

**Minutes
January 14th, 2019
Village of Bartlett
Economic Development Commission**

1) Call to Order

G. Kubaszko called the meeting to order at 7:00 pm.

2) Roll Call

Present: S. Gandsey, C. Green, A. Lewensky, G. Kubaszko, T. Smodilla, Richard Miskiewicz (Chamber), J. LaPorte

Absent: R. Perri

**Also Present: T. Fradin, Economic Development Coordinator;
S. Skrycki, Assistant Village Administrator**

3) Approval of Minutes

A motion was made to approve the minutes from the December 10th meeting.

Motioned by: S. Gandsey

Seconded by: A. Lewensky

T. Smodilla Abstained

Motion Carried

4) BEDA Program Discussion

T. Fradin opened the meeting by reviewing the first year of the Bartlett Economic Development Assistance (BEDA) program last May 1st.

This program is a first of its kind for the Village and was funded with a new \$150,000 line item from the general fund, thus it is not tied to any Tax Increment Financing (TIF) district. Moreover, buildings and properties within the Village's three TIF districts are not eligible to participate in the BEDA program. The amount of the line item was based closely upon the amount of revenue generated for the Village from video gaming proceeds.

The BEDA program provides grants of up to \$50,000 with a stress on utilizing it to attract sales tax producing businesses. Service industry businesses typically face less risk than small stores and restaurants and also do not generate sales tax revenues for the community. Thus the stress on using the limited funds to attract businesses that further enhance the Village's eating, drinking and shopping offerings.

To date, the EDC has recommended favorably on four grant applicants and the first recipient recently opened his business.

The four applicants to date have been Indian Express restaurant (\$25,000), Siri Indian Grocery (\$15,000), Manny Rafidia (\$50,000) and John Castilla for the Bartlett Tap (\$35,000). Mr. Rafidia is the contract purchaser for Bartlett Plaza with plans to rehabilitate the entire center and subdivide the former grocery space into multiple business units.

Staff is currently working with John Castilla on his substantial rehabilitation of the former Platform 18 building at 113 W. Railroad Ave. to reopen it as the Bartlett Tap in the coming months. Economic Development staff, the EDC, Mayor Wallace and the Village Board hope to maximize the private investment needed to revitalize various properties throughout the community by continuing and enhancing this program.

Staff has met with several additional potential applicants for the coming months and possibly into next fiscal year. While it is impossible to predict exactly who will apply, likely applicants include Mr. Rafidia with his ongoing redevelopment of Bartlett Plaza.

There are undoubtedly others who have not yet made their plans known, as well as several businesses from outside the community that Staff has told about the program in an effort to attract them to the community.

We wanted to make the application process seamless, but have since requested new business ventures to provide a business plan before it goes before the Village Board for final vote. We cannot guarantee the success of all grant recipients, but the Village wants to understand details about how these projects will enhance the local economy and create additional employment opportunities for area residents.

Besides requesting this additional information, Staff requests that the EDC review this application and make recommendations of how to improve it including the funding of the program.

Staff has specific aspects of the program for the EDC to consider, including: (1) A requirement to prove that property taxes on BEDA applicants' buildings are current. (2) The need or desirability of a three year limitation on grants provided to certain addresses, i.e., in the case of Bartlett Plaza and potential future tenants. (3) A requirement for a new business venture to submit a business plan. (4) A timing requirement for starting a project, i.e., one year or less, so as not to be "stuck" holding funds for a project that does not come to fruition. (5) Increasing the amount of total funding requested and/or the maximum grant amount for larger projects. (6) Staff is seeking input and recommendations from the EDC on how to enhance and improve this program to give it a greater impact in FY 2019-2020 and beyond.

S. Gandsey suggested adding a finishing date requirement. She asked for guidance on that from staff.

T. Fradin said that for the time being that would be an accounting issue. He cited the length of a project like Mr. Rafidia's and how that would not fall into a standard set of timing as would other projects. Adding that once the new fiscal year begins, the Village will still owe him his \$50,000 upon completion.

T. Smodilla cited that she recalled at the beginning of the process there was a 6 month start date proviso.

T. Fradin stated that at the beginning of the process that there was not a proviso like that, but it would be a good idea to add, with a mechanism that would allow staff to be able to add in extensions based on the nature of the project, so that they do not have to return to the EDC and go through the process again.

T. Smodilla stated that she would think that the EDC would want them to come in to explain what the delay is. She stated that theoretically with two PINs in Mr. Rafidia's case, it wouldn't be fair to hold up to \$100,000 funds indefinitely with no way to hold them to a date. She added that when it is not a one size fits all type of standard, that it creates special standards for certain projects. She added that the precedent set by a large project like Bartlett Plaza could be theoretically be granted to a hot-dog stand by the precedent that was set.

