



**VILLAGE OF BARTLETT
ECONOMIC DEVELOPMENT COMMISSION**

MEETING AGENDA

**Meeting to be held at:
BARTLETT VILLAGE HALL
228 South Main Street, Bartlett, IL
February 12, 2018
7:00 PM**

1. Call to Order
2. Roll Call
3. Approval of the December 11, 2017 meeting minutes
4. Downtown Incentive Discussion
5. SVN Marketing Report
6. New Business/Public Comment
7. Adjournment

Minutes

**Village of Bartlett
Economic Development Commission**

December 11, 2017

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

Roll Call

Present: G. Kubaszko, C. Green, R. Perri, T. Smodilla, N. Gudenkauf, J. LaPorte, S. Gandsey,

Absent: D. Gunsteen

**Also Present: T. Fradin, Economic Development Coordinator,
S. Skrycki, Assistant Village Administrator
J. Dienberg, Administrative Intern**

Approval of Minutes

A motion was made to approve the minutes of the October 9, 2017 meeting.

**Motioned by: T. Smodilla
Seconded by: R. Perri
T. Smodilla Abstained**

Motioned carried.

T. Fradin added for the record that J. LaPorte was present.

Bartletter Coupon Insert

T. Fradin gave a Bartletter coupon page to each commissioner. He informed them that this was started to help promote local businesses through the harshest times of the recession in 2009. Many local businesses participate. Local businesses are annually sent email and USPS invitations to be included in the insert. This year's insert has included fifty-two businesses including service providers, restaurants and retail establishments. Two businesses that have participated in every insert include Banbury Fair and Bannerman's.

Commissioners were encouraged to share the coupons with their neighbors and remind them to shop and dine local during the holiday shopping season. It was pointed out that Pasta Mia had one of the most generous coupons, which include a free pizza and two glasses of wine.

N. Gudenkauf asked if there was a cost for businesses to participate

T. Fradin confirmed that there was no cost.

N. Gudenkauf asked if the invitation to participate was sent to all businesses.

T. Fradin confirmed that the invitation is sent to every business with a registered business license with the Village.

T. Smodilla asked how many businesses receive the invitation.

T. Fradin estimated between 340-350 invitations were sent.

T. Smodilla asked when the invitation was sent out.

T. Fradin confirmed that a letter is sent out in mid-October, giving businesses three weeks to reply. He also added that the Chamber also sends out reminders as well.

T. Smodilla encouraged sending out the invitation sooner, and to have the coupons available prior to "Small Business Saturday", to encourage shopping local throughout the holiday season.

The commissioners debated the merits of sending the newsletter out sooner, including the ideas of sending it out sooner, or making it digital.

C. Green added that the Bartletter is already digital, so that option is already being taken advantage up. She also expressed that she believed that there are benefits to separating "Small Business Saturday" and the coupon insert, and that the two messages could be lost if they were combined.

S. Gandsey asked if they were already sent out.

T. Fradin confirmed that they had.

Bartlett Business Spotlight

During the last meeting, **T. Fradin** debuted the new initiative to create "Bartlett Business Spotlight" videos to showcase local businesses. At the last meeting, commissioners suggested that at the end of videos to add in the businesses' address, which has since been added. Videos are shared to the Discover Bartlett Facebook Page. At the last meeting, commissioners were shown videos featuring D'Licious Crepes & Roti, VIP Barber Shop and Bartlett Coin & Card shop. Since then, videos have been made featuring Book Lady's Book Attic, Pietanza's, Rodney Ohlmann Trees, and Lisa's School of Dance. Staff also has other videos ready to be filmed and edited. It was also added that they all have had substantial amount views already.

T. Fradin then showed the commissioners the new videos.

C. Green thanked staff for the work that was put into the videos.

T. Fradin added that this was a great way to support local businesses, and get them some free exposure to the community. Tony encouraged commissioners to share the videos, adding that they can exponentially expand the reach of the posts.

S. Gandsey asked if the videos were posted to YouTube, so that the businesses could share that link on their own websites.

T. Fradin said that they were not posted to the Village YouTube page.

S. Skrycki added that by having them on the “Discover Bartlett” page will help share the future videos and expand the “Discover Bartlett” page’s reach.

T. Fradin confirmed that they will be added to YouTube.

T. Smodilla thanked staff for including her suggestion about adding addresses to the videos from the previous meeting, and added that it was nice to see the storefront and the sign in the video as a point of reference. She was also interested in knowing if Bartlett Tire had contacted staff in regards to doing a video.

T. Fradin confirmed that they had not contacted him, and added that the current focus of the videos is for dining and retail, and that they will later shift to service providers, including Bartlett Tire.

Solicitation of Bids for 1.87-acre Town Center parcel

T. Fradin informed the commissioners that in an effort to implement one of the TOD Plan strategies, staff has crafted a Solicitation of Bids document in an effort to attract a developer of multi-family housing to a village-owned 1.87-acre property in the Town Center Subdivision.

This property consists of the undeveloped parcels of Lots 11, 12, 14, and 14 in the Bartlett Town Center Subdivision located at the southwest corner of East Railroad Avenue and South Berteau Avenue. These properties were never purchased by New England Builders and continue to be owned by the Village.

In 2016, the Village Board approved the Downtown Transit Oriented Development Plan (the “TOD Plan”) which identifies the site as Opportunity Site E. The TOD Plan details that the site will be attractive to potential residential developers because it is vacant, cleared and within close proximity to the Metra station. The site is one of the most viable Downtown development sites and should be a marketing priority for the Village, with many amenities within walking distance. The size and dimensions of the site are suitable to many layouts of apartment building floor plans.

SCB recommended a three-story, 38-unit apartment building with 57 parking spaces, which is a non-binding recommendation about the Subject Property’s development potential.

With these considerations in mind, staff has worked with the Village Attorney to craft a Solicitation of Bids, Statement of Qualifications and Proposed Preliminary Development Package for the purchase and development of this property.

