


MEMORANDUM

TO: William "Bill" Ware, Chairperson
Economic and Community Development Committee

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

DATE: February 2, 2011

SUBJECT: Village Wide Economic Development Plan

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.

Attached is the first draft of sections 1 & 2 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

Action Requested

As outlined in the approved work plan, staff requests that the ECDC review the first draft of sections 1 & 2. Specifically, the ECDC should review the proposed strategies and key objectives that are associated with each of the goals along with the overall content of the report. Following the completion of these steps, staff will begin developing the last 2 sections of the report (development strategies and implementation).



Village-wide Economic Development Strategy and Action Plan – Comprehensive Plan Update

**Department of Community Development
February 2011 DRAFT**



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Background

This plan was developed by the Economic and Community Development Committee and Department of Community Development, which are tasked with encouraging and guiding development and redevelopment within the community. In 2010, the Village Board identified economic development as a key goal for the upcoming year. Specifically, the Village Board stated the following goal:

“Continue to expand economic development strategies to attract, maintain or expand businesses opportunities within the community, to include creating innovative solutions to fill commercial vacancies and innovative solutions to vacant lot development.”

The intent of this plan is to identify specific actions, priorities, and programs to enable the Village of Lombard to achieve its economic development goals by building upon the Village’s economic assets and identifying new opportunities. These activities will increase employment, facilitate the robust growth and expansion of businesses, improve the quality of life of all residents, enlarge the tax base, further promote and develop the downtown, and position the Village as an attractive place to live and work.

Plan Goals & Objectives

Goal 1
Retain, expand, & attract commercial & industrial businesses.

The Village will build upon the existing business visitation program, promote awareness of the Lombard businesses, and develop ways to attract new businesses to the community by meeting the following objectives:

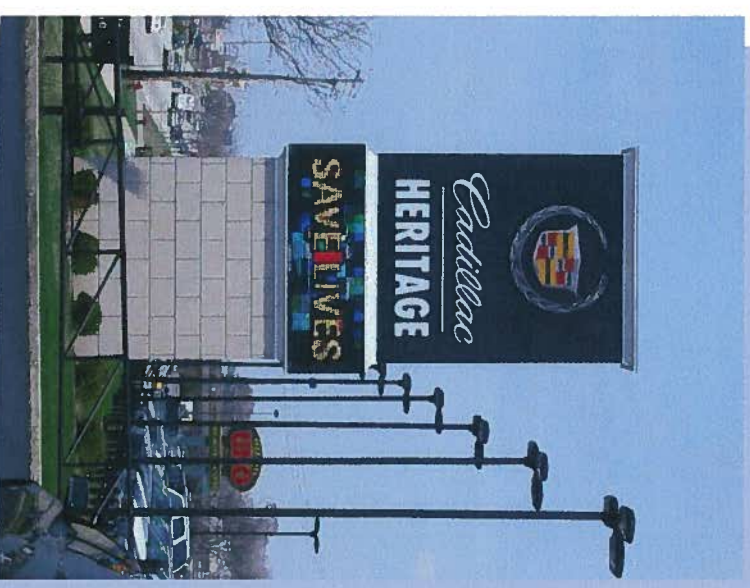
**Economic
Development Goals**

- 1. Retain, expand & attract commercial & industrial businesses.**
- 2. Promote general economic development & business growth.**
- 3. Increase municipal revenue sources & identify incentives for specific development opportunities.**
- 4. Encourage redevelopment along key commercial corridors.**

1. **Raise awareness of local businesses.** Continue to partner with the Lombard Area Chamber of Commerce and Lombard Town Centre on marketing strategies to both consumer and business markets. Develop a comprehensive business database to be shared with residents (for awareness purposes) and businesses (to promote business-to-business transactions within the community).
2. **Retain existing businesses.** Continue the business visitation program by visiting at least 24 businesses per year (including follow-up visits). Be responsive to issues and concerns raised by local businesses.
3. **Welcome new businesses.** Create a “Welcome to Lombard” program for new businesses. This will include an introduction letter, business database, Village information, etc.
4. **Attract new businesses.** Continue to develop relationships with key business representatives that may choose Lombard as their location.
5. **Consider incentives for large businesses.** Explore all available incentives for large commercial businesses that have a significant impact on the Lombard economy, with an emphasis on BIDs and TIF that preserve sales tax revenue.
6. **New business follow-up.** Once business located within the community, follow up and seek input about their experiences working with the Village.

