

Minutes

**Village of Bartlett
Economic Development Commission**

January 9, 2017

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

Roll Call

Present: G. Kubaszko, D. Weir, T. Smodilla, C. Green, R. Perri, N. Gudenkauf

Absent: N. Mehta

**Also Present: J. Plonczynski, Director Community Development,
T. Fradin, Economic Development Coordinator**

Approval of Minutes

A motion was made to approve the minutes of the November 14, 2016 meeting.

Motioned by: R. Perri

Seconded by: D. Weir

All in favor.

Motioned carried.

Village Economic Indicators

T. Fradin explained that last year the Economic Development Committee completed a Marketing Plan for 2016 through 2020. The Village Board approved the Marketing Plan. Benchmarks were developed to see if the marketing plan was successful, and if the Villages economic strengths and weakness were being addressed. T. Fradin went on to say there was a similar packet back in February 2016 where the vacancy and unemployment rate were addressed. In late 2016 T. Fradin obtained current Economic Indicators which were summarized in his six page memo. Some of the highlights are as follows:

Population:

The Commercial vacancy rate last February was at 19%, which was alarmingly high, normal is usually 10%. As of now it is we are now at 14%. If we could fill the empty space at Stearns Crossing, our commercial vacancy rate would go down to about 7%.

(ESRI is a leading ArcGIS firm that provided people with maps, data and apps through geographic information systems (GIS). ESRI's data is widely used by municipalities, businesses, developers, corporate site selectors and demographers. Many if the reports provided by Staff to prospective businesses are generated by ESRI).

Since the official census in 2010, ESRI estimates the Village's population at 41,716 or about 500 more residents. If one or more apartment projects are completed in the next few years, Staff expects a greater increase than that at the 2020 census.

In regards to ethnicity, Bartlett skews largely white at 78.6%, with a growing Asian population at 14.4%. Median Household income is around \$97,000, with the largest percentage (26.6%) falling in the \$100K to \$149K range.

ESRI estimates total daytime population at nearly 28,000, with only 8,000 being attributed to workers.

Housing units continue to be owner occupied at 85.4%. Numbers similar to this were presented by SCB while working on the TOD plan, SCB's recommendation to add additional rental units to the Village.

ESRI estimates the population continuing to age, with 75% of the population currently 18+, up over 10% over the past ten years. They also estimate just under 30% of the 25+ population holding a Bachelor's Degree, which is considered a key metric by the more upscale grocers and other higher-end retailers.

71% of employed residents are considered white collar workers, which vastly differs from the jobs located within the Village limits.

Number of Businesses:

There were 300 Licensed Businesses after the licenses were re-issued in spring 2016. The numbers increase slightly, such as 15 new businesses opened but 10 closed. There is a net increase. We are hoping this number will increase next year. Lions Head, O'Hare's Pub and an Allstate agency. O'Hare's did relocate to the downtown and in its original space on Army Trail is a new restaurant opening soon for breakfast. Jersey Mike's, Endorphin Effect and Ace Hardware (coming soon) are also new to the Village.

Chmura Economics:

Staff obtained the current JobsEQ report, generated by Chmura Economics. JobsEQ is Software as a Service (SaaS) that provides access to labor market data.

JobsEQ helps site selectors and economic developers identify JobsEQ helps site selectors and economic developers identify unique data such as how many senior citizens, average housing price, number of

automobiles, traffic counts, etc. Economic Developers need to have this information readily available. This report that was obtained through Choose DuPage answers most of those questions.

The JobsEQ report has total daytime workers for the Village as 8,964, pushing more toward the 10,000 mark which some businesses consider a minimum for consideration of expansion.

Industry Snapshot

Using the NAICS codes the leading employer in the Village is the Wholesale Trade, which include several of the food companies, companies in Brewster Creek that produce components. Then comes Manufacturing, Health Care and Social assistance.

Occupational Snapshot

This goes beyond the NAICS codes by showing the type of job, administrator, sales, office support etc. This is the largest major occupation group for people working in the Village not including the residents. Food preparation, transportation and material moving are other examples of large occupational groups.

Industry Clusters

One report that is provided is not highly accurate. It included job numbers for companies when they started. Such as Greco is listed at 100 employees and they are actually closer to 400, same for Get Fresh Produce, it's listed at 80 employees and they are now closer to 300. The report shows highest relative concentration is Auto/Auto related which includes Senior Flexonics and Midwest Molding in the Business Park. If this report was updated our Food cluster would be higher than our Auto cluster.

Unemployment Rate

T. Fradin commented that he looks over unemployment rate a few times a year. Retailers and personal services are very interested in this number since they do not want to be in a town with a high unemployment rate. Bartlett seems to have a slightly lower unemployment rate in comparison to some of the surrounding communities and the State in general. T. Fradin went on to say for some unknown reason Cook County has usually had a slightly higher unemployment rate. Bartlett is currently at 4.5% for DuPage County and 4.9% in Cook County.

