

On August 21, 2020, Governor Pritzker entered the latest in a string of emergency declarations related to the COVID-19 pandemic. In light of that declaration, and consistent with various Executive Orders entered by the Governor, and the recent amendments to the Open Meetings Act in Public Act 101-640, this meeting will be conducted electronically. It will be streamed live via Zoom. The Zoom ID and access code will be made available on the Village's website prior to the meeting. Public comments are welcome on any topic related to the business of the Public Body at Regular and Special Meetings when received by email or in writing by the Village's Community Development Director prior to 5:00 p.m. on the day of the meeting. Emailed comments may be sent to Community Development Director Sonya Abt at sabt@riverside.il.us. Written comments may be submitted to the attention of the Village Clerk at 27 Riverside Road, Riverside, Illinois. Public comments may also be made live during the meeting by persons participating via Zoom.



VILLAGE OF RIVERSIDE, ILLINOIS
ECONOMIC DEVELOPMENT COMMISSION
REGULAR MEETING

Thursday, September 10, 2020 at 7:00 pm

This meeting will be conducted electronically via Zoom.

The Public may access the meeting using the Zoom Meeting ID and Access Code which will be posted on the Village website at <https://www.riverside.il.us/423/Economic-Development-Commission> at least 2 hours before the meeting.

A G E N D A

1. Call to Order
2. Roll Call

Chairperson

Jennifer Fournier

Commission Members

Jack Buoscio	Suzanne Kahle
Bridget Doherty	Amy Jacksic
Larry Forssbert	Charles Terhune

3. Public Comment:
4. Approval of Minutes:
 - A. Economic Development Commission Regular Meeting Minutes of July 9, 2020
5. Chairperson Report:
6. Liaison Reports:
 - A. Village Board Update
 - B. Staff Update
 - C. Chamber of Commerce Update
7. Central Business District:
8. Old Business:
 - A. Review EDC Facebook page strategy.
 - B. Continued Discussion of 2021 Budget for economic development.

- C. Discussion and recommendations to Staff and Village Board on an Economic Incentive Policy for Riverside.
- D. Continued SWOT Analysis and discussion of 2020 economic development priorities and goals.

9. New Business:

10. Informational Items:

11. Adjournment:

Public comments received by email or in writing by the Community Development Director prior to 5:00 p.m. on the day of the meeting were welcome on any topic. Public comments were also allowed during the electronic meeting using the Zoom Meeting ID and Access Code that was posted on the Village's website prior to the meeting. On June 26, 2020, Governor Pritzker entered the latest in a string of emergency declarations related to the COVID-19 pandemic. In light of that declaration, and consistent with various Executive Orders entered by the Governor, and the recent amendments made to the Open Meetings Act in Public Act 101-640, this meeting was conducted electronically via Zoom.



**VILLAGE OF RIVERSIDE
ECONOMIC DEVELOPMENT COMMISSION REGULAR MEETING
Minutes**

- I. Call to Order:* The Regular Meeting of the Village of Riverside Economic Development Commission was held on Thursday, July 9, 2020, electronically via Zoom. Chairperson Fournier called the Regular Meeting to order at 7:04 p.m.
- II. Roll Call:*

<i>Present:</i>	Chairperson Fournier Commissioner Doherty Commissioner Jacksic Commissioner Kahle
<i>Absent:</i>	Commissioner Buoscio
<i>Also Present:</i>	Trustee Evans Community Development Director Abt Management Analyst Bouman
- III. Public Comment*
None.
- IV. Approval of Minutes*

 - A. Economic Development Commission Regular Meeting Minutes of May 14, 2020
Commissioner **Jacksic made a motion** to approve the minutes of the Regular Meeting of May 14, 2020. Commissioner **Kahle seconded** the motion.
AYES: Doherty, Jacksic, Kahle, Fournier.
NAYS: None.
Motion passed.