The draft document was presented to the Committee of the Whole at its December 5th meeting. Following a brief discussion of the item, the Committee directed staff to issue the Solicitation of Bids this month with a due date in approximately two months.

T. Smodilla asked if the Village would have a preference for mixed-use.

T. Fradin informed the commission that the solicitation of bids does not include a requirement for mixed use, and added that it specifically is a more challenging site for mixed use. The Village is expecting submittals of residential only.

S. Gandsey asked if the TOD Plan included a thru street for the site.

T. Fradin confirmed that it does, and offered to send the commissioners a link to the TOD online to view the details of the site.

C. Green asked two months was a typical response time for this type of project.

T. Fradin responded that the deadline was actually longer than needed, and that this type of bid could be completed in some instances within a week or two.

S. Gandsey asked what the target size of the units is.

T. Fradin responded that there isn't necessarily a target size for the units, adding that there is a preferred layout to compliment the current town center building.

J. LaPorte asked if they had wondered if it has been indicated where the thru street would go, while expressing concern that if the street runs north-south, current residents' parking could be displaced, adding that those details should be reviewed before moving forward.

T. Fradin responded that he didn't have the exact specifications, but there is a rendering in the TOD plan. He added that the North-South road would be a connection to Bartlett Plaza. He also advised the commissioners to keep in mind that whichever submittal is chosen, that they will still go through the zoning process and that the details of the thru street are yet to be determined. He also added that the thru street is a part of the TOD plan, and that the developer is only advised to implement parts of the plans, not required. Tony also added that the EDC will be kept in the loop throughout the process.

S. Skrycki added that all developers will be going through the regular process, and that the Village Board will review the plans, and any displacement of families will not be taken lightly.

New Business

T. Fradin informed the commission that the Village has moved forward in marketing the Village owned site with the broker SVN (Sperry Van Ness) and that a sign has been put up. Staff has also been informed of a few early prospects. One of the recommendations by the EDC was to annex part of the site to make it fully apart of the Village, which would make the site more desirable. Tony informed the EDC that the process of annexation has commenced through the Village's Community Development Department, and staff is looking to get it on a Village Board agenda, so that a potential developer doesn't have to go through the process of annexing it.

Tony also added that Ambrosia has opened, and that staff will be doing a Bartlett Business Spotlight Video to help with promotion.

T. Smodilla asked for an update on Amita Health.

T. Fradin responded that there is no update other than their submittal of plans, and added that this is a project that will consume 2018 and into early 2019. The plans are currently under review. He added that Amita will be utilizing all but 8,000 Sq. feet, and that staff is working with a business that is wondering if the site will have excess space available.

T. Smodilla added that it is great news to share with the community that a business is going in.

R Perri asked if the owner has expressed any estimated cost for renting out the 8,000 square feet.

T. Fradin said that they haven't. He added that the entire duration of collaboration with Amita has been with the project manager, who does not deal with the real estate size.

R. Perri expressed concern with the vacant buildings, saying that residents are considering them as a "blight" to the Downtown area, and was wondering if anything has been or can be done about it.

T. Fradin responded that to answer that question it would have to be done individually by property, as they are all unique situations. Tony specifically discussed the two vacant bars on Railroad Avenue. He added that the village is engaged in a demolition lawsuit with the former Lucky Jack's, and that staff has been in contact with the bank that has taken possession of Platform 18, who has confirmed that it will be placed for sale, and that staff has prospects for the purchase of that building.

R. Perri asked if a TIF plan would be worth talking about in creating interest in the Buildings that have been vacant for a number of years.

T. Fradin said that it would, specifically citing the former Bartlett Fresh Market space, which is in need of major renovations. Tony added that a TIF can help offset the costs on these renovations, as well as for other sites with similar needs. He also added that TIFs aren't meant to put people into business, they're meant to fill a gap between the cost of investing in a property and the extraordinary costs of renovations. He cited that many of these buildings are simply a shell, as the entire interior needs to be redone, and that a TIF would definitely benefit any developers in the downtown area.

R. Perri recommended to the rest of the commission that a TIF discussion be added to the next month's agenda, and expressed that he believes it is stopping progress in the downtown area.

T. Fradin said that he could put it on agenda, and that it may delay the yearly economic analysis.

S. Skrycki added that if the commission wishes to put a TIF discussion on the agenda, then it will be on the agenda.

T. Smodilla stated that if a TIF discussion is going to happen, then the discussion should include all current TIFs in the village, including their deadlines and what the economic impact has been to the Village. She acknowledged and agreed with Commissioner Perri about the advantages of a TIF, but also wanted to see the potential "perils" to the taxpayers as well.

T. Fradin said that could be done, as he regularly does multiple TIF reports throughout the year. He also added that the Village is home to one of the most successful TIFs in the state in Brewster Creek Business Park, as well as another good example in the Blue Herron Business Park. On the other end of the spectrum, Tony added that the Village has a completely undeveloped TIF at 59 and Lake, due to many

different factors, and that has remained undeveloped for 13 years. He added that the main peril of a TIF is that without development, values decline and if there aren't projects the EAV of properties decline and create a gap after the TIF.

T. Smodilla pointed out that the TIFs that had the least amount of development in the Village are the ones that fall in Cook County. She suggested that before the idea of any TIF in Cook County is entertained, that the Commission gets a response from the Cook County Board of Review or even the Cook County Commissioner in regards to the tax situation in Cook County, adding that it is the kindest thing that the EDC can do for the businesses in Cook County.

T. Fradin did agree that there is a disparity between county taxes. He added that the EDC can't just declare a TIF area, and that there has to be a study done on a PIN by PIN basis, requiring an overall decline in the area's EAV opposed to the entire community. Tony added that he believes the downtown would qualify.

Tony also added that with the last TIF study that ultimately didn't pass in the summer of 2015, the Downtown didn't qualify as a blighting TIF, but qualified as a preservation area TIF, which focuses on preserving the EAV of an area. This is a less stringent qualification, and the area would still qualify, as it requires 50% or more buildings in a given area to be 35 years or older.