T. Fradin added that Commissioner Smodilla had a good point. He added that different projects have different scopes, adding that the hot dog stand was a prime example of something that wouldn't have a similar scope to what Bartlett Plaza has, and that staff discretion would determine the exceptions and extensions to timelines. He said that there was no commitment to six months being the timeline, while it's a good starting point to discuss, they could come to another length. He added that staff is in constant communication with these applicants, and that they don't often go longer than a week without getting updates from them, adding that if something was to come up to warrant an extension, staff would be able to alert the EDC without them having to come in and go through another application. He added that if the EDC believes 6 months is a good number, that he'd be happy to take that recommendation.

A. Lewensky stated that six months seems long. He believed that three months seems more appropriate for a start date. When applicants come in, they have everything priced out and have a plan in place, they shouldn't need six months to pull the trigger. He added that we do not want to incentivize people taking their time.

T. Smodilla added that she also believes that six months seems generous. She also asked if Mr. Rafidia specified which PIN number his BEDA grant applied to.

T. Fradin that he is planning to rehab the entire center at once, but his priority is the vacant grocery space. He added that he agrees that six months is more than long enough. He stated that the program was intended to help fill vacant spaces for small businesses.

A. Lewensky agreed, adding that the three month window should be more than enough for the average applicant, adding in special extensions for special circumstances.

S. Skrycki added that an important note is that every situation is different. He added that staff has been meeting with Mr. Rafidia for 14 months on the possibility of redeveloping Bartlett Plaza. He is looking to help bring a grocery store into the community, which is the number one goal for the Village's strategic plan as far as commercial redevelopment in the community. He added that he would hate to see somebody walk away because of a technicality in a project of this magnitude.

T. Smodilla added that rather than unlimited renewals to the timeline, she would entertain, on good faith, a business coming forward with a target open date or range, so that there are not exceptions being made, and have the timeline set on a case by case basis with a reasonable target opening date. This will create a level of expectation and a sense of urgency.

S. Gandsey asked if he had finished his business with Cook County.

T. Fradin stated that it is not there yet, and it is still under question whether the property meets all of the criteria.

T. Smodilla asked if it is reasonable to put a six month proviso, and requiring they show progress and an intention of opening, allowing for the EDC to take funds back if there is no end in sight. She ended by asking if there is a possibility that this vision for Bartlett Plaza does not go through.

T. Fradin said that it is possible, however he added that the EDC has the ability to make a recommendation that "Business 'X' is granted a BEDA, provided that the business commences work within 'X' amount of time".

T. Smodilla clarified that Mr. Rafidia is planning to bring in tenants, and not just rehabbing the property to put it back on the market.

C. Green recalled that Mr. Rafidia planned to open his own businesses in the areas that he cannot get tenants.

T. Fradin confirmed that he does intend to do so, but added that there is no proviso that they have to own the property for a certain amount of time.

J. LaPorte added that even if a BEDA recipient did immediately sell a property, it has still been improved. Using the example of Indian Express, that building now has a full commercial kitchen, making it easier for any future development going forward.

T. Smodilla asked what would stop them from also selling off the equipment when putting it on the market.

S. Skrycki recommended that the six month idea was a good one, accompanied with a three month staff report for the EDC to know what is going on along the way. In terms of a callback provision, Mr. Skrycki added that there are many drawbacks, and that it would be best to consult with the Village Attorney about that subject.

T. Smodilla stated that those were great ideas.

C. Green asked if some applicants have already started once they apply.

T. Fradin stated that that has been the case, adding that they will use the BEDA program as a carrot to dangle to help move them through the process as they get estimates. The definition he is seeing for "commencing the project" would be real, physical work, not just the paperwork.

S. Skrycki added that they do not get paid until they do the work.

C. Green asked what Mr. Rafidia's \$50,000 covers in terms of PINs. She added that rather than putting a 3 year stipulation, why not just have that be left to the EDC and ultimately remove it.

T. Fradin stated that it is just one PIN at this time, and he will apply again next year with the second PIN. Both grants will help to rehab the entire property. He would need to wait three years before using each PIN again, and added that if the EDC wanted to get rid of that provision or keep it, it could be done. From what he was hearing, he would remove the proviso barring any opposition to it. He added that that could be beneficial to a multi-phased project.

Mr. Fradin continued to the last point in his memo, about the funding of the program, stating that it is currently funded at \$150,000, saying that it doesn't need to be greatly expanded, but wanted to look at the individual grant maximum of \$50,000 and the overall amount of \$150,000 and get the EDC's input.

T. Smodilla expressed that she felt the current amounts were at a good place, expressing that with more time and data after a few years, the EDC could use the data to identify the impact the program has on property tax and sales tax revenue. She also asked if any non-allocated funds in the program would roll over.

T. Fradin stated that they would not roll over, and would just go unspent and return to the general fund. He added that staff is anticipating three large projects that will all be requesting the maximum grant size next year, leaving nothing extra for other projects. Based on that and the availability of funds from Video Gaming Revenues, he added that staff was planning to request \$250,000 dollars for the next budget.