T. Fradin stated he had additional reports that were from a service/website called Factfinders. This report shows households with children ranging from 6 to 17 years old, 68% of them have all parents of the family in the labor force. Most of the workforce drives to work alone, and about 6% work from home. 94% of the Village population has health care coverage.

Another report by Factfinders was about Financial Characteristics. **T. Fradin** stated that most of the units in Bartlett are owner occupied. 20% of families in Bartlett spend \$1,500 to \$1,999 per month on monthly housing costs. 21% paid \$2,000 to \$2,499 and 13% paid up to \$3000 or more per month. T. Fradin stated renter occupied housing units is about 32% who pay \$1000 to \$1,499 and 22% pay \$1,500 to \$1,999. Over 50% of the renters pay between \$1,000 and \$2,000 per month for housing costs. This is higher than average housing cost for the area.

T. Smodilla asked if this was including taxes.

T. Fradin believes this includes taxes, but would look into it and have an answer at a later date. If this cost was total for mortgage, taxes and insurance then the cost seems more reasonable. T. Fradin mentioned there are explanations on the figures but the EDC Board packet would be much more involved.

Inflow/Outflow

T. Fradin commented that he reports on this every year and is very interesting to him: Inflow/Outflow analysis of all jobs. One issue with this report is that shows figure from 2014, being the Economic Census goes in three year cycles. This report shows that everyday 23,131 residents go outside of Bartlett of work somewhere else. Everyday 6,131 come from out of town into Bartlett to work during the day and 1,068 live and work in the Village. That is a loss of 17,000 residents that leave the Village to work outside of Bartlett which is the same as last year.

Work Area Profile

T. Fradin stated that density of jobs are 2000-3000 per square mile with the most being in the Downtown area, Brewster Creek Business Park, also included is Senior Flexonics.

Distance/Direction Report

T. Fradin pointed out the Counts and Density on the map that are calculated by zip codes for people that live and work in Bartlett and the ones that come into Bartlett for work. T. Fradin mentioned that he is on Distance Direction report work to home. This map shows people who are coming to work in Bartlett with a dense amount from Hanover Park, Carol Stream, Elgin, and Streamwood.

T. Fradin commented that the next page indicated the distance and directions workers come from to work in Bartlett. Of the 7,199 who work in Bartlett, 3,709 of the workers travel less than 10 miles, 2,215 travel 10 to 24 miles, 920 travel 25 to 50 miles and 355 travel more than 50 miles.

Retail Report

T. Fradin commented this shows the vacancy rate as 14%, which is something positive. This amount is 4-5 percent lower than last year. The 5 year average was 18%. T. Fradin pointed out that looking at the Availability and Vacancy Analysis, out of the 14%, the 65,000 sq. foot vacant space of Stearns Crossings, now amounts to roughly half of the vacancy. This space is the top priority of the EDC, Staff and the Village to be filled and would decrease the vacancy rate in Commercial a great deal. T. Fradin commented that this is the report he uses for reference when someone calls looking for a certain size commercial space.

Industrial

T. Fradin noted there was a high spike in the industrial vacancy rate that happened in 2014 when it was over 22%. He stated that this was not necessarily due to the weakness of the market but more due to the fact that there were new buildings going up in the industrial parks. A 400,000 sq. foot building was vacant for a few months when Victory Land Group left the Village. Creative Werks now occupies that space. The 22% spike was mainly attributed to this.

Looking at the Aggregate Absorption Report 338,000 new square feet. When talking about vacancy rate we are talking purely sq. footage, not the number of businesses. T. Fradin went on to say the main goal is to attract businesses to the existing space as well as up and coming buildings. There is no alarm on the Industrial Vacancy rate.

Business Office

Looking at the Aggregate Historical Vacancy report it shows the last 10 quarters the highest the vacancy has reached is 8.7% in late 2015, lowest was the second quarter of 2014. T. Fradin stated it has always been around 7 to 8%. There hasn't been any new office product for quite some time. In 2007, **T. Fradin** recalls two new medical office buildings constructed. One is Barrington Orthopedic on Stearns and the other was Woodland Hills

Professional Building near Schick & Rt. 59. Westgate Commons was built in two phases, first phase was retail the next is considered office. 31 buildings are office for a total of 332,957 sq. feet, 24,411 sq. feet are vacant at 7.3%. Office rental rates are much higher than that of retail or industrial. Industrial is close to \$5.00 a sq. foot, retail average is \$16.00 a sq. foot. Office space averages around \$22.22, which had declined from around \$24.00 back in 2014.

Standard Industrial Classification (SIC) Code Report

T. Fradin stated this report is from the State Department of Revenue. The largest category for revenue in DuPage County is food, lumber, building and hardware, drugs and miscellaneous retail. In Cook County portion, drinking and eating are the major sales tax revenue generator, as well as Automotive & Filling Stations.

Sales Tax

T. Fradin stated this report comes from our Village Finance Department. This is usually reported once a month. This has steadily increased over the last several years, predicting about 2.2 million in sales tax revenue for the Village this coming year. T. Fradin pointed out that when the Dominick's closed, Jewel quickly picked up on their sales, making up for a large amount of the sales tax loss.