S. Skrycki added that it would be beneficial for commissioners to review the downtown TIF that ended in 2010.

T. Fradin added that the TIF closing report can show the progress that was made in the former Downtown TIF in creating the Town Center. He added that he would send that report to the Commissioners.

R. Perri added that the Village is doing an excellent job on the commercial and industrial side, but from the resident perspective and not seeing much done downtown, they view the Village as a "do nothing Village", adding that the best thing that can be done is revitalize the downtown.

T. Fradin understood the perception of the downtown looking at the two vacant bars on Railroad Avenue, and the large vacancy in Bartlett Plaza, acknowledging that long term vacancies like that do not look good. He also added that one of the first questions that are asked by most developers looking into the downtown area is if there is a TIF. He also added that Commissioner Perri's point is well taken by staff, and that everybody wants to be proud of their downtown.

R. Perri stated that a part of developing and growing as a Village is filling vacancies and demolishing old buildings. He said that these aren't big problems, but they are problems. He believes that these problems are not being put on the front burner by the Village.

T. Fradin stated that staff can look into tackling the Downtown, but added that many of these sites need some form of financial incentive to be attractive.

J. LaPorte agreed with the perspective of the residents, but countered by saying that the cost of doing business is very high when having to pay for overhead, that it is harder and harder for small businesses to succeed, and that new buildings will bring those prices higher. He added that it's not necessarily the

Village's fault, it's simply the cost of starting up a business. He added that only a national franchise with shareholder money can afford the start-up costs.

T. Smodilla agreed, and argued the only way to truly combat the issue is through tax relief in Cook County. She suggested reaching out to elected officials, including House Representative Crespo who recently sent out a mailer about Cook County property tax relief, Commissioner Tim Schneider, a Bartlett Resident, and State Senators Cullerton and Castro. These individuals could create legislation that would create tax relief.

S. Gandsey asked if there were any studies to see what residents wanted in the downtown.

T. Fradin added that there were, and the most commonly requested was a grocery store. He also added on a positive note that there are multiple successful businesses in the downtown. It is the chronically vacant buildings that are dilapidated and hard to fill that add the negative connotation.

T. Smodilla added that as a commission is charged in providing information to local businesses to keep them in the Downtown. She also added that the sticking point of the TOD was the Metra station, and asked about the current plans to apply for a grant to undo the split platform.

S. Skrycki responded that they looked at the grant, which was a matching grant. He added that the estimated cost of the project was 3-4 million dollars, and the Village would be responsible for half. Due to the current structural deficit plus the state taking away 4-5 hundred thousand dollars out of the general fund for the state to shore up their budget, the board decided not to move forward WITH THAT GRANT, but they did move forward with a different matching grant that entails improving resident walkways that will cost \$28,000, while the village can apply for another grant to pay for the Village's half. Due to this there is no current plan to address the split platform, but it is something that staff will continue to look at.

T. Smodilla agreed that it is something that should be kept on the horizon.

J LaPorte summarized points that had been made and reemphasized the high cost of doing business in town, then added that the Commission needs to keep the entrepreneur in mind, and identify what makes Bartlett attractive for an entrepreneur.

R Perri added that in his experience, most developers do not want to do business in Cook County, and that it is simply less attractive. Adding that entrepreneurial success comes down to the individual and what kind of service they're providing.

T. Fradin agreed with the Commissioner's point.

J. LaPorte agreed and reemphasized Commissioner Smodilla's point about contacting Cook County representatives about tax relief.

T. Fradin emphasized that the taxes are a factor, but not the only factor, and that they also need to find businesses that will be well received by the residents. He then emphasized that there are plenty of successful businesses in Cook County, and that it makes it more difficult when you are on the border, and residents can drive over the county line to do their shopping for less.

C. Green added that in Arts of Bartlett often has people coming saying they didn't know they were there and that they do not regularly go Downtown. She also emphasized that the downtown will continue to struggle if people don't go.

T. Fradin that many of the Village's special events attempt to bring people downtown as a part of the marketing plan. The Village also encourages businesses to try and capture people coming downtown to their service providers, and getting them to shop and dine.

T. Smodilla agreed that event marketing is the best way to bring people downtown, and requested a 2018 event schedule be brought the next EDC meeting to review and possibly fill gaps, in order to draw attention to the Downtown.

T. Fradin thanked Commissioner Smodilla for the Idea.

S. Gandsey asked if the Village could share the schedule with surrounding municipalities.

T. Fradin stated that while they do engage in joint marketing of a corridor for economic development, each municipality is more on its own for their own event marketing.

R. Perri asked if other municipalities purchase vacant or failing buildings, to get them on the market faster.

T. Fradin said that some municipalities do that and cited Hanover Park as an example.

R. Perri also asked about Schaumburg and Streamwood

T. Fradin did not know of those communities having that type of program.

S. Gandsey asked where money would go after selling the 1.87 Acre Parcel.

T. Fradin said that it would go to the general fund.

R. Perri asked that EDC be spelled out on the Village Calendar as the Economic Development Commission so that residents know what they are doing.

T. Fradin said that was a good thought.

Adjournment

A motion was made to adjourn the meeting.

Motioned by: R. Perri

Seconded by: N. Gudenkauf

Motion Carried. The Meeting Adjourned at 8:33 PM

ECONOMIC DEVELOPMENT MEMORANDUM

DATE: February 8, 2018
TO: Chairman and Members of the Economic Development Commission
FROM: Tony Fradin, Economic Development Coordinator *TF*
RE: Downtown Discussion

As requested at the December Economic Development Commission meeting, Staff has provided some history and background information regarding the Downtown business district and information on economic development tools used to stimulate investment in downtown areas.

Current Downtown Redevelopment Status:

Several new businesses have filled vacant spaces since 2015, including Arts in Bartlett, O'Hare's Pub and D'Licious crepes & roti opening in Bartlett Town Center and Ace Hardware coming to Bartlett Plaza. Dr. Ackerman of Balance Family Chiropractic purchased a vacant building at 366 S. Main Street, has demolished it, and is currently constructing a new, state-of-the-art facility. Ace Hardware received a sales tax rebate and Balance Family Chiropractic received a permit fee waiver as incentives to make major business investments in the community.