Goal 2 Promote general economic development & business growth.

The Village will promote Lombard’s business-friendly environment by meeting the following objectives:



The Village of Lombard conducted one-on-one visits with more than 20 businesses in 2010, including Heritage Cadillac (above).

1. *Enhance the image of Lombard support businesses and business growth.* Work proactively to identify businesses seeking expansion and promote Lombard's willingness to help them expedite their development and approval processes.
2. *Provide clear and consistent rules and regulations.* Engage other departments and approval entities early in the permit process. Proactively work with businesses educating them about common code enforcement issues.
3. *Promote environmental sustainability.* Work with the Public Works Department and the Environmental Concerns Committee to educate local businesses about environmentally friendly options.
4. *Keep businesses informed.* Keep website up to date with economic development-related information. Provide web based questionnaires to businesses to solicit suggestions, concerns and input. Lastly, explore creating a Constant Contact list for businesses to share new information as it becomes available.

Goal 3 Increase municipal revenue sources & identify incentives for specific development opportunities.

The Village will establish specific and attainable goals for increasing sales tax revenue by meeting the following objectives:

1. *Identify key development parcels that have the opportunity to contribute most to the Lombard economy.* The following sites, explained in greater detail in the Development Strategies section of the plan, could provide immediate impact to Lombard's economy and increase sales tax generation:
 - Dania/Tire Connection, 513-523 W. Roosevelt Road



Bricks Wood Fired Pizza (above) opened in Downtown Lombard in 2005. Word-of-mouth and favorable reviews helped drive the need for their new, expanded space a few doors down the block. This relocation, assisted by a \$20,000 Downtown Retail Business Grant, allowed them to increase their dine-in area from eight to 45 seats.

- Yorktown Office Center, 621-651 E. Butterfield Road
 - Northern Baptist Theological Seminary, 610-690 E. Butterfield Road
 - Yorktown Center, Highland Avenue & Butterfield Road
2. **Seek available federal, state and county grants to assist with Lombard economic development efforts.** Continue to work closely with the State of Illinois Department of Commerce and Economic Opportunity and DuPage County’s “Choose DuPage” for business assistance programs and leads.
 3. **Establish an “explore all options” approach to businesses retention.** When learning that a business is interested in relocating, expanding, or possibly leaving, have a clear plan and response approach.

Goal 4 Encourage redevelopment along key commercial corridors.

The Village will build upon past actions associated with major commercial corridors and subareas by meeting the following objectives:

1. **Promote unified development where applicable.** Although past studies cover this issue, this should be encouraged wherever possible.
2. **Develop themes for the identified shopping districts.** Identify themes or niches that might be best for each corridor (restaurants, niche retail stores, recreation, etc.). Unified signage and promotional banners should be encouraged to identify each distinct district.
3. **Promote façade enhancements.** Encourage private property owners to reinvest in their assets.



Village Plaza Shopping Center (above), located at 701-743 E. Roosevelt Road, will complete its façade renovation in early 2011.

The shopping center at 275-299 W. Roosevelt Road (below) completed an extensive façade renovation in 2008, updating the appearance of the building and adding new major tenants (Hobby Lobby and Harbor Freight Tools).