V. *Chairperson Report*

Chairperson Fournier mentioned that the two commissioner vacancies created by the departures of former Commissioner Brian Plain and former Chairperson Kristine Herbst will be filled by Charles Terhune and Larry Forssberg with Jennifer Fournier moving into the Chairperson role.

Chairperson Fournier provided an updates on Visit Oak Park (VOP). Eric Wagner from VOP will present an overview of the partnership between VOP and the Village that was tabled from March to the Village Board at the July 16 meeting. Commissioner Doherty asked whether VOP had been able to perform work for the Village. Chairperson Fournier stated that they have been able to create content “organically” but because of state funding changes due to the pandemic, they cannot create formal ads.

VI. *Liaison Reports*

A. Village Board Update

Trustee Evans did not have any updates from the Village Board.

B. Staff Update

Director Abt informed the EDC that the Village Board had adopted the two Business District ordinances and the Planned Unit Development ordinance since their last meeting.

Director Abt noted that Vault Escape had informed staff that they would be closing, citing the COVID-19 pandemic. She provided an update on the former Bank of America property on Harlem. She said that JLL will be putting the property up for sale and that staff will post that information on the Village website when provided. Chairperson Fournier asked whether Joe Zappani – owner of the neighboring vacant property – was aware of the pending sale. Director Abt stated that staff would reach out to him with an update. Chairperson Fournier asked for a list of retail businesses in the newly established Business Districts 2 & 3. Chairperson Fournier also asked if the Village has revenue projections for the new districts. Trustee Evans replied that they do, but that it is not expected to be significant in year one.

Commissioner Doherty asked Director Abt for a progress update on Chew Chew Café’s outdoor dining area. Commissioner Doherty asked whether any other businesses had inquired about additional space. Director Abt replied that LaBarra was looking to add more outdoor space. She noted that Pat Leone – partner in the Riverside LaBarra - had purchased a neighboring property and torn it down with the intention of expanding their outdoor dining area and potentially adding bocce ball. Commissioner Jacksic noted that the coffee vendor from the farmer’s market was interested in expanding into a storefront, although suggested that nothing was imminent. Commissioner Kahle suggested that a food truck or cart could be a useful bridge between market and storefront for them and Chairperson Fournier inquired about the Village’s food truck regulations. Director Abt added that the Village was continuing to explore options for the food truck event discussed at the May 14th meeting. Trustee Evans asked whether the Village expected any revenue from proposed food truck event. Director Abt

responded that the Village is not approaching the proposed event as a revenue generator and instead framing it as a community event.

- C. Chamber of Commerce Report
None.

VII. *Central Business District*

Staff has received 4-5 phone calls about the former Flur space in the past 6 months. They have mostly been for café's. Director Abt also indicated that there had been some interest in the former 34 East Lounge space.

VIII. *Old Business*

- A. Continued Discussion of Re-evaluating EDC Facebook Page Strategy.

Director Abt overviewed revisions to the social media strategy that incorporated revisions discussed during the May 14 meeting. The revised strategy is primarily focused on promotion of individual Riverside businesses. Other posts will highlight business/entrepreneurial trends and Village resources. Chairperson Fournier expressed that posts should be authentic. The commission agreed that posts should include all businesses to avoid overlapping content. It was agreed that Commissioners would select from a list of businesses and be responsible for those posts.

IX. *New Business*

- A. Discussion of How to Support Riverside Business Community During COVID-19.

Director Abt reviewed actions the Village has undertaken to support local businesses so far during the pandemic. These include creating and updating the "Shop Local: Support Riverside Business" page on the Village website, sending regular emails to businesses with information on government response programs, conducting check-in calls with businesses and integrating findings from those calls into policy, Village Board adoption of a Temporary Use Ordinance to expand outdoor dining, and the Village Board refunding/waiving liquor license fees for 2020. Director Abt suggested some ideas for next steps and asked for the Commission's input.