However, some chronic vacant spaces still exist. These include the 31,860 SF former grocery store space in Bartlett Plaza, Lucky Jack's at 121 W. Railroad Ave., Platform 18 at 113 W. Railroad Ave., the former Tri-County Insurance building at 370 S. Main Street and the cottage at 143 S. Oak Ave.



With the Village's overall vacancy having declined from approximately fourteen percent to approximately seven percent with the recent lease of the former Dominick's space in

Stearns Crossing shopping center by Amita Healthcare, most of the Village's vacancies are concentrated in the Downtown area.

Background and History:

TIF is a commonly used highly effective economic development tool, utilized widely throughout forty-nine states (not in Arizona) to attract and support redevelopment of areas that have been determined to require public financial assistance in support of private investment.

In Illinois, there are over 1,300 TIF districts including three active ones in Bartlett: the Bartlett Quarry TIF (Brewster Creek Business Park), Bluff City and the undeveloped area at the southwest corner of Route 59 and Lake Street.

In 2013 the EDC spent several meetings specifically discussing redevelopment strategies for the Downtown area. One of the twenty-four recommendations was to create a new Downtown TIF district that would provide future incentives to developers and businesses to redevelop and reutilize vacant and/or dilapidated properties in the area. Following a TIF study, the district was not created when it came to vote in 2015.

TIF Primer:

TIF is a term for a process in which municipalities use a portion of current or future tax revenue from a clearly defined area to promote development in that area. TIF primers from the Illinois Tax Increment Association and SB Friedman Development Advisors are attached for your review.

States vary widely in their rules for when a TIF can be used and how it can be applied, so no single description of a TIF is likely to apply universally.

In the Village's example of wanting to attract development or redevelopment to a stagnating or blighted area, the Village would draw a boundary around the commercial district, complete a qualification study, and then ultimately declare the area a "TIF district."

Within the TIF district, future property tax revenues are split between the tax districts that ordinarily receive revenue from the area and a special fund that is devoted to projects benefiting only the TIF district. The tax districts, including the Park District, the Library District, School District U-46, the Fire Protection District and the Township, continue to receive property taxes based on the value of the properties within the district at the time the TIF is created.

Any revenues resulting from rising property values are devoted to the TIF district. This is the "tax increment" that gives the mechanism its name.

There is a "but for" test when it comes to creating a TIF. The redevelopment of chronic vacant and underutilized properties would not be expected to happen without the program. This has been proven over the years in Downtown Bartlett's case, as neither the property owners nor new businesses or developers have shown themselves to be

willing to reinvest in the area without some public investment. Since Bartlett is surrounded by communities that do have Downtown TIFs, private investment has gone to other communities to a greater extent than ours.

Funds within the TIF may be used for property acquisition and assembly, rehabilitation and beautification projects of existing buildings, demolition costs, site preparation and infrastructure, interest rate rebates, professional costs and marketing the area, to name a few common examples. A community may sell bonds secured against the revenues expected to be paid to the TIF fund over its lifetime. There is also a “pay as you go” method, which has been more commonly used in the Village.

At the conclusion of the TIF, which is commonly twenty-three years in Illinois but may be formed for a shorter amount of time or may be closed prior to the full term if the redevelopment goals are met, its special status comes to an end and all taxes from the district again flow to the regular taxing districts that claim revenue from the area.

Are TIF plans and expenditures public?

Of course. When a TIF is established there are numerous legal requirements designed to insure the public and also other local taxing bodies are informed. Public hearings are held and all expenditure decisions must be made in public by local elected officials charged with representing the community. All documents pertaining to a TIF are available through a Freedom of Information Act (FOIA) request.

The benefits of TIF

TIFs help provide the ability to enter into Redevelopment Agreements with a developer and the ability to incentivize a new business willing to commit private funds into an investment into Downtown or another area.

TIFs create short and long term benefits for communities. TIF funds can be used to support a number of public improvements and other investments that support the Redevelopment Plan and Project generally including:

- Public infrastructure improvements including roads, sidewalks, utilities, water, sanitary sewer, storm sewer, detention/retention, parking, street lighting, etc.
- Acquisition of property, land assembly, demolition, site preparation, etc.
- Rehabilitation of older buildings
- Correction and mitigation of environmental issues
- Job training, workforce readiness and other related educational and training programs
- Incentives to retain or attract private development

Many of the nearby communities with traditional downtowns including Elgin, Roselle, Addison, Bensenville, Bloomingdale and West Chicago have TIF districts specific to their downtowns. Communities without traditional downtowns including Streamwood, Hanover Park and Carol Stream also make use of TIF to help stimulate development

and reinvestment in their central business districts. These communities have utilized TIFs to help attract grocery stores, new restaurants in previously vacant locations and mixed-use developments.

Other nearby communities with downtown TIFs include St. Charles, Batavia, Geneva, Glen Ellyn and Barrington. Most, if not all, of the Cook County municipalities along Metra's Union Pacific Northwest line including Des Plaines, Arlington Heights, Mount Prospect, Palatine and Barrington have successful downtown TIFs.

An eighteen-month-old list of all TIFs in Illinois can be viewed on the Comptroller's website at:

https://illinoiscomptroller.gov/comptroller/assets/File/MunicipalitiesWithTIFDistricts_August2016.pdf

Besides TIFs, there are several other tools that can be utilized to incentivize development and redevelopment projects in the downtown area and throughout other areas.

Fee Waivers

Waiving various fees reduces construction or rehabilitation costs for businesses and developers and could also be tied to targeted retailers and/or restaurants. Waiving building permit fees and/or demolition fees may help incentivize some smaller businesses and property owners to take action, with the downside being a loss of revenues to the Village.

The Village Board recently waived building fees in the amount of \$19,182 for the Balance Family Chiropractic project currently under construction at 362-366 S. Main Street.