Market Overview & Assessment

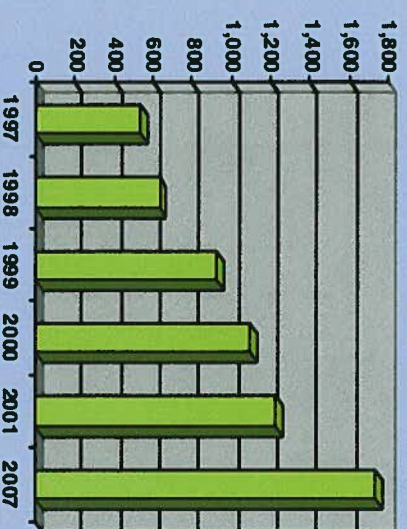
Market Overview

The Village of Lombard is a dynamic, progressive community located 20 miles west of Chicago's loop in the heart of DuPage County midway between Lake Michigan and the Fox River Valley. With a population of nearly 45,000 residents and growing, the community encompasses 10.5 square miles and is a residential community with a thriving commercial base. The Village is bounded on the west by I-355 and on the south by I-88 which provide easy access to and from Lombard. Neighboring communities include Addison, Villa Park, Downers Grove, and Glen Ellyn. The Village is also served by the Metra UP-West commuter line, which has a depot in the center of the community.

Lombard's rich history and sense of community provide a solid backdrop for today's bustling, modern Village. A central location within the Chicago region, direct access to two interstate highways, and available land and facilities provide for a strong economic base for the Village. The I-88 East-West Research and Development Corridor and Lombard's 22nd Street along the Village's southern border are home to modern office buildings and corporate clients including Mid Con, Unisys, Waste Management and the world's first Hyatt Place hotel. Eleven office and industrial parks offer quality office, warehouse and light assembly space options. In addition, a large industrial park located on the Village's northern boundary has easy access to I-294 and I-355.

With nearly 19,000 housing units, Lombard offers a diversity of housing choices with a wide variety of styles in every price range, from historic Victorians to affordable condominiums to brand new luxury homes. Lombard's excellent public and private schools rank highly among Illinois schools and produce top students. A variety of recreational opportunities offered by the Lombard Park District's 17 parks and facilities, two golf courses, and two regional recreational trails round out Lombard's attractive qualities as a place to live.

Hotel Growth – Room Count, 1997-present



New Restaurants, 2005-2010

Bricks Wood Fired Pizza
 Culver's
 Eddie's
 Gyros
 Old Town Pizza
 Desi Grill
 Starbucks
 Club Paradis
Rock Bottom Brewery
 Il Posto
 Crepe Café
The Capital Grille
 Halsted Street
 Deli
Subway
 El Mesquite
Epiri Delicatessen
 Los Burritos
 Tapatios
Papa John's
 Sahara
Claim Jumper
 Sabri
McDonald's
 Brandy's
 Gyros
Harry Caray's
 Asian Star
Holy Mackerell!
 Main Street Café
China Kitchen
 Poolside Dogs
RA Sushi
 Las Monarcas
Sweet Tomatoes
 Mama Thai
 Riley's
American Café
Brio Tuscan Grille
 Lucky
Strike Flat Top Grill
 Taco Bell
 D.O.C. Wine
Bar Geno
 Angelo's Pizza
Miller's Ale House
 Señor Jalapeño
 Roundheads
 Pizza
 Charley's
 Grilled Subs
 Yogen
Fruz
 Mike's Hot Dogs
Buffalo Wild Wings
 Mirch
 Masala
 Little
Caesars
 Capone's Café
 101
The Patio Burger
 King Café
 D Khan
Le France Café & Crepes
 Noodles
 Pho U Jersey
 Mike's Subs
 Thai
 Sawasdee
Tropical Smoothie Café
 No Way
 Jose Taqueria
Tom & Eddie's
 Apollo Grill
Penn Station
 East Coast Subs
 Tom's Grill
Burrito Parrilla
 Mexicana
 Pepper & Salt
 Restaurant
 Rancho Viejo

Commercial Corridors

North Avenue

North Avenue’s main retail intersection is at Columbine Avenue and Rohlwing Road (IL-53), which is home to Lombard Landings (formerly known as Northgate Plaza). This 332,428-sq. ft. shopping center is seeking major tenants for its high-visibility location. Another retail node is located at North Ave and Grace Street, which recently saw construction of a CVS pharmacy and retail strip center, the Overlook on North.

