

VILLAGE OF BARTLETT

COMMITTEE AGENDA

DECEMBER 18, 2018

COMMUNITY & ECONOMIC DEV., CHAIRMAN GABRENYA

Bartlett Plaza Concept Plan

FINANCE & GOLF, CHAIRMAN DEYNE

Six Month Budget Review

EXECUTIVE SESSION

To Discuss Pending or Imminent Litigation Pursuant to
Section 2(c)11 of the Open Meetings Act



Agenda Item Executive Summary

Item Name	Bartlett Plaza Concept Plan	Committee or Board	Committee
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BUDGET IMPACT

Amount:

Budgeted

*List what
fund*

EXECUTIVE SUMMARY

Manny Rafidia is a shopping center owner who typically purchases and improves distressed properties and those with high vacancy rates. He currently has Bartlett Plaza under contract and has plans to renovate the center including its façade, roof, parking area and to correct Code-related issues in the former grocery store space.

The Village Board previously approved a BEDA grant in the amount of \$50,000 based on Mr. Rafidia's intention to purchase Bartlett Plaza and make \$2 million worth of improvements in an effort to increase the marketability of the center and to fill the vacant spaces with new businesses.

In early December, Mr. Rafidia submitted a list of requests to Mayor Wallace and economic development staff in regard to proposed uses for the shopping center, which he intends to rebrand as the Streets of Bartlett, and financial incentives to provide him with assistance to make his project economically feasible.

The requests include several special uses, a request to waive permit fees and the Village's support for a Class 7 property tax reduction through Cook County should the shopping center meet the standards of the program.

Mr. Rafidia presents his requests as a Concept Plan to gain valuable feedback from the Committee as to how he should proceed with this project.

ATTACHMENTS (PLEASE LIST)

Staff Memo, Email to Village President Wallace, Assistant Village Administrator Scott Skrycki and Economic Development Coordinator Tony Fradin from Theresa Slovick and Manny Rafidia from December 6th, Site Plan attached with email detailing various reuses of the former grocery space and a future out lot building, sign rendering showing Cross Creek Commons sign in Roselle

ACTION REQUESTED

- Resolution
- Ordinance
- Motion
- For Discussion Only - for the Community & Economic Development Committee to review and provide feedback to Mr. Rafidia in terms of proposed uses and financial incentives related to his purchase and redevelopment of Bartlett Plaza

Staff: Tony Fradin, E.D. Coordinator

Date: December 10, 2018

ECONOMIC DEVELOPMENT MEMORANDUM

DATE: December 7, 2018
TO: Paula Schumacher, Village Administrator
FROM: Tony Fradin, Economic Development Coordinator *TF*
RE: Bartlett Plaza Concept Plan and Incentive Requests

BACKGROUND:

Staff has spent a majority of this year working with Mr. Manny Rafidia, a shopping center owner who currently owns eighteen centers, in an effort to assist him in the purchase and redevelopment of Bartlett Plaza.

Bartlett Plaza currently has a 42.6% vacancy rate including the former 31,860 SF grocery space that last housed Bartlett Fresh Market eight years ago.

CONCEPT PLAN:

Mr. Rafidia has submitted the attached concept plan for the division of the former grocery space into four tenant spaces.

His concept plan depicts the majority of the space being demised into a 22,428 SF space that will be used as a family clothing store, potential resale shop, or an entertainment center. He has previously reported to the EDC and the Village Board that he has previously operated an entertainment center called DinoRex in several of his shopping centers.

The remaining 9,432 SF are shown to be divided into three units including a 4,150 SF Armanetti's liquor store, a 3,900 SF restaurant concept with wood fire pizza, ice cream and gaming called Fire & Ice, and a 1,382 SF hookah lounge.

Staff has informed him about the State laws pertaining to the location of hookah lounges in free standing buildings.

His concept plan further depicts a future 20,000 SF building shown as "future banquet hall or grocery store" along Devon Avenue, situated centrally within Bartlett Plaza's parking field.