Chairperson Fournier highlighted the need to plan and prepare for potential shifts in the use of commercial, retail and office space. Commissioner Kahle asked Staff what businesses asked for the most with the surveys. Director Abt answered that they most commonly requested that the Village keep promoting local businesses. Commissioner Doherty asked whether the Village could create a Riverside bingo promotion. Director Abt responded that Park and Recreation did something similar in April, and that they can explore further.

Chairperson Fournier discussed the need to ensure that businesses are promoted equitably. The Commission agreed that the entirety of the business list should be utilized for the Facebook strategy. Noting one of the bullets from Director Abt's memo to the EDC, Commissioner Doherty expressed support for façade improvement grants if the budget allows.

Chairperson Fournier asked the Commission for their opinions on exploring light industrial/manufacturing in the Village. Director Abt highlighted that the distillery is technically manufacturing, and that while the Village does not have much in the way of traditional manufacturing space, it is something that can be explored further. Similarly, Commissioner Doherty asked whether the Village allows for small warehouse-style storage uses. Chairperson Fournier asked about façade standards for businesses.

B. Discussion of 2021 Budget for Economic Development.

The Commission discussed economic development budgeting priorities for 2021 in light of the fiscal uncertainty created by COVID-19. Staff suggested continuing the partnership with Visit Oak Park. Chairperson Fournier agreed that under the present terms of the agreement that it provides good value to the Village but also suggested waiting to commit until there is more clarity on the Village's and Visit Oak Park's 2021 budgets. The Commission discussed a façade improvement grant program for the Harlem Avenue corridor. Commissioner Kahle supported this plan and others agreed. Director Abt highlighted that in a previous iteration of the façade improvement grant program, there was less interest than what was budgeted, so the initial program funding may want to be adjusted. Commissioner Kahle suggested surveying businesses on Harlem about a potential façade grant program to gauge interest. Chairperson Fournier inquired about the presence of wayfinding signage on Harlem. Director Abt responded that there is not currently but there are ongoing discussions. She mentions that the signs are approximately \$4,000 - \$5,000 each. Chairperson Fournier expressed an interest to continue this discussion at the September meeting.

C. Introduction to Economic Incentive Policies.

Director Abt provided an overview of economic incentives that the Village has offered in the past five years, discussed economic incentive policy recommended practices, and expressed Staff's desire to create a comprehensive, transparent, and flexible policy to guide economic incentive decision-making going forward. Chairperson Fournier asked whether incentives would be for a set period of time, if there would be caps and/or other deadlines. Director Abt said that these can absolutely be a part of the policy and that the policy can provide opportunities to tailor parameters to various types of incentives, businesses, and uses. She added that these can be determined during the policy-making process.

Commissioner Doherty preferred the strong use of visuals in the Elmhurst policy linked in the staff memo. Commissioner Kahle encouraged staff to make sure that they compare the policies of neighboring communities. She suggested tailoring the policy to match those of neighbors, like Berwyn. Commissioner Doherty and Chairperson Fournier discussed Berwyn's aggressive incentive offerings and suggested that Riverside may not be able to compete with those. They did agree with Commissioner Kahle that the Village's policies should be comparable to Riverside's neighbors. Director Abt stated that Staff will provide a draft policy for the EDC to review at the September meeting.

X. Informational Items:

None.

XI. Adjournment

Chairperson Fournier asked for a motion and second to adjourn the Regular Meeting.

Commissioner **Doherty made a motion** to adjourn. Commissioner **Kahle seconded**.

AYES: Doherty, Jacksic, Kahle, Fournier.

NAYES: None.

Motion passed.

Chairperson Fournier declared the meeting adjourned at 8:27 p.m.

Respectfully submitted:

Management Analyst Bouman

Date Approved



MEMORANDUM—COMMUNITY DEVELOPMENT DEPARTMENT

To: Chairperson Fournier & Members of the Economic Development Commission
From: Sonya Abt, AICP, Community Development Director
Re: Continued Discussion and Recommendations to Staff on Proposed Budget for 2021
Date: September 4, 2020

Staff has begun the budgeting process for 2021.