General Fund

The General Fund could be used to fund façade and business assistance programs, etc.

The Village could consider diverting some of the General Fund to the downtown, or use current sales taxes generated in the downtown to fund projects in this area. This is flexible and at the discretion of the Village Board. A suggestion in this case is to designate a certain amount, for instance \$150,000 annually, and issue rebates/incentives on a first-come, first-served basis in increments of \$10,000 to \$50,000 depending on the size and scope of the project, in an effort to assist small businesses in locating within the downtown business district.

The Village of Mundelein serves as an example of a community that creates and successfully deploys a pool of economic incentive money from its General Fund (see attached).

Revolving Loan Funds (RLF)

One of the oldest finance tools, RLFs operate on the repayment of loans made to fund future lending. The continuation of the fund depends on the collection of existing loans. The loans can be made to start-ups and are used to fill the gap between the amount of capital needed by a business and the amount of capital provided by conventional lending sources. A municipality could tie the loans to targeted retailers. The state requires that every \$15,000 of RLF money must create or retain at least one full-time job equivalent position.

The Village could approach local lending institutions (within or outside the downtown business district) to create a program, perhaps matching funds or allowing the Village to pre-qualify projects. Since start-ups, especially restaurants, are the most risky business ventures, the Village would have to assume some losses in this type of program. In cases where businesses struggle to make payments, it would force Staff into the role of a debt collector, and the fund would be diminished without continued payments.

Sales Tax Rebates

Since this is typically used as an incentive to attract large big box tenants or to supplement larger redevelopments, this would be difficult to review on a case-by-case basis for the smaller retailers and restaurants that exist in the downtown.

The Village has historically entered into sales tax sharing agreements with large sales tax producers including the Home Depot and the former Dominick's Finer Foods. Previous offers of sales tax sharing incentives to grocers since the Bartlett Fresh Market closed within Bartlett Plaza have not been enough to attract a tenant to the largest vacant space in the downtown business district.

In 2017, the Village Board entered into a sales tax sharing agreement with Ziegler's Ace Hardware, rebating fifty percent of the Village's share for ten years or until the \$50,000 threshold is met.

Property Tax Abatements

Most often used for industrial properties, property tax abatements are used in conjunction with other types of incentives, like sales tax rebates. Because the Village collects only about 8% of a total property tax bill in Cook County, this would be more powerful if a business or property would be awarded abatements from more than one taxing district.

An “outside the box” approach to this incentive would be to coordinate with other taxing bodies in an agreement to abate property taxes for the numerous buildings in the downtown area that exist in a continually vacant state, such as the former Bartlett Fresh Market space in Bartlett Plaza or the former Kohler house at 370 S. Main Street in an effort to encourage investment or improve commercial properties that would otherwise have little to no attractiveness to investors.

Special Service Area (SSA)

A Special Service Area is a taxing mechanism that can be used to fund a wide range of special or additional services and/or physical improvements in a defined geographic area within a municipality. Delineating a geographical area as an SSA has the potential to raise significant funds. An example of a community that utilizes this tool is Highland Park, who budgets \$300,000 per year for improvements to its Central Business District.

However, because the downtown area is within Cook County and already faces a competitive disadvantage with the Stearns Road and Route 59 area in DuPage County due to lesser traffic and higher property tax bills, this could severely impact property owners in downtown. Also, if 51% of the property owners within the area object to the SSA, then it shall not be created.

Cook County Reclassification Programs

Cook County supports Class 7A and Class 7B Reclassifications for commercial projects in areas determined to be “in need of commercial development,” with similar qualifying criteria to TIFs including a Designation of Area, declining real estate taxes, viability and timeliness, assistance and necessity, and increased tax revenue and employment.

Developers or businesses would be the applicant for this program, which greatly reduces the property tax burden on a property, from a 25% assessment to 10% for ten years, 15% for the eleventh year and 20% for the twelfth year. It is renewable after that time.

Class 7A (under \$2 million project) and Class 7B (over \$2 million) Reclassifications are project-driven, thus they may be appropriate for a redevelopment of the re-occupation of the former Bartlett Fresh Market space at 399 Bartlett Plaza. The applications are submitted to the Cook County Assessor’s office, and must include a resolution or ordinance from the municipality where the real estate is located.

This program has been explained to potential businesses and developers as available; however, because there is no direct financial assistance up front, rather a lower tax bill once a project is completed, it has not been taken advantage of to date in downtown Bartlett.

Video Gambling Revenue

The Illinois Gaming Board reports that the Village's share of revenue gained from the eleven establishments, with fifty-four total machines, was \$181,000 for the past year. All or a portion of this revenue stream could be dedicated to economic development activities to assist the downtown area specifically. With one additional video gaming establishment pending approval, this number could potentially increase. A new and improved façade program, to include build-out costs, could be funded on an annual basis based upon realized revenues from this newer source of income.

I previously researched nine area communities with successful downtown business assistance programs to inquire about program specifics and funding mechanisms.

Summary

Filling vacancies in the downtown is a top priority for the Village of Bartlett. This memo outlines a variety of tools to help recruit new businesses and retain existing businesses.

Our business visitation program, our local advertisements on social media and the implementation of the Downtown TOD Plan recommendations regarding the 25 MPH speed reduction and the RFP we have out for the undeveloped Town Center property are all current efforts toward that goal.

Sign Replacement Grant

Eligible Sign Improvements

- ▲ Any repair, replacement, removal or modification, including labor, materials and equipment needed to bring an existing nonconforming business identification sign into compliance with the Village Sign Ordinance.

