




MEMORANDUM

TO: Trustee Johnston, Chairperson
Economic and Community Development Committee

FROM: Jennifer Ganser, Assistant Director of Community Development 

DATE: October 12, 2015

SUBJECT: Business Retention

In the 2015-2018 Strategic Planning process, the Village Board identified economic development as a priority. A stated goal was to formalize a business retention initiative aimed at key sites (attachment A). Per the Strategic Planning process, staff is to identify key sites/businesses to meet with for business retention. As part of this memo, staff also researched business retention efforts of other municipalities. The ECDC will be asked to support the program. This is consistent with the goals of the Village-wide Economic Development Strategy and Action Plan – Comprehensive Plan Update, August 2011. Staff is introducing a formal program to the ECDC, with the intent to start business retention meetings in Spring 2016.

A business retention program can provide the Village with advance warnings of challenges facing the business or that a business will expand and grow. It is a way to build solid relationships and network. Business retention occurs over time and ideally involves follow-up meetings to see how a business is changing over time. Staff will also serve as a liaison to these businesses. Business retention goes hand in hand with business attraction. This ensures the Village maintains contact with established businesses as they grow.

Staff conducted research on retention programs from other selected municipalities in the Chicagoland area (attachment B). Staff discussed business retention with municipalities close to Lombard and those that have a formal program. Key points are:

- most meetings conducted informally;
- focus on relationship building; and
- importance to target a type or size of business to meet with.

Staff notes that a “key business” is subjective. All Lombard businesses are key to the Village’s success. With over 3,000 businesses in the Village staff will not be able to meet with each business in a year. Therefore it is important to prioritize retention visits. Staff has data that breaks down businesses by industry sector, number of employees, largest sales tax and property tax generators. A combination of these options may yield the most fruitful results to the Village. These larger businesses would create a greater impact to the Village if they left or reduced in size significantly.

Staff notes that downtown Lombard and Yorktown Mall are two areas often called out as key to the Village. Lombard Town Centre regularly meets with downtown businesses and alerts staff to any potential issues. Village Staff is always available to meet with a downtown business, if needed. Staff is in regular communication with Yorktown Mall management. Similar to downtown Lombard, Yorktown Mall management regularly meets with their tenants and alerts staff to any potential issues.

Based on staff research of other communities, and previous efforts from Village staff both in Lombard and other communities, staff proposes the following. Starting in Spring 2016, Village staff will meet with top employers and top sales tax generators. This includes retail, office, and industrial businesses giving staff a broad range of industries. Staff is targeting two retention meetings per month. Past experience has taught staff that a formal survey is not always well received. Businesses are busy and some may not see the initial value in meeting with the Village. By respecting the businesses time, staff hopes to keep the meetings to thirty minutes and ask questions about the businesses' industry (growing or declining), Lombard location, employees, opportunities and challenges. As noted above, a goal is to keep meeting with the business. As staff continues to build the relationship more, ideally more information will be shared and communication will be more regular. Staff will keep track of who they met with and if the business had any issues or concerns for the Village. Staff will reach out to the appropriate parties, to ensure that concerns within the Village's control or purview are remedied. Staff will report on their efforts at upcoming ECDC meetings to allow the ECDC to see who staff met with and what key points came from the meeting.

COMMITTEE ACTION REQUESTED

This item is being placed on the October 12, 2015 ECDC agenda for review and concurrence.

ATTACHMENT A

Strategic Priority: Economic Development		Key Outcome Indicator:	
Initiative: Develop Business Retention Initiative Aimed at Key Sites			
ACTION	MEASURE OF SUCCESS	WHO'S RESPONSIBLE	TARGET DATE
Identify Criteria to Qualify As Key Sites	Review previously adopted Economic Strategies Plan and supplement with identification of SIC businesses in a report format	Community Development Dir Finance Director (FD) Village Manager (VM)	10/12/15
Conduct Inventory to Identify Key Sites	Develop report to identify those most ripe for redevelopment and compile database inventory	Community Development Dir Finance Director	11/1/15
Present Inventory to ECDC for Input	Review previously adopted Economic Strategies Plan and supplement with additional sites ripe for pending redevelopment opportunities in a report format	Community Development Dir ECDC	12/31/15
Conduct Research on Retention plans of other towns	Report presented to ECDC	Community Development Dir	1/31/16
Develop Retention Program	Program should include an introduction letter, business database, Village information and promotional efforts.	Community Development Dir Village Manager (VM)	3/15/16
Present stated Program To ECDC	Report presented to ECDC	ECDC Chair	5/1/16

Develop a comprehensive business database to be the public and businesses (to promote business-to-business transactions within the community)	The Database is to be shared with businesses during staff visits.	Community Development Dir	9/1/2016
Commit to the previously established business visitation program by visiting at least 24 businesses per year (including follow-up visits)	Annual reports to the Economic and Community Development Committee shall be provided.	Community Development Dir	12/31/2016
Develop a "Welcome to Lombard" program for new businesses	Program should include an introduction letter, business database, Village information and promotional efforts.	Community Development Dir Village President	12/31/2016
Create and maintain a comprehensive database of prospective businesses that may be seeking to locate into Lombard.	Quarterly reports to the Economic and Community Development Committee shall be provided.	Community Development Dir	12/31/2016
Create a new business follow-up policy and develop a schedule for regular follow-ups.	Issues identified by businesses should be addressed all applicable Village Departments.	Community Development Dir	9/1/2016
Continue to represent the Village of Lombard at local trade shows and events.	Create a database of contacts obtained and maintained	Community Development Dir	10/7/2015 and ongoing

ATTACHMENT B

- **Montgomery**
 - Meets with businesses in an informal manner with 3-5 questions for 30 minutes. Meetings have been focused on a corridor, top employers, or top sales tax generators. Found that short, in-person, informal meetings are key to building trust and relationships over time.
- **St. Charles**
 - Conducts a three question email survey to all businesses in the City every two years (from City electric billing data). Conducts in-person meetings with a quarterly memo to the Board.
- **Bensenville**
 - Goal of fifty (50) per year with a 1 page survey. Number of meetings is reported to the Board.
- **Downers Grove**
 - Visits large employers, or business they are aware is considering expansion. No formal report or survey.
- **Glenview**
 - Goal to meet with all “major” businesses (such as a car dealership) each year as well as a select number of “minor” businesses based on type and geographic diversity. No formal survey conducted, though staff does make note of issues/concerns to the appropriate person/department.
- **Channahon**
 - Starting a formal retention plan with a goal to meet with 15% of all businesses (from business license database). Survey is available online and businesses may request a meeting if they elect to fill out the online survey. Survey discusses background information, products and services, workforce, technology, utility services, and community services.
- **Bartlett**
 - Goal to meet with two businesses per month. Staff asks questions on type of business, employees, growth plans, needs and concerns from the Village.