It appears that brochures may not be an eligible expenditure and LTC would have to provide 50% of the funding. Applications for this grant will be accepted beginning May 1, 2010 and grants are then awarded in July.

7. Work on obtaining a grant from the Illinois Department of Tourism that we can use to obtain brochures for the downtown area and all businesses. Including names and descriptions of all businesses, annual events taking place in downtown. Along with Lombard's historical attractions, and the rich history of Lombard.

Action: There were 8 individuals who worked with the Promotions Chair to put on the special events held in 2009.

6. Recruit an additional 5 Promotional team members.

Action: Several phone conversations took place between Ms. LaPlante and LTC's Executive Director in the spring of 2009. Information obtained was passed on to the Promotions Chair for use in planning LTC's special events. Illinois Main Street's program was severely impacted by budget cuts since then and no further training has been available.

5. Engage in pro bono training programs with Main Street's Promotions Director, Kathy LaPlante, this will enhance income returns on our promotional events, ensuring additional successes.

Action: As previously mentioned, the Downtown Passport program was created and has 22 participating businesses.

4. Creation of the "Passport" program. This will tie downtown businesses together in an unified cause to drive additional business by promoting "Shop, Eat, Play & Stay" with a discount card

Action: Businesses were approached with the idea of having them obtain zip codes from their customers but most were not willing to do so. Therefore, this goal was not pursued further in 2009.

3. Develop a plan to assist downtown businesses in understanding who could potentially be their customers, by obtaining information such as zip code, address, phone and e-mail.

3. Continue with the BOD approved "Green" scope for the downtown, recruiting new green businesses or assisting with adaptation to green with regard to our current businesses.

Action: This goal was dependent on the ability to offer grants to businesses. It could not be completed as LTC was unable to obtain funding for these grants from the Village.

4. Quarterly meetings with property owners including a guest speaker and various topics relating to marketing their properties.

Action: Two meetings with property and business owners were held in 2009. The first meeting was held in September with the Lombard Fire Department as the guest speaker. The second meeting took place in November at the Helen Plum Memorial Library. This presentation featured what the library has available to support businesses and property owners.

5. Quarterly meeting with business owner promoting ways to increase their business or business expansion.

Action: Combined meetings were held with both business and property owners. See #4 above.

6. Author Committee job descriptions and fill the gaps.

Action: This goal was not completed in 2009.

7. Begin the effort to start an ER Library house in the LTC office.

Action: This goal is in progress. A Business Resource Handbook and information on disaster assistance and small business loans are now available on LTC's website.

8. Complete a building inventory.

Action: The Executive Director assisted the Village in their efforts to create a building inventory. This included work on listing sheets.

9. Complete a business inventory.

Action: As in #8 above, the Executive Director assisted the Village in their efforts to create a business inventory.

10. Identify price points in the downtown, for restaurants and retail businesses.

Action: As in #8 & #9 above, the Executive Director has worked with the Village to assist in their overall downtown planning efforts.

11. Publicize and promote that LTC is active in the recruitment effort, ask for suggestion from our community.

Action: Several articles have appeared in the Lombardian in 2009. These articles explained LTC's recruitment efforts and encouraged the public to come to the monthly Community Forum meetings to share ideas about restaurants and retail businesses they would like to see in the downtown.

1. Property information worksheets, outlining specific property attributes and general conditions of a specific property.

Action: The Executive Director submitted a draft Listing Sheet Template to the Village for their approval.

2. Marketing plans, a general view of available tenant space with site plan and parking availability.

3. Facade drawing, showing general conditions of existing facade and suggestion for improvements.

4. Site planning, show general conditions of site and suggestions for improvements.

5. Increase design team and welcome experts that have been associated with design in the past.

6. Recommendations to the Village for short term improvements.

7. Recommendations to the Village for long term planning issues.

Action: These Design Committee Goals have not been accomplished due to the departure of the Design Committee Chair in July. The ED recruited two other architects who have indicated a willingness to work with LTC on a pro bono basis. Village direction is needed before LTC pursues using these architects to complete these or future goals. Illinois Main Street has not been able to assist communities with their design issues due to the current lack of funding.