Staff put forward the following capital items for the 2021 budget. Due to a very limited capital budget some of the proposals were placed as unfunded when presented to the Board.

Funded

- First Avenue Gateway Signs (\$8,500 – Capital Fund)
- Harlem Ave Gateway Signs (\$8,500 – BD Funds)
- Quincy Streetscape Project (Grant dependent)

Unfunded

- Façade Improvement Grant Program (\$15,000)
- Market Study and Economic Development Plan (\$50,000)

A market study of the Harlem Avenue corridor will provide important information about economic development potential along the Corridor and allow the Village to make informed decisions regarding economic incentives and economic development efforts.

The Village Board reviewed the Capital Improvement Plan and generally concurred with the Village Manager and Finance Director's recommendations.

The Board was also asked if they wanted to establish a fund for economic incentives for 2021. The Board asked for the EDC's input on what these incentives could be and a dollar amount.

Options include:

- Business Assistance with marketing
- Signage grants for additional window signage
- Assistance with tent/heater costs for outdoor dining

This may mean that the Gateway Signs on First Avenue will need to be deferred.

Marketing is part of the operating budget. At this point Staff is proposing to maintain the funding level at \$8,500 with Visit Oak Park partnership.

Recommendation

Discuss and provide the Village Board with feedback on possible incentive programs.



MEMORANDUM—COMMUNITY DEVELOPMENT DEPARTMENT

To: Chairperson Fournier & Members of the Economic Development Commission
From: Sonya Abt, AICP, Community Development Director
Re: Economic Incentive Policy Discussion
Date: September 3, 2020

Background

With the creation of three Business Districts (BDs) in the Village with the intent of promoting economic development, the Village has the potential to provide economic incentives for new businesses or development within those districts. Over the past 5 years the Village has provided certain incentives including:

- Waiving building permit fees
- Places for Eating Tax Rebates
- Sales Tax Rebates
- Façade Improvement Grants

While the Village did create standards for the grant program, it does not have an overarching policy on the use of economic incentives. It is recommended by the GFOA (Government Finance Officers Association) that municipalities should create a policy on the appropriate parameters for the use of economic development incentives. The policy should be specific enough to establish clear boundaries but not too restrictive in order to allow for flexibility/discretion so that the policy serves the best interest of the municipality. They also recommend adopting procedures and guidelines for the administrative implementation of incentives.

At the last EDC meeting, Staff provided the Commission with the GFOA recommendations for economic incentive policies as well as some examples of other communities' policies.

Staff believes the Village should develop a policy on the use of economic incentives for the Board to adopt. This will provide Staff, potential businesses and developers and the Board clear direction on what types of incentives the Village will consider, what the requirements are and what information needs to be provided in order for Staff and the Village Board to evaluate a request.

The Commission agreed this was an important step forward.

Discussion

Staff has prepared a policy that states some basic economic development goals and lists the various incentive programs the Village has offered over the past 5 years along with the criteria and limits for these programs.

These include:

- Fee Waivers
- Façade Improvement Grant
- Sales Tax/Places for Eating Tax Rebates



MEMORANDUM—COMMUNITY DEVELOPMENT DEPARTMENT

It also includes a couple new programs (**highlighted in yellow**)

- A Retail Business Grant, This would help with build out costs or expansion costs for a sales tax producing business. This is modeled after Elmhurst’s grant program. It would reimburse 50% of eligible expenses up to \$10,000 per business. It would also provide an additional \$10,000 for restaurants for “black iron improvements” another additional expense could be the installation of “grease traps” for restaurants.
- Incentives to advance Village Goals and Policies. This would be for prominent redevelopment or revitalization projects that advance village goals, especially those that address blighted or “eyesore” properties.
- In-kind Incentives highlighting the activities that the Village can do to advance a construction project that may not result in a direct financial contribution including: staff assistance, preliminary review activity before Planning and Zoning Commission or Village Board, “fast-tracking” permit activity if necessary, and utilizing zoning tools such as planned unit developments.