Ineligible Sign Improvements

- ▲ Improvements or modifications to existing conforming signs.
- ▲ Installation of new conforming signs that do not include the removal of a non-conforming sign.
- ▲ Permit fees, legal fees, architectural fees, or other consultant fees

Additional Program Guidelines

- ▲ Grants will be processed on a first-come, first-served basis until funds are depleted or the program is terminated.
- ▲ Each grant will be awarded on a reimbursement basis once completed work subject to verification by the Community Development Department that the project is in compliance with the Grant Application and Agreement, and has received all required permits.
- ▲ The review criteria include:
 - ▲ The project demonstrates a significant improvement over the existing situation.
 - ▲ The project will improve the aesthetics of the property
 - ▲ The project will enhance Mundelein's appeal to new businesses and visitors.
 - ▲ The project will add value to Mundelein.

Applications Must Include:

- ▲ 3 good quality photos, from different angles, of the sign to be replaced or area to be improved. At least one photo must be taken from the public right-of-way.
- ▲ A schematic drawing with enough detail to depict the proposed new sign(s) or improvement(s). This can include images of new products to be purchased from vendors.
- ▲ Signed construction and/or vendor contract(s) with pricing for each proposed new sign(s) or improvement(s). If the proposed new sign(s) or improvement(s) are to be constructed or installed by the Applicant (i.e. without a third-party contractor), a detailed list of the costs and an explanation of how those costs were determined must be submitted.
- ▲ Proof of ownership of the subject property or business. Possible forms of proof of ownership include copies of deeds, title insurance policies, real estate tax bills, IRS documents and Taxpayer Identification Numbers. If the business is already licensed with the Village, proof of licensing will suffice.
- ▲ A short, written description of the proposed new sign(s) or improvement(s).
- ▲ If the Applicant is a tenant and not the owner of the subject property, the property owner must sign the written consent to the proposed new sign(s) or improvement(s) on the Application Form.

Interested? Call Us!

For more information on partnering with the Village of Mundelein to enhance the appearance of your business, please contact Victor Barrera, Director, Community Development at 847-949-3282 or by email: vbarrera@mundelein.org



MUNDELEIN BUSINESS INCENTIVE GRANT PROGRAM



\$100,000 is a Very BIG Deal.

To improve the overall look of our community, the Mundelein Village Board of Trustees has budgeted \$100,000 for business and property owners to use to create inviting spaces that enhances a business and/or entices a business to locate in a new space. This Business Incentive Grant (BIG) program gives businesses the opportunity to partner with the Village for matching funds.

It's a Win for Business...a Win for Mundelein!

\$100,000 Business Incentive Grant (BIG) Program

An investment in the businesses that call Mundelein "home" is an investment in the economic growth, prosperity, and overall quality-of-life of the entire community. To this end, the Village has established this \$100,000 Business Incentive Grant (BIG) Program to help business and property owners improve and beautify their property.

All commercial and industrial properties in the Village are eligible to apply for grant funds.

The (BIG) Idea - A Financial Incentive Program for Businesses

Mundelein's BIG Program provides matching funds to enhance and/or beautify businesses in the Village. All work and participation in the program must be pre-approved by the Village. This is an incentive program for ongoing community revitalization. The intent is to promote a healthy business environment and increase the overall aesthetic experience in the Village of Mundelein.

Business and property owners also can qualify for grant funds to replace existing nonconforming signs in order to ensure signage is in compliance with Mundelein's new Sign Code. Plus, grant funds can be used to make improvements to the façade and exterior appearance of existing buildings.



The BIG Program at a Glance

General Grant Requirements

- ▲ All grants are reimbursements to the owners for up to a maximum of 50% of the eligible project cost or the maximum grant amount, whichever is less.
- ▲ A Grant Application and Agreement form must be submitted along with all required additional information.
- ▲ The Grant Application and Agreement must be approved by the Village before construction work is started or construction contracts are executed.
- ▲ The maximum grant amount for any single Commercial Building Improvement project is \$25,000. Eligible projects must include a new improvement costing at least \$1,000.
- ▲ The maximum grant amount for any single Sign Replacement project is \$5,000. Replacement signs that cost less than \$1,000 are not eligible for a grant.
- ▲ Projects must be completed within 12-months of the date of application.
- ▲ Grant payments will not be issued if the applicant is in arrears of payments to the Village.
- ▲ Upon project completion, inspection by the Village Building Department, issuance of a Certificate of Occupancy, and presentation of certified costs and waivers of lien, the applicant will be reimbursed for the eligible amount.
- ▲ Grant recipients who close their business within 3 years of receiving a grant may be required to repay the grant in accordance with the following schedule:
 - ▲ Close within 1 year of receiving grant: Repay 75% of amount received.
 - ▲ Close within 2 years of receiving grant: Repay 50% of amount received.
 - ▲ Close within 3 years of receiving grant: Repay 25% of amount received.

- ▲ \$100,000 is available to business and property owners to invest in their businesses.
- ▲ Under the program, the Village will reimburse applicants up to 50% of the cost of making sign replacement eligible exterior and some interior improvements to the property, up to a maximum of \$25,000 grant amount
- ▲ The BIG program is set up as a matching grant program.
- ▲ Village of Mundelein wants to do its part in helping business owners to create inviting spaces for new business.
- ▲ Key contact person for additional BIG program information and/or an application: Victor Barerra, Director-Community Development- 847-949-3282.
- ▲ Interior and Exterior Improvements are eligible.
- ▲ Some sign replacements qualify for grant funding if the funds will help to bring signs into compliance with the Village's new sign ordinance.
- ▲ The **Sign Grant** program differs from the Village's new **Sign Ordinance**. The **Sign Ordinance** is a rewritten village ordinance whereas the **Sign Grant** program helps provide funding to help business and property owners comply with the regulations of the new **Sign Ordinance**.

Commercial Building Improvements and Commercial Sign Replacement Funding

Funding Available

\$100,000 has been allocated for Fiscal Year 2015/2016 (May 1, 2015 to April 30, 2016) for the Economic Development Incentive Grant Program as follows.

Commercial Building Improvement Grants--\$75,000

Commercial Sign Replacement Grants--\$25,000

Grant Types

There are two grant programs available:
 Commercial Building Improvement Grants
 Commercial Sign Replacement Grants

Eligible Applicants

- ▲ Any owner or tenant, or combination thereof, who own or rent space to a "For-Profit" business in any commercially zoned property within the Village of Mundelein.
- ▲ Not-for-profit businesses, governmental bodies, residential properties, and educational facilities are not eligible.