Westmore-Meyers Road

Westmore-Meyers Road, with 13,500 vehicle trips per day, is home to two distinct commercial districts. Eastgate is a 10-acre multi-tenant shopping center with an assortment of retailers, service businesses, and fast food restaurants. It is also a state service destination for the western suburbs with both an Illinois Secretary of State facility and an Illinois Employment & Training Center.

Downtown Area

Downtown Lombard is the largest of the neighborhood commercial areas, with a 26-acre central business district surrounding the Lombard Metra station. The downtown’s historic streetscape is visited by 16,000 vehicles and 1,200 train commuters every day. Lombard Town Centre, a not-for-profit organization, is a Village-funded group that is dedicated to working with downtown businesses and property owners.

Roosevelt Road

Roosevelt Road is the Village’s main east-west artery, connecting with I-355 and carrying nearly 50,000 vehicles per day. The corridor contains 1.7 million square feet of retail and service businesses and several major shopping centers including High Point Centre (anchored by Ultra Foods, Office Depot, and Babies R Us) and Lombard Pines (anchored by Jewel Osco and Enchanted Castle). Several major redevelopments are enhancing the area in accordance with the Village’s Roosevelt Road Corridor Plan.



Westmore-Meyers Road has two distinct commercial nodes, one of which is a historic business district (above) that was once part of the former town of Westmore.



Special events such as the weekly French Market (pictured below) bring people into Downtown Lombard on a regular basis, creating a sense of community along with business opportunities.

Yorktown/Butterfield Road

Butterfield Road is the Village’s most prominent retail destination, home to Yorktown Center, Fountain Square of Lombard, and the Highlands of Lombard. Yorktown Center is of one of Chicago area’s most renowned shopping centers, anchored by Von Maur, Carson Pirie Scott, JCPenney and Target with more than 180 stores and restaurants plus an 18-screen AMC movie theater. The Shops on Butterfield at Yorktown Center were completed in 2007, bringing more than 225,000 square feet of sophisticated retail, dining, and entertainment options to DuPage County in a stylish outdoor setting. Yorktown is also home to the Village-owned Westin Lombard hotel conference center, the premier hotel conference center in DuPage County. In addition to the Harry Caray’s Italian steakhouse, the Westin has the first-ever Holy Mackerell! concept from the Harry Caray’s restaurant group.

Fountain Square of Lombard served as the Village’s first experiment with a large-scale mixed-use redevelopment, transforming a former seminary into an attractive gateway into the community with six restaurants, three retailers, a hotel, two condominium developments, and a senior living complex. It successfully reinvigorated the Butterfield Road corridor, bolstering its reputation as a regional destination for finer dining and shopping experiences and serving as a model of high-quality development that is reflected in subsequent projects such as the Highlands of Lombard, Shops on Butterfield, and Oak Brook Promenade.

The Highlands of Lombard is a mixed-use planned development that, only 10 years ago, was part of a tax-exempt cemetery with no perpetual care fund. Now, City View at the Highlands has 403 luxury apartments within a five-story building. The commercial portion of the site includes The Great Indoors and three retail strip centers with a Pier One Imports, Family Christian Book Stores, and several restaurants.



The Westin Lombard hotel conference center (above) is a 440,000-square foot, 18-story building with 500 hotel rooms and suites, 55,500 square feet of meeting space, and amenities commensurate with a full-service, convention-oriented five-star hotel.

The Highlands of Lombard development at Highland and Butterfield (below) has added 222,000 sq. ft. of retail space since 2001.



Neighborhood Commercial Areas

In addition to the three major retail corridors, Lombard has a number of smaller, neighborhood-oriented shopping centers throughout the Village. Each neighborhood shopping district has its own distinct feel reflecting the era in which it originally developed. East St. Charles Road between Grace Street and Westmore-Meyers Road is included within Lombard's newest TIF District. The area is characterized by small lots that abut either residential properties or the Great Western Trail.

Other areas include the St. Charles/Crescent node just west of the downtown. South Main Street is comprised of numerous office uses and several small retail centers. On the densely populated southwest edge of town at Finley Road and 22nd Street, a new Citgo gas station and car wash, retail/office center, and 7-Eleven store are passed by more than 22,000 vehicles every day.