Also of note is Mr. Rafidia's intention to rebrand Bartlett Plaza as "The Streets of Bartlett" upon his planned redevelopment of the center.

These uses would require multiple special use permits including, but not necessarily limited to, liquor licenses for Armanetti's and Fire & Ice as well as a special use should the family clothing store be a resale shop.

Future out lot development of a grocery store could require special use(s) as well including alcohol sales, as would a banquet facility.

He has also submitted the attached rendering for a new pylon sign with LED images, which would require a height variance. Staff will work with Mr. Rafidia on new signage for the center once he acquires it.

INCENTIVES:

At its October 16th meeting, the Village Board approved a BEDA grant in the amount of \$50,000 to assist Mr. Rafidia with his \$2 million renovation plans for the center following his purchase of it.

Mr. Rafidia has indicated that, because Bartlett Plaza is comprised of two buildings, each with its own Property Identification Number (PIN), he intends to apply for an additional \$50,000 BEDA grant next fiscal year should the program be continued.

Mr. Rafidia is now requesting further incentives from the Village including a waiver of building permit and water tap-on fees as well as the Village Board's endorsement of a Cook County Class 7 application should the shopping center qualify.

Building Director Brian Goralski has estimated that the building permit fees for Mr. Rafidia's project would amount to approximately \$24,000.

Water and sewer tap-on fees for a future 20,000 SF building would be an additional \$7,300.

Regarding the Class 7 application, Mr. Rafidia's tax attorney along with Village Attorney Mraz and staff continue researching Bartlett Plaza's eligibility for tax relief.

ACTION REQUESTED:

Due to the challenging nature of redeveloping an older shopping center with a high vacancy rate and many upgrades needed, along with the unique combination of requests regarding potential uses and property tax relief for a shopping center, Mr. Rafidia seeks feedback from the Village Board.

He remains under a contract via an extension to purchase Bartlett Plaza in the coming weeks, and has asked for the Village Board and President Wallace's support to make this project economically feasible per his attached email communication from December 6th.

Tony Fradin

From: Theresa Slovick <tscrmadison@gmail.com>
Sent: Thursday, December 6, 2018 11:28 AM
To: Kevin Wallace
Cc: Scott Skrycki; Tony Fradin
Subject: Bartlett Plaza
Attachments: SITE PLAN.pdf; PYLON IMAGE.jpg

I would like to humbly ask the Board and Village President to work with me on achieving the approval for the requests outlined below in order for me to make this deal economically feasible. I am approaching the time to finalize this deal and I wanted to be able to obtain something in writing from the Village approving these requests before I finalize. I understand that there is a process that we have to go through in order to get certain special uses and certain requests and by no means am I trying to pressure the Board but it is so imperative that I am able to achieve the goal to move forward with closing this deal. My requests are as followed.