Recommendation

Review the draft policy and provide Staff and the Village Board with feedback on the proposed economic development goals and programs.

Attachments:

- Draft Economic Incentive Policy
- Here is a link to a GFOA [article](#) on economic incentive policies.
- Here is a link to the Village of Lombard’s [policy](#)
- Here is a link to the City of Elmhurst’s [various policies](#).

RIVERSIDE ECONOMIC INCENTIVE POLICY

September 2020

The Village of Riverside desires to expand economic development strategies to attract, maintain and expand business opportunities within the Village, to create innovative solutions to fill commercial vacancies and establish the community as a regional and tourist destination.

The Village's economic development goals are:

- Retain, expand and attract commercial businesses
- Promote general economic development and business growth
- Increase municipal revenue sources and identify incentives for specific development opportunities
- Encourage redevelopment along key commercial corridors

The village has developed an economic incentive policy, which implements an all options approach.

Overall Professional Standards and Practices

In consideration of any incentive policy, the Village recognizes that such activity should include sound principles to help ensure that any future considerations are based upon accepted national professional standards. The Government Finance Officers Association (GFOA) recommends "jurisdictions using or considering the use of economic development incentives create a policy on the appropriate parameters for use of such incentives and that the finance officer play an active role in the creation of the policy." The consideration of any incentive agreement should jointly include input from the Village Manager's Office, the Community Development Department and the Finance Department. Any incentive should address the following general principles, as expressed through the GFOA, and serve as part of the basis for the Village policy:

1. Goals and Objectives. Goals and measurable objectives create a context and accountability for the use of economic development incentives. Common goals used in economic development include: target economic sectors, business retention and/or recruitment, geographic focus, job creation, blight mitigation, improving economically distressed neighborhoods, and environmental improvements.
2. Financial Incentive Tools and Limitations. An economic development policy should define the types of incentives and the extent to which the jurisdiction will use them. For example, governments may choose to grant an entitlement to any firm that meets minimum qualifications, or may choose to provide incentives based on an assessment of individual firms. Governments may also establish maximum funding for a particular program.
3. Evaluation Process. A clearly defined evaluation process should be outlined in an economic development policy for the purposes of consistency and transparency. Evaluation activities and factors typically include:
 - a. How a proposal measures up to established economic development criteria

- b. A cost/benefit analysis (with defensible figures and including a worst case scenario analysis)
 - c. An evaluation of tax base impact, both in terms of increases in taxable value and, where a TIF is proposed, the impact on all overlapping taxing jurisdictions. Such analyses should take into consideration property taxes, sales taxes and any other revenues generated via taxes as well as job creation.
 - d. Analysis of the impact of a project on existing businesses
 - e. A determination of whether the project would have proceeded if the incentive is not provided (the "but-for" provision). A jurisdiction may also wish to include in its policy a list of required documentation for the economic development application and the officials who are a part of the review.
4. Performance Standards. An economic development policy should require that specific performance standards be established for each project receiving incentives. Not only will these performance standards help a jurisdiction gauge the effectiveness of its overall economic development program, but may also be used to recover promised financial benefits, through clawbacks or linkage agreements, of recipients failing to fulfill their commitments. Such incentives should be performance based and should not be guaranteed.
 5. Monitoring and Compliance. A process should be established for regular monitoring of the economic development incentives granted and the performance of each project receiving incentives. The policy should also provide for organizational placement and staffing of this activity. The monitoring process should examine performance standards relative to each economic development agreement and determine whether the goals for each project are achieved within the defined timeframe. Ongoing monitoring of these projects should become part of an overall economic development program.