Office & Industrial Parks

As part of its comprehensive plan, Lombard aims to expand and maintain a strong employment base within the community that enhances the Village's overall standard of living. Lombard is home to a variety of business, professional, medical, general tenant and corporate offices. Large scale corporate and general tenant office uses are located along portions of both 22nd Street and Butterfield Road. Although the vast majority of these areas are already developed, a few sites along 22nd Street are available for new office development. In the past decade, DuPage Medical Group has built two new facilities: a medical office building on Highland Avenue, and a surgical center on Technology Drive.

In addition to the main office corridors, the Village has a number of dedicated business parks that accommodate general office and distribution-type land uses. The Woodlake Corporate Center is located west of Illinois Route 53 in the west central portion of the Village and consists of office, office research, light assembly and distribution uses. Two additional business parks are located in the southern portion of the community along



Lombard Hobbies (above) completed a full facade renovation in 2007. The project was eligible for an Improvement and Renovation Grant due to its location with the St. Charles Road TIF 2 (West) District.



Heron Point (below) was completed in 2002 and features 98,604 sq. ft. of Class A office space as well as an on-site, 114-room Fairfield Inn & Suites hotel. Acosta and Staples are major tenants.

Finley Road: Oak Creek Center is located along the west side of Finley Road north of 22nd Street, and York Brook Business Park is located along the east side of Finley Road south of 22nd Street.

The Village also has two traditional light industrial areas. The 250-acre North Avenue industrial park is Lombard's largest industrial area. It is situated entirely north of North Avenue and has excellent access to the greater Chicago area, offering direct access to I-355 and a short five mile-drive to I-294. The smaller East St. Charles Road light industrial area is comprised of a diverse mix of successful local businesses including Owl Hardwood Lumber Company, Ace Coating Enterprises, and Matthies Landscaping. With a wide variety of available commercial locations, nearly any business can find a suitable home in Lombard.



Demar Direct is a direct mail production company with a 100,000 sq. ft. facility in the North Avenue industrial park.

Chicago Soydairy, which specializes in vegan foodstuffs (including Dandies Vegan Marshmallows, below), has won numerous awards since moving to Lombard in 2005, including the Innovate Illinois Award and the Peta2Libby Award.



Economic Development Tools

Lombard has demonstrated a commitment to working with developers and property owners to come up with creative, innovative ways to assist developments that provide a significant benefit for the Village.

Tax Increment Financing (TIF)

The Village has three tax increment financing (TIF) districts in the downtown and along St. Charles Road. TIF is used in a variety of ways to encourage redevelopment, mainly through incentive agreements and grant programs. The Elmhurst Memorial Lombard Health Center was rebated all TIF increment generated by the project through 2011 and has resulted in a 50,000 sq. ft. medical office building/clinic providing 60 new jobs, a new downtown anchor, and emergency medical services. Oak View Estates, a residential project replacing a number of marginal commercial uses, provided for potential TIF reimbursement of up to \$400,000 to assist with site preparation, utility line burial, environmental cleanup, and stormwater detention. The Village’s four grant programs have approved over \$1,000,000 in grant funds for over 50 projects through the Improvement and Renovation Grant, Restaurant Forgivable Loan, Retail Business Grant, and Relocation Grant Programs.

Business Improvement Districts (BID)

In 2005, Lombard designated the first “blighted” business district in Northern Illinois at Yorktown Center to address its excessive vacancies and badly needed infrastructure improvements. The developer is reimbursed for eligible expenses only from funds generated by a one percent business district sales tax, up to \$32 million. The Village did not bond any debt for the project (which became The Shops on Butterfield), and benefits from \$1.5 million in new sales tax and property tax generated annually.

Grants

The Village of Lombard does not currently have any identified funding sources for general business grants (outside of designated TIF areas).