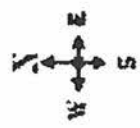
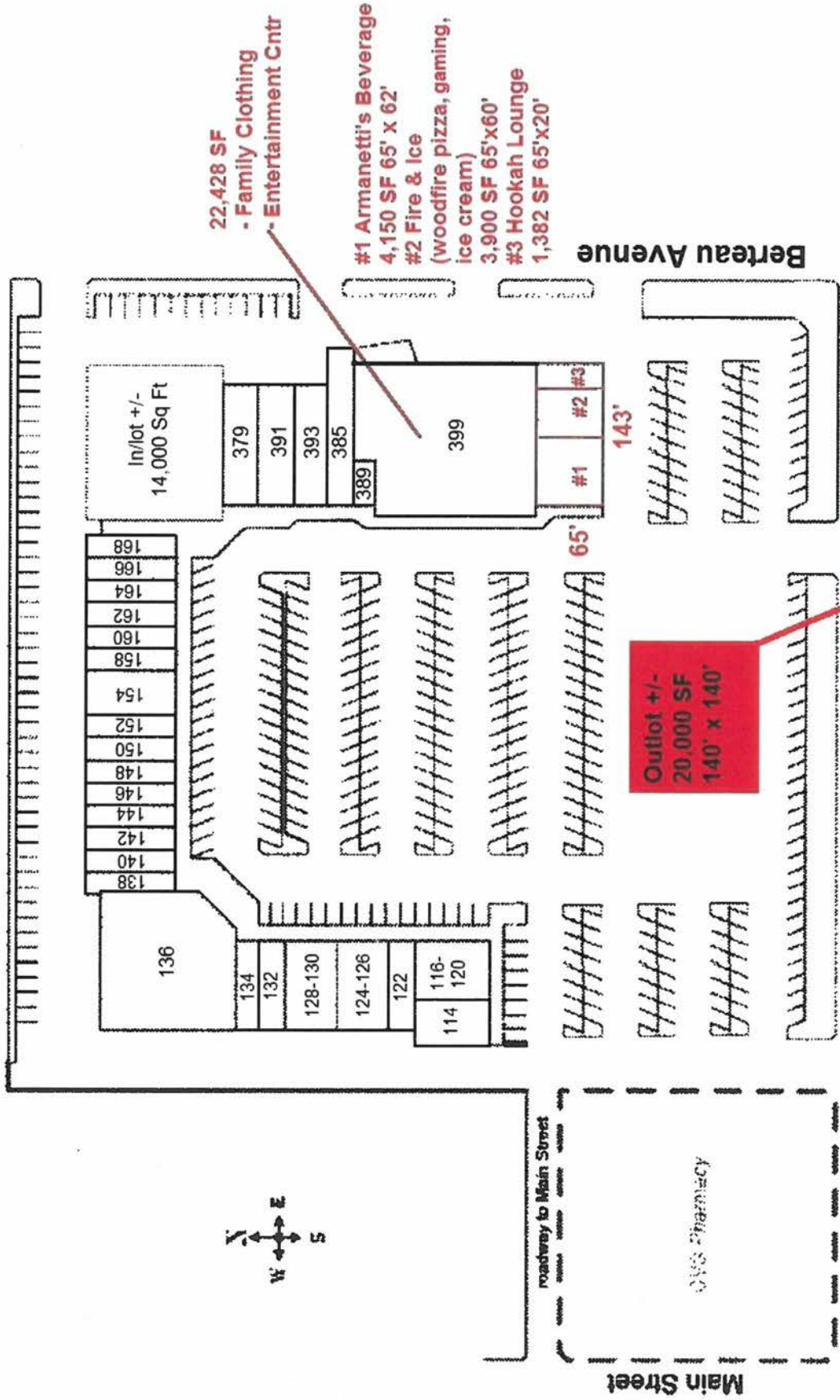
- A relief on all the permit fees for the improvements and support from the Village for Cook County to give us relief on the Property Taxes.
- Relief on tapping fees for utilities, water/sewer, electric, gas.
- Approval of a new pylon sign, similar to the image attached, that will include LED images.
- In the event we build a 20,000 square foot building on the property, located on the attached site plan, I would request the future users, for either a grocer or banquet hall, be pre-zoned.
- I am requesting to change the name of the Shopping Center to "Streets of Bartlett".
- As indicated on the attached site plan, I would like to be able to put in the Center 1) Armanetti Wine & Spirits 2) Food Establishment containing Woodfire Pizza, soft serve ice cream, small bar and gaming café and 3) Hookah bar. I have already received executed leases from these three users, contingent upon Village approval. I am asking the Board to approve these uses. My intention is to work with the Village Board and the Community to make the utmost result that lead to a successful and improved Shopping Center. As I previously explained, I bring tenants from my pool of tenants that I currently have in my other shopping centers, these tenants have proven to improve the look of the shopping center and do not cause any distractions to the neighborhood and serve the needs of the community.

Your consideration is greatly appreciated and I look forward to working with the Village of Bartlett and hope to hear from you soon. Please let me know if you have any questions.