Overall Village Goals and Policies

It is critical for all parties to understand the general parameters pertaining to incentive programs in order to understand the role of the Village and what could be favorably considered by Village Board policy. It also reduces the amount of speculation or uncertainty that may occur absent such a formalized policy. Such general policies that would be applied to any incentive are:

1. It is the policy of the Village to consider the judicious use of incentives for projects which demonstrate a substantial public benefit in support of developments that create new jobs, eliminate blight, strengthen the employment and economic base of the Village, increase property values and tax revenues, create economic stability, and attract businesses that the Village deems to be desired. Such efforts are intended as tools to implement the Village's plans, goals and objectives.
2. Developers and businesses are strongly encouraged to discuss their projects with staff prior to seeking approval of any incentives.
3. All discretionary incentives will be subject to a "but for" test. There should be a finding by the Village that the project and the incentive is necessary, otherwise it would:
 - a. not occur,

- b. only occur in a less beneficial manner,
 - c. not be financially feasible or stable, or
 - d. not result in an overriding public benefit or a reduction in costs that would otherwise be paid by the Village.
5. Incentives will be granted only at the level necessary to make the project financially feasible, with a focus upon new business establishments rather than ongoing business operations.
 6. To encourage corporate businesses, innovative research and development, and desired industrial activities, the Village can consider additional incentives for large-scale projects that significantly create quality jobs that pay wages and benefits equal to or higher than the regional averages.
 7. Businesses that strengthen the overall economic climate of the community by introducing a new establishment that will significantly reduce an existing market leakage in retail sales tax dollars can be favorably considered for incentives.
 8. Taxes or revenues historically received by the Village will not be reduced below the base year of any incentive, as established by the individual redevelopment plans, after an incentive is approved.
 9. The Village may waive permit or development fees, or such fees may be considered as part of the overall pro-forma of the overall construction/development cost that can be used as a basis for an economic development incentive, or if the Village determines that including the permit costs in the incentive creates a net economic benefit to the Village.
 10. All projects receiving incentives must be consistent with adopted Village plans and must comply with all federal regulations, State Statutes and adopted Village codes.
 11. Proposals will be individually evaluated under the Village's goals, policies and on their overall contribution to the local economy.
 12. To the greatest extent possible, incentives should have a performance based element to measure the success of an incentive. The Village shall require periodic reporting evidencing compliance with the requirements of the program and measuring the economic benefit to the community.
 13. Given current limitations, such programs would not rely upon the issuance of bonds or other financial constraining tools by the Village. However, this general policy shall be reviewed should the status and ability for the Village to participate in such agreements in the future materially change.
 14. Sales tax revenues that are derived from an existing business establishment, and which are currently allocated into the Village's General Fund, will generally not be pledged for economic development projects, as such funds are dedicated to meeting essential and basic public service needs.
 15. Each agreement will be considered individually, based solely upon the merits of the project as defined at that time of the agreement consideration. No previous proposal or agreement should be considered as a precedent for which other projects will be considered upon.

Specific goals and policies are also included for each incentive program as they are identified.

Types of Village Incentives

The Village provides the opportunity for economic incentives to foster additional interest in the community and has set specific policies pertaining to incentives that can be used to entice such additional investment when warranted. The various financing and economic development programs are divided into the following categories:

Fee Waivers

This program waives certain building permit fees, demolition fees, electric, and plumbing fees excluding out-of-pocket expenses such as plan reviews or inspection fees, for new businesses preparing commercial spaces for occupancy within the Village. Waivers shall not exceed \$10,000 for any single business. The Board of Trustees may also choose to waive out-of-pocket expenses incurred by the Village as part of the project with the condition that the Village would need to be repaid if the project does not move forward in a timely manner.

Fee waivers will be considered for businesses that

- will generate additional sales tax above and beyond existing revenue levels
- the project represents significant private-sector financial investment
- adds new and unique retail business tenants to the Riverside market
- fills a long vacant or distressed property

Annual license fees such as Business License and Liquor License fees may also be waived for a maximum of 3 years.