Residential Market

-
-

Retail Market

-
-

Demographics

-
-

Storefront Specifics
Square footage
Price per square foot
Lease type
Lease rate
Utilities
Zoning
Year built
Build out type
Sprinkler systems
Handicap bathrooms
Parking
Power
A/C

Available Storefront
 104 W. ST. Charles Road, Downtown
 Lombard, Illinois 60148

Location: Corner of Park Ave. & St. Charles Road



Lombard Town Centre
Balance Sheet
As of December 31, 2009

Dec 31, 09

ASSETS	
	Current Assets
	Checking/Savings
	Fifth Third Checking
	Fifth Third Debit Account
	Fifth Third Money Market
	Total Checking/Savings
3,604.00	
3,754.09	
51,565.86	
58,923.95	
	Accounts Receivable
	Accounts Receivable
3,993.00	
3,993.00	
	Total Accounts Receivable
	Other Current Assets
	Paypal Account
23.97	
48.13	
72.10	
	Total Other Current Assets
62,989.05	
62,989.05	
TOTAL ASSETS	
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
	Accounts Payable
	Accounts Payable
847.29	
847.29	
	Total Accounts Payable
	Other Current Liabilities
	Payroll Liabilities
	Federal Withholding
	Social Security-Company
	Social Security-Employee
	Medicare-Company
	Medicare-Employee
	State Withholding
615.00	
343.38	
343.38	
343.38	
80.31	
80.31	
80.31	
159.24	
1,621.62	
1,621.62	
	Total Payroll Liabilities
	Total Other Current Liabilities
1,621.62	
1,621.62	
	Total Current Liabilities
	Total Liabilities
2,468.91	
2,468.91	
	Equity
	Retained Earnings
	Net Income
55,769.42	
4,750.72	
60,520.14	
60,520.14	
	Total Equity
62,989.05	
62,989.05	
TOTAL LIABILITIES & EQUITY	

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Lombard Town Centre
Profit & Loss
January through December 2009

Jan - Dec 09

Income	75,000.00	843.40
Village Grant		
Donations		
Fundraisers		
Swap Meet		
Booths		
Entrance Fees & Beverage Sales	245.00	
Sponsors	307.00	
Swap Meet Expenses	700.00	
	-969.13	
Total Swap Meet	282.87	
Wine Dinner		
Silent Auction Proceeds	1,235.00	
Sponsors	550.00	
Ticket Sales	2,405.00	
Wine Dinner Expenses	-2,100.04	
Total Wine Dinner	2,089.96	
Total Fundraisers	2,372.83	
Interest Income	56.02	
Membership Dues	7,198.00	
Other Income	0.88	
Total Income	85,471.13	
Expense		
Administrative Expenses		
Bank Charges	12.36	
Insurance		
Directors	1,573.97	
Workman's Comp	295.75	
Total Insurance	1,869.72	
Licenses & Fees	570.00	
Local Travel	432.75	
Misc. Expenses	167.79	
Office Equipment	280.99	
Office Supplies	774.57	
Payroll Expenses		
Salaries & Wages	49,884.59	
Payroll Taxes	3,889.97	
Total Payroll Expenses	53,774.56	
Postage	218.95	
Rent	6,300.00	
Subscriptions	45.00	
Telephone	1,780.52	
Utilities	764.99	
Total Administrative Expenses	66,992.20	
Program Expenses		
Design		
Birdhouse Competition	424.75	
Total Design	424.75	
Economic		
Miscellaneous		
Total Economic	632.14	
Organization		
Annual Meeting	1,846.98	
Board/Membership Meetings	959.96	
Community Relations	931.60	
Constant Contact	446.28	
Newsletter	130.80	
Professional Dues	450.00	

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Lombard Town Centre
Profit & Loss
January through December 2009

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Jan - Dec 09	
600.00	Training Expenses
1,407.07	Conference/Seminar/Training
573.79	Hotel
158.21	Meals
63.60	Publications
2,802.67	Travel
604.00	Total Training Expenses
8,172.29	Website Expenses
375.63	Total Organization
299.00	Promotion
100.00	Passport Program
683.94	Jinglebell Jubilee
-340.00	Advertising
742.94	Entertainment
2,775.07	Miscellaneous
1,817.50	Reimbursements
1,985.39	Total Jinglebell Jubilee
-2,767.50	Spooktacular
3,380.46	Advertising
4,499.03	Entertainment
13,728.21	Miscellaneous
80,720.41	Booth Fees
4,750.72	Sponsors
	Total Spooktacular
	Total Promotion
	Total Program Expenses
	Total Expense
	Net Income