Manny Rafidia
(847) 921-9200

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Theresa Slovick
Office: (630) 539-2295
Email: tscrmadison@gmail.com



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Agenda Item Executive Summary

Item Name 2018/19 Six Month Budget Review

Committee
or Board

Committee

BUDGET IMPACT

Amount:	N/A	Budgeted	N/A
List what fund	General, Water, Sewer, Parking, Golf		

EXECUTIVE SUMMARY

Six month review of the Village's five operating funds.

ATTACHMENTS (PLEASE LIST)

Memo

ACTION REQUESTED

- For Discussion Only
- Resolution
- Ordinance
- Motion:

Staff: Todd Dowden, Finance Director

Date: 12/10/18

Village of Bartlett
Finance Department Memo
18-35

DATE: December 10, 2018

TO: Paula Schumacher, Village Administrator

FROM: Todd Dowden, Finance Director

SUBJECT: Six-Month Budget Review

Attached are the projections for our major operating funds based upon actual activity through October 2018. Below is a highlight of the funds.

General Fund

Overall, the General Fund is projected to use \$537,101 less fund balance than what was budgeted. The total projected fund balance reduction at year-end of \$1,238,226 includes \$1,111,250 in transfers to the Municipal Building Fund. Revenues in total are expected to be over budget by approximately \$348,685. Changes to the State shared income tax is main reason for the revenues being over budget and are expected to be higher by \$200,000. The State returned 5% of the 10% reduction the prior year to the amount to be distributed to municipalities with its fiscal 2019 budget. Real Estate Transfer taxes are up due to the sale of a large industrial building. The first distribution of the new home rule sales tax was received in October and is on track to meet the budgeted amount of \$1.3 million for the current fiscal year. Building permits are down in part to fees being reduced for economic incentive purposes.

Revenues that are doing well in the General Fund include:

- State Income Tax – 5% ahead of budget
- Real Estate Transfer Tax – 16% ahead of budget
- Interest Income – 167% ahead of budget
- Home Rule Sales Tax – On track to meet budget

Revenues that are projected to finish the year under budget include:

- Building Permits – 13% below budget
- Cable Franchise Fees – 4% below budget

Expenditures are projected to be \$188,416 under budget. This Police Department is projected to be under by about \$142,000 mainly due to three retirements and open positions during the year. The Building Department is under budget for plan review fees

by about \$20,000. Other departments also had positions open that contributed to the lower costs. Professional Services is over due to the costs related to the demolition of Lucky Jack's.

Water Fund

The Water Fund is projected to have an operating surplus of \$2,535,822 based on the first six months of activity. The operating surplus is being used for capital projects including water tower painting, main replacement, and the Lake Michigan water transition. Water sales are slightly below budget at this point in the year. Expenses are also projected to be just under the amount budgeted by about \$130,000. Service agreements for maintaining the wells and utility costs are the main reasons for being under budget. Water purchases from Elgin are currently on budget and are being closely monitored.

Sewer Fund

The Sewer Fund is projected to finish the year with an operating surplus of \$1,324,222. Like the Water Fund, the surplus operating revenue will be used for capital projects. Revenue for the Sewer Fund is expected to finish about \$54,000 over the amount budgeted. The projected operating expenses are expected to be over budget for chemical supplies, but should be offset by savings in equipment maintenance and machinery purchases.

Parking Fund

The Parking Fund is projected to end the year very close to the budgeted amount with an operating surplus of approximately \$15,000.

Golf Fund

The Golf Fund is projected to end the year with an operating loss of approximately \$67,000. Revenues for the Golf Course and Food & Beverage divisions combined are projected to be \$214,949 under budget. Operating expenses for all divisions of the Golf Course are expected to be under budget by \$98,211. Activity was slower than the five year average for the first six months of the year. Food & Beverage has picked up in November and bookings are looking good for December through April. Staffing changes have been made to reduce costs going forward.