Commercial Building Improvement Grants:

- ▲ Provide matching funds to business and property owners to make visible improvements the exterior of existing buildings that improve the appearance or commercial viability of the business;
- ▲ Provide matching funds for electrical or mechanical system improvements that improve business operations and enhance commercial property values.

Commercial Sign Replacement Grants:

- ▲ Provide financial assistance to business owners and property owners to replace existing nonconforming signs with signs that conform to the Village Sign Ordinance.

Commercial Building Improvement Grants

The following is a list of the types of work that could be approved. This list is provided for illustrative purposes only to give the applicant a better understanding of the type of work that is being incentivized. Each project will be evaluated on a case-by-case basis.

Eligible Exterior Improvements

- ▲ Improvements or Renovation of building facades or exterior that are visible from the public right-of-way
- ▲ Landscape additions
- ▲ Parking lot improvements including lighting, expansion, or landscaping
- ▲ Installation of patio, pergola, cornices, decorative details, or awnings that improve the aesthetic appearance of the building

Ineligible Exterior Improvements

- ▲ General maintenance or repair such as tuck pointing, painting, replacement in-kind
- ▲ Roof repairs, security systems
- ▲ Infrastructure improvements, including water and sewer upgrades
- ▲ Permit fees, legal fees, architectural fees, or other consultant fees

Eligible Interior Improvements

- ▲ Mechanical, electrical, or plumbing system improvements that enhance the commercial value of the property
- ▲ Kitchen hood and duct systems, grease traps, inspection manholes
- ▲ Installations that become part of the real estate and remain with the property

Ineligible Interior Improvements

- ▲ General maintenance or repair such as painting, decorating, carpeting and the like
- ▲ Furnishings or business equipment



ECONOMIC DEVELOPMENT MEMORANDUM

DATE: February 8, 2018
TO: Chairman and Members of the Economic Development Commission
FROM: Tony Fradin, Economic Development Coordinator *TF*
RE: SVN Update

In an effort to sell eleven acres of Village-owned land at the southwest corner of Route 59 and Lake Street, the Village Board hired brokers from Sperry Van Ness Landmark Commercial Real Estate this past September. This followed the EDC's recommendation to do so as well as utilize their services and expertise to market the site at the ICSC ReCon show in Las Vegas this coming May.

Staff requested the attached marketing report from SVN and will present the details to the EDC as well as a marketing video for the site.



LANDMARK COMMERCIAL REAL ESTATE

**IL Rt 59
45,100 vpd**

**LAKE ST / IL Rt 20
44,800 vpd**

**SUBJECT PROPERTY
11 ACRES - CITY INCENTIVES**

MARKETING REPORT 01/30/2018

SWC ROUTE 20 & ROUTE 59
BARTLETT, IL 60103

Status Update

Marketing Summary:

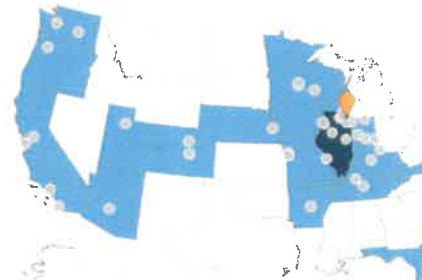
Internet Listings – The property has been published in numerous specialized, national websites for commercial property, including the following:

<u>Listing Website</u>	<u>Status # or URL</u>
Property Website	https://buildout.com/website/ShopsOfWheaton-Sale
LoopNet	Active
CoStar	Active
CityFeet	Active
Craigslist	n/a
Catylist	Active
CREXi	Active
42Floors	n/a
Cimls	Active
Brevitas	Active
PropertyLine/RealNex	Active
theBrokerList	Active

Loopnet Activity (Last 90 days):

Views (LAST 90 DAYS)

11,933



Status Update

Marketing Summary:

CCIM DealShare – the deal has been distributed to more than 3,000 CCIM designees and candidates nationwide via the CCIM DealShare platform.

Email Blasts – 2 email blasts were sent to more than 1,500 contacts across the country from our custom, inhouse database of developers, investors, brokers, and influencers. The emails were opened more than 400 times. Additional email blast is scheduled for February 6th.

Proprietary Websites - The property is included on the SVN corporate website (www.svn.com), and the SVN Landmark Commercial website (www.svnlandmark.com).

Prospect Activity

Brochures & OM's – To date, we have delivered more than 30 copies of the offering memorandum.

Site Visits – A number prospective buyers have had informal drive-by site visits where they have reportedly driven the property.

Direct Prospecting – Direct calls and emails to known developers, nearby building owners etc. To date we have contacted in excess of 60 via phone and / or email.

Database & Reverse Prospecting – Direct and reverse prospecting in LoopNet, Costar, Real Capital Analytics identifying developers and operators that have purchased similar land throughout the suburban Chicago market.

Feedback – we continue to see significant interest in the parcel from developers and operators seeing uses that do not fit the vision or master plan of the Village of Bartlett. These uses include self storage, trucking, manufacturing, and landscaping. We continue to reject or refer (in the case of manufacturing) these leads to other opportunities in the Village of Bartlett

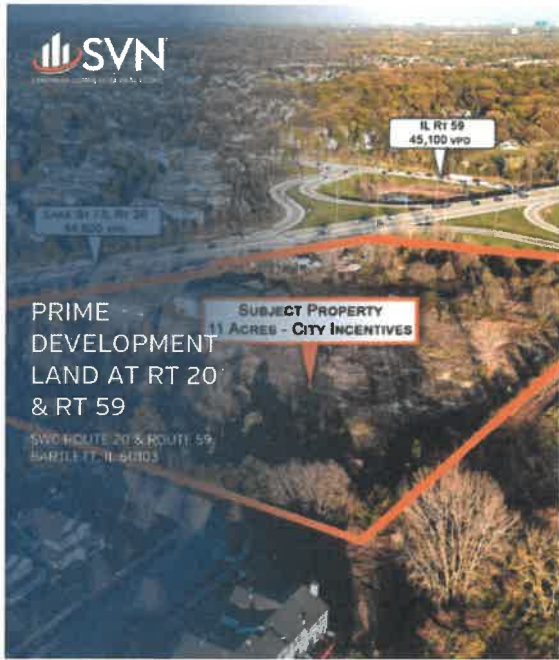
We continue to get pushback and sense significant hesitation from many developers, grocers, hoteliers and others on Cook County location due to labor regulations and taxes.

