



VILLAGE OF BARTLETT
ECONOMIC DEVELOPMENT COMMISSION MINUTES
October 12, 2020

1. CALL TO ORDER

Commissioner Gerald Kubaszko called the regular meeting of October 12, 2020 of the Economic Development Commission (EDC) to order on the above date at 7:00 p.m.

2. ROLL CALL

PRESENT: Commissioners Kirsten Erickson, Gerald Kubaszko, Michelle Hughes, Nan Gudenkauf, Robert Perri, Adam Lewensky Tracy Smodilla

ABSENT: Commissioner Joe LaPorte

ALSO PRESENT: Economic Development Coordinator Tony Fradin, Assistant Village Administrator Scott Skrycki, Management Analyst Joey Dienberg,

3. APPROVAL OF MINUTES

Commissioner Erickson moved to approve the Economic Development Commission Minutes from September 14, 2020 and that motion was seconded by Commissioner Perri.

AYES: Commissioners Erickson, Kubaszko, Hughes, Gudenkauf, Perri, Lewensky, Smodilla

NAYS: None

ABSENT: Commissioner LaPorte

MOTION CARRIED

4. PUBLIC COMMENT - None

5. BEDA PROGRAM IMPROVEMENTS

Tony Fradin stated that staff, the EDC and the Village Board created the Bartlett Economic Development Assistance (BEDA) program in the 2018-2019 fiscal year as an economic development tool to help attract and retain businesses.

A majority of the eleven short-term complex elements of the village's strategic plan are related to improving the village's economic development. Four of the items include developing a business recruitment strategy to attract developers to invest in the downtown area and provide options for businesses to locate in Bartlett; to develop strategies for development of Railroad Avenue vacancies; working to improve the



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retail business profile in the village; and revisit, refine and execute the village's overall economic development incentives.

The BEDA program was created to help achieve several of those goals.

Since August of 2018, seven grants have been approved for various projects. The total amount of grants approved to date has been \$250,000, leveraging \$2,773,500 in private investment.

Siri Indian Grocery has recently completed the improvement adding the hot food bar to its offerings. The only remaining project that was approved by a BEDA grant but not yet completed is The Still's expansion and façade upgrade.

While the village has succeeded in enhancing our business environment via the BEDA program these past several years, we have also found some of the elements of the program as originally conceived as limiting or incomplete in our efforts to make the best use of the funds allocated for this program by the Village Board.

While meeting with numerous potential applicants and pitching this program to desirable businesses as an attraction and retention tool, staff has multiple suggestions on ways to improve it.

For example, when the program was created, we included a caveat restricting individual properties from being eligible for grants more than once every three years. The impetus for this was based on the TIF rebate program that was in place from the late 1980's through 2010 and the desire to spread the rebates around through the entire community rather than concentrating on particular properties.

The best example of this is the Streets of Bartlett, where Mr. Rafidia has been the recipient of two BEDA grants in the maximum amount, totaling \$100,000. He has documented a substantial amount of investment in the property and we continue working closely with him to fill the remaining portion of the former grocery store space as well as potential development of a new outlot building.

Attracting a second grocer to the village is one of the top priorities of the Village Board, the EDC and staff, and we believe that removing the limitation of grants on particular properties for a period of three years could be a useful strategy in helping to attract a store to this space or a new one to an outlot despite the two grants already awarded the past two years.

We propose reducing the amount of time from three years to two to better continue the redevelopment of key properties downtown and throughout the Village.



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Other properties throughout our community would also be eligible and could benefit from removing this limitation as we work with existing property owners or investors to enhance commercial buildings over the next few years.

Another example is removing all language referencing a fifty percent (50%) rebate amount. This came from other towns' programs but generally applied to smaller buildouts than the ones we have worked with.

To date, the grants awarded have ranged from 5% for Streets of Bartlett to 35% for The Still. The Village's economic development team meets to discuss appropriate amounts to recommend to the EDC and Village Board based on several factors prior to presenting a recommendation, so we feel it better to remove the references to a 50% rebate.

Also, when the first program applicant (Indian Express) first appeared before the Committee of the Whole, they requested that a business plan be provided. Knowing the risk of first-time business owners, particularly in the restaurant industry, staff has subsequently requested that business plans be provided with the applications.

For those businesses that have already succeeded in Bartlett or elsewhere, we still request that business plans be submitted, but can include less details. We have added language about business plans in the updated application.

Other changes include the addition of consideration of one's military status on applications and additional language that takes into consideration the most challenging properties to attract investment to, such as the former dentist office located next to First Class Cleaners on Main Street, the vacant cottage owned by Franco Vercillo at 143 S. Oak Avenue and the chronically vacant building at 151 S. Oak Avenue.

Mr. Fradin stated that staff wants to continue enhancing the BEDA program to make the best use of limited resources while leveraging the maximum benefit for the Village as a whole.