S. Skrycki added that what differentiates this program from other budgeted funds, is that it goes through multiple layers; Staff, the EDC, Village Committee and Village Board. When something like office supplies is budgeted for, staff simply buys the supplies. In this program, the applicant is vetted thoroughly and that it is not guaranteeing it is spent.

T Smodilla asked if Video Gaming will fully cover that expense. She also asked if there is any direct set of numbers showing the tax revenue these business are producing to fully see how this program is paying for itself.

S. Skrycki stated that he did not have those numbers exactly, and could have them available. He added that based on the numbers they are receiving from video gaming, that staff is confident that the \$250,000 would be there.

T. Smodilla stated that she wanted to be sure that this would be a win-win for the taxpayers.

A. Lewensky asked if staff has thought of approaching businesses with the BEDA program to bring them to the downtown.

T. Fradin stated that staff is constantly using the program as an incentive to bring businesses to the downtown.

S. Skrycki stated that staff has made a point of calling businesses with goals of expansion to let them know that this exists now.

S. Gandsey asked if staff consults other communities about similar programs.

T. Fradin stated that the program was based on a variety of communities, modifying them to fit Bartlett. Mundelein was a strong comparison when creating the program.

S. Skrycki added that Des Plaines offers \$100,000 for every new restaurant project.

T. Smodilla asked if this program could also be funded by TIF

T. Fradin replied that TIF funds cannot be allocated to projects outside of a TIF.

5) Opportunity Site E Marketing

T. Fradin shared the Village's goal to develop Site E. As indicated at a recent meeting, Staff recently listed a 1.87-acre land parcel known as Opportunity Site E on LoopNet and CoStar, the two sites utilized by commercial and industrial real estate professionals.

Demographics, traffic counts, utility maps and photos were included in the listing along with an asking price of \$660,000.

In an effort to attract an apartment developer while the market remains strong, Staff will additionally send this to active developers in the area and include it with other targeted marketing efforts including trade shows and email blasts.

With several downtown redevelopment projects in various stages of development including the new MORE Brewing facility, the reopening of the Bartlett Tap and Mr. Rafidia's potential redevelopment of Bartlett Plaza, it is the Village's intention to attract a high-quality multifamily developer to this site. Attached is the marketing flyer for the property as well as a copy of the LoopNet listing.

Staff encourages Commissioners to suggest potential developers for Staff to contact or to direct them to this site, themselves, so we can attract another quality project to our downtown this year.

S. Gandsey asked about neighboring communities with the desired developments to reach out to them about the site.

T. Fradin stated that staff has done that and will continue to do so.

S. Skrycki added that staff will be cold calling as well.

T. Smodilla clarified that the purpose of this marketing plan is to bring in property tax revenue and if there would be a chance that it is rezoned for commercial/retail use. Specifically asking if they would sell it to a church, with no revenue value.

T. Fradin stated that there is no real interest from retail developers in the site. He added that the revenue is great, but more residential density in the downtown would help support the surrounding businesses.

S. Gandsey asked if there are trade shows this could be brought to.

T. Fradin said there are, but they aren't necessarily trade shows. They are specifically meetings with apartment developers, which the village has not yet participated.

C. Green asked about the number of apartment units staff foresees going in.

T. Fradin said they are looking at about 50 units, give-or-take.

T. Smodilla expressed that parking will be a challenge. She asked about the feasibility of an office building.

T. Fradin said the village would be open to an office building.

J. LaPorte asked if they have reached out to Monroe Residential Partners, saying they have a similar TOD development in downtown Barrington.

T. Fradin said that they absolutely have.

G. Kubaszko asked what it is zoned for, and if there will be public hearings.

T. Fradin stated that someone could build two 27 unit buildings there without any public hearings, adding that it is zoned as PD (Planned Development).

6) New Business/Public Comment

T. Fradin informed the EDC that the Deli featuring Boar's Head meat. , Olivia's Place, is now open and will also have Video Gaming Machines. He added that staff will be doing a formal visit in the coming weeks for a Bartlett Business Spotlight in Oakfield Center.

T. Smodilla asked if once their machines come in, if they would become an only 21 and over establishment.

T. Fradin stated that they will remain a deli, and it will only be 21+ in the gaming area.

S. Gandsey thanked Mr. Skrycki for his activity on social media, helping clear up negative conversation and rumors online and asked what themselves as commissioners to help as well.

J. LaPorte agreed, adding that many residents don't always know the minutia of what is happening in the village, allowing rumors to start.

S. Skrycki stated that he always tries to direct people to the Village, to help get the real information out there and dispel rumors.

T. Fradin agreed, and said anytime a commissioner can clear up a misconception, it is encouraged to help clear things up and build the Village's Brand.

S. Gandsey and J. LaPorte both suggested the Village keep updating the community on what the Village is doing and share the details of the process to keep people informed.

T. Smodilla added that we do not share enough about Brewster Creek, adding that there is never too much success to share.

7) Adjournment

A motion was made to adjourn the meeting.

Motioned by: T. Smodilla

Seconded: C. Green

Motion Carried. The Meeting Adjourned at 8:20 PM