Gaming Board

T. Fradin stated Video Gaming this is fairly new to the Village. Currently, 12 establishments have these games, for a total of 49 terminals. In 2016 players wagered over 37 million dollars, winning back 34.3 million, meaning the terminals took in 2.9 million with a tax rate of 30%. Blackhawk Restaurant (Betty's) took in \$200,000 in revenue for 5 games in 2016. The State takes a good amount about, \$166,000 just for Betty's alone. Total share for the Village was \$146,248.39 for January 2016 to December 2016.

T. Fradin concluded by saying this was just some of the core metric people look at, age, incomes and types of jobs within the Village. There is one question **T. Fradin** will look up for Commissioner Smodilla and asked if anyone else had questions.

C. Green asked how old business licenses report was and was told this one is about 6 month old. **T. Fradin** advised he usually runs this report in June once all of the business licenses are issued. This does not include licensed home based businesses which are around 300.

T. Smodilla commented how great it was to have this data, but wanted to know how this will be used in the marketing plan to attract businesses that would be a good match for Bartlett. She went on to say it is known that most of the big box retailers or national chains are not interested in coming to Bartlett but perhaps maybe independent business could be and what is the plan to attract such businesses.

T. Fradin stated when the marketing plan was developed it was divided into several areas. The larger companies have their own real estate/site selection people who have more advanced analytics such as drive time. Different businesses want to know different things, such as a restaurant wants to know the number of senior citizens or senior housing to determine location. Auto Zone looked at different things such as population and number of cars etc. There is no one answer.

T. Smodilla questioned if there is anything in the marketing plan to outreach to companies and or businesses.

T. Fradin answered that he has done this the entire time he has been with the Village on a regular basis. The ICSC Shows is where one can meet with the corporate contacts of major businesses. When **T. Fradin** attends such trade shows to talk about the high traffic count, ongoing growth in the Business Park and upper middle type demographics and not our daytime population.

T. Smodilla commented that the drop in the commercial vacancy rate is encouraging but the Dominick's skewing that number. She asked **T. Fradin** if there was an update on the coalition of municipalities that have started to work together to fill Dominick's vacancy.

T. Fradin remarked that there was a press conference with 11 Mayors and Economic Development people from several towns. This meeting turned up the pressure on Jewel and Staff has spoken with them a few times since then. The urgency to fill the space with a quality tenant has been heightened. This is moving in a positive direction.

C. Green questioned with 25% of our 25 year old population having a Bachelor's degree, was this too low for developers.

T. Fradin commented that in regards to the grocery store discussion, each grocer has its own metrics to determine where they look to develop. Some stores think that 25% is a little on the low side, some don't look at this criteria at all.

B. Perri questioned when a real estate developer wants to build homes, what are the top two or three statics do they request most often.

T. Fradin stated most frequently requested is the average home prices, time on the market, income, land price, permit price and housing trends in the area.

J. Plonczynski stated the developers mainly want to know the density of the property, how many homes they can build a piece of property.

B. Perri questioned if there was any planned improvements in the Lake Street area by the dealership near Streamwood.

J. Plonczynski stated that there have been some talk with dealerships in the past but were unable to get the land assembly. More dealerships may be interested which will attract others as well. An apartment developer may be interested and even a multifamily development In that area is also a possibility.

B. Perri remarked that the sales tax receipts coming in from new or used cars would be more beneficial to the Village.

J. Plonczynski stated the car dealership would be more viable concept but the apartment complex may be ahead of the game.

T. Smodilla questioned if the new prospect would be on the high end concept and mixed use.

J. Plonczynski stated this wouldn't be as high end of a concept as the Vintage Developers but more of a regular apartment development. The developer knew about the Vintage concept in the area but has not moved and or acted on any of them.

T. Smodilla questioned as to when the TIF is due to expire. **T. Fradin** believes it was adopted in 2004, so in 2027. About 11 years left.

B. Perri stated that maybe if the Village would have put some money into upgrading the land and possibly purchasing the land it would make it readily available.

J. Plonczynski stated one of the incentives of the TIF is that the Village would discount the land that we currently own. The Village does not control all of this land, only the area of about 10 acres where the apartment

complex would be built. The area is close to 70 acres total that includes some wetlands, about 50 that is buildable. Property owners and developers are talked with on a regular basis.

G Kubaszko asked T. Fradin if there was anything new.

T. Fradin hoped everyone had a moment to look over the memo on the new fitness facility on Rt. 59 called the Endorphin Effect, in the former Walgreens space. This was part of the reason that the commercial vacancy rate went down. **T. Fradin** mentioned two other items: The coupon inserts, 56 businesses participated and have had very good feedback. Also, Small Business Saturday, again very good feedback with new customers since some businesses were featured on our cable ad.

G Kubaszko asked if this covers all the agenda items for the evening.

G. Kubaszko motioned to adjourn.

Motioned by: D. Weir

Seconded by: N. Gudenkauf

Motioned carried

Meeting adjourned at 8:10 PM