No longer the pilot program it was several years ago, we feel that increasing the flexibility of the program while simultaneously not offering a fixed percentage may encourage more existing businesses to apply and may provide further opportunities for business owners and investors to continue rehabilitating properties that they otherwise may not have.

We ask the EDC to endorse these changes and consider others that may enhance the overall economic development of the village throughout the next several years.



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Commissioner Gudenkauf summarized Mr. Fradin's points, walking through the specific changes to the program.

Commissioner Smodilla asked to see a revised BEDA application including the proposed changes.

Tony Fradin referred Commissioner Smodilla to the meeting packet, where that draft is included.

Commissioner Erickson asked if the time limit is in "fiscal years" or "calendar years".

Mr. Fradin confirmed that it is by "fiscal year".

Commissioner Smodilla stated that she is uncomfortable with the ambiguity of the percentage of the project. She said it may lead to a slippery slope to the Village giving out corporate welfare to businesses that don't necessarily contribute sales tax to the Village.

Assistant Village Administrator Scott Skrycki stated that the ambiguity gives staff the ability to leverage the Grant in the best way possible. By not having a hard percentage point, staff has the ability to have the best interest of the Village, and not be pigeonholed through the process. Scott clarified that the Village will give preference to sales tax producers, however staff needs the freedom to turn away businesses that may oversaturate their respective market in the village, using a pizza place as an example.

Commissioner Erickson recommended that staff reword the application around the percentage to make it clearer to the applicant.

Commissioner Perri asked for clarification on the percentage.

Mr. Fradin stated that it is flexible, depending on the project.

Commissioner Kubaszko moved to forward recommended changes to the BEDA program that were presented to the Village Board for approval and that motion was seconded by Commissioner Gudenkauf.

AYES: Commissioners Erickson, Kubaszko, Hughes, Gudenkauf, Perri, Lewensky

NAYS: Commissioner Smodilla

ABSENT: Commissioner LaPorte



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6. SALES TAX AND UNEMPLOYMENT UPDATE

Mr. Fradin shared an update on the sales tax revenues and unemployment rates of the village. Two of the metrics that the EDC typically reviews and discusses early each year while reviewing the village's economic indicators and progress on developing a resilient, balanced economy are the sales tax revenues and unemployment rate.

At the beginning of this year, at the January 13th meeting, he was pleased to report the Village's unemployment rate at a historic low during his tenure, while sales tax revenues had been flat since the prior year, but had grown at a robust pace for over ten years to the point where the village collected \$2.38 million from July 2018 through July 2019 in municipal tax only.

Directly due to the pandemic, both metrics declined significantly throughout the middle of this year. However, sales tax revenues have since returned to its pre-pandemic range, while the unemployment rate continues to decline more gradually.

After falling to a low of 2.8% in February, the unemployment rate increased dramatically to a high of 16.2% in April.

In the five months since, the rate has declined steadily to under 10% in August.

Mr. Fradin stated that staff will review these metrics as well as many other economic indicators early next year in an effort to continue supporting and expanding the village's growing economy.

Commissioner Perri asked if the village has made cuts due to the loss of revenue.

Scott Skrycki stated that staff has found that the village's revenues, for the most part, have been strong and resilient throughout the pandemic compared to other communities. He added that the Village Administrator implemented a hiring freeze, delayed merit and cost of living wage increases, and vehicle purchases to be on the safe side early on.

Mr. Skrycki also added that staff has been working relentlessly to secure CAREs Act funding, which is not intended to recoup lost revenues, but to offset expenditures the village has had in response to the COVID-19 Pandemic.

7. NEW BUSINESS

Tony Fradin stated that staff has been working closely with developers, brokers, and the owner of Elmhurst Chicago Stone to build what will be the largest building in the village on the Cook County side of Brewster Creek Business Park. He added that a Class 6b will go to the Village Board soon for approval.



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Commissioner Kubaszko asked about the truck traffic in and around Brewster Creek Business Park. He also expressed interest in red light cameras near Stearns and Route 59 as a deterrent.

Mr. Fradin stated that the Village Board have received concerns from residents about the truck traffic and the village will complete a traffic study soon.

Scott Skrycki added that it is one of the village's and Mayor Wallace's top priorities with IDOT.

There being no further business to discuss, Commissioner Perri moved to adjourn the regular Board meeting and that motion was seconded by Commissioner Gudenkauf.

ROLL CALL VOTE TO ADJOURN

AYES: Commissioners Erickson, Kubaszko, Hughes, Gudenkauf, Perri, Lewensky, Smodilla

NAYS: None

ABSENT: Commissioner LaPorte

MOTION CARRIED

The meeting was adjourned at 8:00 p.m.

Joseph Dienberg
Management Analyst