GENERAL FUND
Revenue/Expenditure Analysis Fiscal Year 2018/19

As of October 2018

<u>Fund/Dept</u>	<u>2018/19</u> <u>Budget</u>	<u>2018/19</u> <u>Year to Date</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>	<u>Under/</u> <u>(Over)</u>
Revenues	22,259,999	13,212,831	59.36%	22,608,684	(348,685)
Expenditures					
Village Bd/Admin	1,725,536	782,574	45.35%	1,725,536	0
Professional Svcs	470,900	216,427	45.96%	496,962	(26,062)
Liability Insurance	640,000	47,727	7.46%	640,000	0
Finance	2,066,911	583,120	28.21%	2,029,911	37,000
Comm Dev	1,025,560	520,914	50.79%	1,010,560	15,000
Building	1,003,356	456,280	45.48%	983,356	20,000
Police	12,979,552	6,776,968	52.21%	12,837,074	142,478
Streets	4,123,511	1,713,557	41.56%	4,123,511	0
Total	24,035,326	11,097,567	46.17%	23,846,910	188,416
Revenues Over (Under)	(1,775,327)	2,115,264		(1,238,226)	
Expenditures					

WATER FUND
Revenue/Expenditure Analysis Fiscal Year 2018/19

As of October 2018

<u>Fund/Dept</u>	<u>2018/19</u> <u>Budget</u>	<u>2018/19</u> <u>Year to Date</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>	<u>Under/</u> <u>(Over)</u>
Operating Revenues	10,096,000	5,298,972	52.49%	9,932,469	163,531
Operating Expenses	7,526,647	3,371,024	44.79%	7,396,647	130,000
Revenues Over (Under)	2,569,353	1,927,948		2,535,822	
Expenditures					

SEWER FUND
Revenue/Expenditure Analysis Fiscal Year 2018/19

As of October 2018

<u>Fund/Dept</u>	<u>2018/19</u> <u>Budget</u>	<u>2018/19</u> <u>Year to Date</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>	<u>Under/</u> <u>(Over)</u>
Operating Revenues	5,075,000	2,642,948	52.08%	5,128,905	(53,905)
Operating Expenses	3,779,728	1,784,468	47.21%	3,779,728	-
Revenues Over (Under)	1,295,272	858,480		1,349,177	
Expenditures					

PARKING FUND
Revenue/Expenditure Analysis Fiscal Year 2018/19

As Of October 2018

<u>Fund/Dept</u>	<u>2018/19</u> <u>Budget</u>	<u>2018/19</u> <u>Year to Date</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>	<u>Under/</u> <u>(Over)</u>
Revenues	231,500	119,298	51.53%	232,000	(500)
Operating Exp	217,042	108,669	50.07%	217,042	-
Revenues Over (Under)	14,458	10,629		14,958	
Expenditures					

GOLF FUND
Revenue/Expenditure Analysis Fiscal Year 2018/19

As of October 2018

<u>Fund/Dept</u>	<u>2018/19</u> <u>Budget</u>	<u>2018/19</u> <u>Year to Date</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>	<u>Under/</u> <u>(Over)</u>
Revenues					
Golf Course	1,428,150	982,445	68.79%	1,259,700	168,450
Restaurant	156,000	121,327	77.77%	158,493	(2,493)
Banquet	685,000	368,018	53.73%	642,000	43,000
Midway	128,000	113,955	89.03%	122,008	5,992
Total	2,397,150	1,585,745	66.15%	2,182,201	214,949
Expenditures					
Golf Program Exp	744,531	354,759	47.65%	701,066	43,465
Golf Maint Exp	584,192	315,996	54.09%	552,634	31,558
Driving Range Exp	6,898	3,823	55.42%	6,000	898
Restaurant	313,051	180,856	57.77%	314,000	(949)
Banquet	632,815	330,629	52.25%	611,176	21,639
Midway	65,600	52,596	80.18%	64,000	1,600
Total	2,347,087	1,238,659	52.77%	2,248,876	98,211
Revenues Over (Under)	50,063	347,086		(66,675)	
Expenditures					