Economic Development Tools At A Glance

- Tax Increment Financing
- Business Improvement Districts
- Grants
- Special Assessments/
Special Service Areas
- Revenue Sharing
- Industrial Revenue Bonds

Special Assessments/Special Service Areas

Special assessments use the Village’s good name and credit to finance private improvements. An example of this is Fountain Square, where a \$4.3 million special assessment funded improvements to 22nd Street, Butterfield Road, Meyers Road, watermain, fire hydrant, & sanitary sewer installation, and burial and relocation of overhead lines.

Revenue Sharing (sales tax, property tax, utility tax and telecommunication tax)

In two instances, the Village has approved sales tax rebates where redevelopment has been financed partially through new sales taxes generated by that redevelopment. In 1994, Von Maur was rebated up to \$4 million over 10 years for their more than \$20 million investment into their Yorktown Center flagship store. More recently, Lombard Toyota received up to \$300,000 over three years for their expansion.

Industrial Revenue Bonds (IRB)

The Village issues industrial development bonds, wherein the Village receives one quarter of one percent of the total bond amount as issuance fee. Three recent examples include Tella Tool (\$2,430,000 bond issue), Elmhurst Memorial Lombard Health Center (\$6,482,000 bond issue), and the National University of Health Sciences (\$12,000,000 bond issue).



In 2001, Lombard Toyota (above) entered into a three-year sales tax rebate agreement with the Village to allow for an expansion. This expansion accommodated the addition of the Scion brand.



The Elmhurst Memorial Lombard Health Center (below) used the Village’s bonding authority to finance a 50,000 sq. ft. medical office and clinic building in downtown Lombard.

Roosevelt Road Corridor Summary Sheet

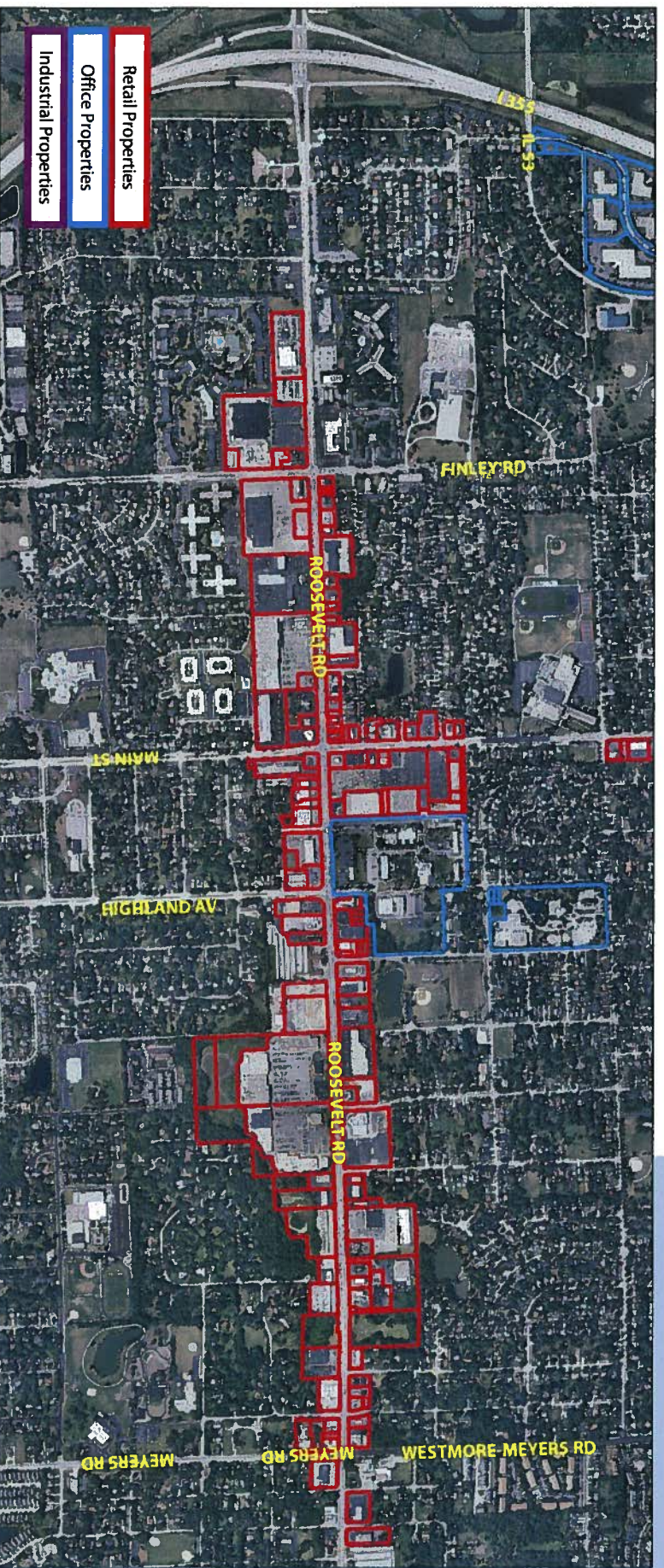
The Roosevelt Road Corridor is retail-focused, with several shopping centers including High Pointe Center and Lombard Pines. Major tenants include Lombard Toyota, Heritage Cadillac, Jewel Osco, Ultra Foods, Babies R Us, Pep Boys, The Tile Shop, Century Tile, Dania, Kmart, and Hobby Lobby.