Lombard Town Centre Budget Comparison 2009

	2009 Budget	2009 Actual
Income:		
Village Funding	\$75,000	\$75,000
Donations	\$1,000	\$844
Fundraisers	\$5,000	\$2,373
Interest Income	\$100	\$56
Membership Dues	\$6,600	\$7,198
Total Income	\$87,700	\$85,471
Expenses:		
Administrative:		
Bank Charges		
Insurance:		
Directors	\$1,340	\$1,574
Workmen's Comp	<u>\$675</u>	<u>\$296</u>
Total Insurance	\$2,015	\$1,870
Licenses & Fees	\$700	\$570
Local Travel	\$350	\$433
Miscellaneous	\$100	\$168
Office Supplies	\$1,150	\$1,055
Payroll Expenses:		
Salaries & Wages	\$50,000	\$49,884
Payroll Taxes	<u>\$3,900</u>	<u>\$3,890</u>
Total Payroll Expenses	\$53,900	\$53,774
Postage	\$200	\$219
Rent	\$6,300	\$6,300
Subscriptions	\$45	\$45
Telephone/Internet	\$2,190	\$1,780
Utilities	<u>\$1,290</u>	<u>\$765</u>
Total Administrative Expenses	\$68,255	\$66,991
Program:		
Design:		
Beautification/Gardening	\$100	\$0
Birdhouse Competition	\$0	\$425
Total Design	\$100	\$425
Economic:		
Gifts (Grand Openings)	\$100	\$0
Miscellaneous	\$100	\$632
Total Economic	\$200	\$632
Organization:		
Annual Meeting/Volunteer Recognition:	\$1,800	\$1,847
Board/Membership Meetings	\$700	\$960
Community Relations	\$500	\$932
Constant Contact	\$360	\$446
Newsletter	\$500	\$131
Professional Dues	\$450	\$450

Lombard Town Centre Budget Comparison 2009

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	2009 Budget	2009 Actual
Training:		
Conference/Seminar/Training	\$2,235	\$600
Hotel	\$2,860	\$1,407
Meals	\$900	\$574
Publications	\$200	\$158
Travel	<u>\$550</u>	<u>\$64</u>
Total Training	\$6,745	\$2,803
Website	<u>\$675</u>	<u>\$504</u>
Total Organization	\$11,730	\$8,173
Promotion:		
Downtown Promotional Brochure	\$3,000	\$0
Less: Sponsorships	-\$3,000	\$0
Total Promotional Brochure	\$0	\$0
Passport Program	\$325	\$376
Farmer's Market		
Advertising	\$1,250	\$0
Miscellaneous	\$210	\$0
Total Farmer's Market	\$1,460	\$0
Jinglebell Jubilee:		
Advertising	\$1,134	\$299
Entertainment	\$500	\$100
Miscellaneous	\$1,232	\$684
Less: Reimbursements	<u>-\$1,274</u>	<u>-\$340</u>
Total Jinglebell Jubilee	\$1,592	\$743
Ladies Night Out:		
Advertising	\$940	\$0
Miscellaneous	\$25	\$0
Less: Sponsorships	<u>-\$965</u>	<u>\$0</u>
Total Ladies Night Out	\$0	\$0
Spooktacular Saturday		
Advertising	\$1,162	\$2,775
Entertainment	\$1,096	\$1,818
Miscellaneous	\$723	\$1,985
Less: Booth Fees	\$0	-\$430
Less: Sponsorships	<u>-\$200</u>	<u>-\$2,768</u>
Total Spooktacular Saturday	<u>\$2,781</u>	<u>\$3,380</u>
Total Promotion	<u>\$6,158</u>	<u>\$4,499</u>
Total Program Expenses	<u>\$18,188</u>	<u>\$13,729</u>
Total Expenses	<u>\$86,443</u>	<u>\$80,720</u>
Net Income (Loss)	<u>\$1,257</u>	<u>\$4,751</u>