Market Activity

Recent Sales – There were two sales of vacant land parcels between 5 and 15 acres within 10 miles of the subject property. These sales include an 11.7 acre industrial parcel in the Randall Point Business Park in Elgin and an 11.0 acre industrial parcel in West Chicago. The sale price is not yet available for either parcel.

Competition – Owners of the 9.74 acre parcel immediately to the west of the subject property recently slashed the asking price for their parcel to \$849,000 (\$2.00/sf). Due to it's proximity shared frontage and access, the significantly lower price (\$2.00/sf vs \$3.54/sf) is having an impact

Sample - Marketing Packages



SVN | LANDMARK COMMERCIAL REAL ESTATE | 25 N THIRD STREET, SUITE 200 | DEERFIELD, IL 60015

SALE PROPOSAL

Marketing Packages

Our in-house marketing department created a full-color Offering Memorandum. The Offering Memorandum contains all the comprehensive offering details and underwriting information necessary for interested investors to submit a qualified bid on the offering. The Offering Memorandum has been distributed to a number of qualified developers, brokers, and operators active in the suburban Chicago market.



Sample - Property Website

Property Website

We created an individual webpage for the property accessible from SVN | Landmark Commercial Real Estate's proprietary website, SVN International's website, and optimized for placement in google and other search engines. The website includes property information including the offering summary, a high-resolution photo gallery, property attributes, interactive maps, area information, demographic information, a digital offering memorandum..

The screenshot shows a professional property listing page. At the top left is the SVN logo. The main header features a large image of the property with the title "Prime Development Land at Rt 20 & Rt 59" and the address "9 SWC ROUTE 20 & ROUTE 59, BARTLETT, IL 60103". Below the header are navigation tabs: "OVERVIEW" (selected), "PHOTOS", "DOCUMENTS", and "VIEW ON MAP".

The "Sale Overview" section includes an aerial photo of the property with a red outline, a "VIEW ALL" link, and a "11/2 PHOTOS" indicator. To the right, key statistics are listed: PRICE: \$1,700,000; PROPERTY TYPE: Land; TOTAL LOT SIZE: 11.02 Acres. A button labeled "Download New Sale Brochure II I" is positioned below these stats.

The "Highlights" section contains two columns of bullet points:

- 11.02 Acres Development Site
- Excellent visibility on Route 20 (802')
- Good access to Route 59
- Ideal for Mixed Use, Retail, Multi-Family or Hospitality Development
- Village Incentives Available

The "Description" section provides detailed text about the 11.02-acre site, its potential for various commercial uses, and its strategic location near major roads and the Lake St. area.

At the bottom, a "Header" section lists two advisors: Joel Miller, CCIM, Senior Advisor, Retail Services (joel.miller@svn.com, 630.938.4950, 630.276.6949) and Brian Haney, Advisor (brian.haney@svn.com, 630.938.4950, 630.277.7521).

All Advisors Bios



Phone: 630.938.4950
Cell: 630.270.6949
Email: joel.miller@svn.com
25 N Third Street, Suite 200
Geneva, IL 60134

Joel Miller, CCIM

Senior Advisor, Retail Services
SVN | Landmark Commercial Real Estate

Joel Miller serves as Senior Advisor, Retail Services for SVN Landmark Commercial Real Estate, specializing in the sale and leasing of retail and restaurant properties throughout the Chicago market. Joel has been a licensed real estate broker in the state of Illinois since 2009 and has focused on representing investors in acquisition, disposition, and leasing of their retail properties.

Joel has more than 10 years of experience in real estate brokerage, marketing, market analysis and client services. He has participated in the sale or leasing of more than 1,000,000 sf of retail space, and his 2013-2017 transaction volume exceeded \$50 million.

Joel is a board member at CCIM Illinois Chapter, board chair and treasurer at Bright Community Services, and is an active member of Covenant Presbyterian Church.

Joel is a licensed real estate broker in the states of Illinois and Indiana, and is a Certified Commercial Investment Member (CCIM), a current member of the International Council of Shopping Centers (ICSC), and a Member of the National Association of Realtors.



Phone: 630.938.4950
Cell: 630.277.7521
Email: brian.haney@svn.com
25 N Third Street, Suite 200
Geneva, IL 60134

Brian Haney

Advisor
SVN | Landmark Commercial Real Estate

Brian Haney serves as an advisor with SVN Landmark Commercial Real Estate specializing in office, industrial, and retail in the western suburbs of Chicago. Brian has over 28 years experience in commercial properties and land development working with owners, investors, tenants and real estate professionals.

From 1988 to 2010, Brian owned a construction company doing land acquisition and developing residential subdivisions. His company expanded into doing build outs for commercial space. These client relationships, in turn, led to building and selling commercial property.

In 2011, Brian transitioned into full time commercial real estate brokerage with Re/Max in St Charles IL. Within a three year period he completed over \$12,000,000 in sale and lease transactions. After his second year he became ranked 2nd for commercial Re/Max agents in Illinois. He has diverse experience in representing buyers, sellers, tenants, and landlords of office, industrial, and retail properties.

In order to better serve his clients, in 2016 Brian joined SVN Landmark Commercial in Geneva IL., giving him access to SVN's strong technology, marketing and training resources, plus a global professional network.

Brian is a member of the SVN National office council. He attended the University of St. Francis and graduated with a degree in Management. Brian and his wife have resided in the Geneva area the past 18 years.