In 2005, the Village conducted a corridor study along Roosevelt Road that led to the creation of a new zoning district (B4A). This report identified potential right-of-way improvements and pedestrian accommodations. In addition, the report suggested ways to provide additional open space, landscaping, stormwater detention, and buffering without negatively impacting the corridor's commercial potential.

| Demographics | 1-mile | 3-mile | 5-mile |
|-----------------------------|-----------|-----------|------------|
| Population | 11,147 | 101,908 | 266,574 |
| Households | 4,376 | 38,584 | 99,566 |
| Avg Household Income | \$ 88,662 | \$ 99,423 | \$ 102,732 |

Traffic Counts:

Roosevelt – 44,900 vehicles/day
 Highland – 18,100 vehicles/day
 Main – 15,400 vehicles/day
 Meyers – 19,200 vehicles/day
 IL Rte 53 – 12,100 vehicles/day



North Avenue Corridor Summary Sheet

North Avenue has the Village's largest industrial center, a 250-acre industrial park on the Village's northern border. There are also two retail clusters: one at Grace Street and one at IL Route 53.

The construction of Heron Point in 2002 added major office uses to the corridor. There are currently a number of available development sites within the industrial park and retail areas.

| Demographics | 1-mile | 3-mile | 5-mile |
|----------------------|-----------|-----------|-----------|
| Population | 5,826 | 102,301 | 293,006 |
| Households | 2,067 | 37,178 | 110,199 |
| Avg Household Income | \$ 78,901 | \$ 80,322 | \$ 89,330 |

Traffic Counts:

- North – 46,300 vehicles/day
- IL Rte 53 – 21,700 vehicles/day
- I-355 – 117,800 vehicles/day



Butterfield Road/22nd Street Corridor Summary Sheet

The Butterfield Road/22nd Street Corridor is a major regional employment and shopping destination. Retail activities are anchored by three shopping centers. Large, multi-story office buildings are clustered on Butterfield Road and 22nd Street, creating a high daytime population for the corridor's many restaurants. This area is also home to two business parks focused on office and light industrial uses: Oak Creek Center and York Brook Business Park.

This area experienced a development boom in the late 1990s-2000s, with the construction of Fountain Square and Highlands of Lombard. Yorktown Center added The Shops on Butterfield and numerous outbuildings, assisted by a Business Improvement District.

| Demographics | 1-mile | 3-mile | 5-mile |
|-----------------------------|-----------|-----------|------------|
| Population | 7,194 | 86,002 | 265,933 |
| Households | 3,301 | 34,473 | 105,542 |
| Avg Household Income | \$ 86,016 | \$ 97,494 | \$ 103,562 |

Traffic Counts:

Butterfield – 47,200 vehicles/day
 Meyers – 19,200 vehicles/day
 Highland – 18,100 vehicles/day
 Finley – 22,400 vehicles/day
 I-88 – 130,600 vehicles/day