Façade Improvement Grants

This program is designed to promote revitalization in the Village's commercial corridors by providing financial assistance to building owners or commercial tenants for improvements made to existing commercial buildings. Reimbursement grants are provided to owners or tenants in recognition of the positive impact that individual building improvements can have on the overall appearance, quality, and vitality of the Village's commercial corridors. Applicants are eligible to receive reimbursement of up to 50% of verified, qualified expenditures; the maximum amount awarded toward façade improvements is \$5,000 with a lifetime maximum of \$10,000 per business.

The grants available are subject to the available funding as budgeted from time to time by the Village.

Eligible Projects:

- Signage
- Exterior Lighting
- Window and/or door replacement or restoration
- Masonry restoration or repair

- Trim work restoration or repair
- Restoration of missing or altered features (such as restoring original bricked over openings, storefront details)
- Installation/restoration of upper story historically appropriate architectural features (such as cornices and windows)
- Installation of awnings or canopies
- Accessibility improvements (exterior)
- Painting, in conjunction with restoration/other rehabilitation
- **Outdoor dining areas**
- And other improvements contributing to the visual enhancement or accessibility of a property as it relates to the public right-of-way.

Ineligible projects include: interior improvements, parking lot resurfacing, roof replacement, window coverings or non-permanent fixtures.

Projects will be evaluated on the following criteria

- Total project budget;
- Location within the B2 Central Business District or Harlem Business District No. 2
- Aesthetic impact (location of improvement, magnitude of improvement)
- Consistency with the CMAP Central Business District Plan, Harlem Avenue Business District No. 2 Plan recommendations
- Impact of proposed work on the preservation of the structure
- Demonstrated financial capability of applicant
- Equity (has the applicant previously received façade funding)
- Funding availability/feasibility
- Addresses or corrects existing legal nonconformities (i.e. existing nonconforming signs).

The property owner and tenant will be responsible for maintaining the façade improvements without alterations for a period of five (5) years unless otherwise approved by the Village Manager or the Village of Riverside.

Retail Business Grant Program

This program is designed to strengthen retail business activity in the Central Business District by attracting new retail businesses to the area as well as to assist existing retail businesses in the downtown with retail growth initiatives.

Applicants are eligible to receive reimbursement of up to 50% of verified, qualified expenditures; the maximum amount awarded toward the project is \$10,000. An additional \$10,000 may be awarded

towards the creation and installation of “black iron” exhaust systems for food services purposes in new or expanding restaurant facilities.

The grants available are subject to the available funding as budgeted from time to time by the Village.

Eligibility:

- Business must be located or be locating in the B2 Central Business District.
- Existing businesses in the B2 Central Business District with economic expansion plans.
- Business must execute a lease for or including a first floor retail space on a public street, of at least three (3) years in duration.
- Application for the grant must be submitted before opening or commencement of the retail growth initiative of the business
- Business must offer merchandise or services to the public, the sale or providing of which is subject to sales tax and from which the revenue derived constitutes the majority of the revenue of the business.
 - Restaurants and food service establishments may be eligible for this grant
 - Professional and medical offices, salons and other service businesses are not eligible for this grant
- Businesses that include retail sales as a complementary use to a primary use other than retail sales may be considered for this grant at the discretion of the Economic Development Commission if they determine that the retail sales are a significant financial component of the overall business.
- Business must open for business or complete their retail growth initiative within 6 months of the grant approval.
- Business must submit to the Community Development Director or his/her designee, copies of all of its sales tax returns filed with respect to sales within the three (3) year period following the date of opening or commencement of the retail growth initiative of the business.

Qualified Expenditures;

- build out of space (“black iron” exhaust hoods, ductwork and fans qualify towards additional \$10,000)
- licensed space designer (ASID) services
- retail consulting services
- visual merchandising services
- launch related media marketing and advertising
- other similar types of items

Tax Rebate Incentives

Sales Tax Reimbursement Incentives will be considered by the Village to attract, retain or expand businesses with the purpose of improving the Village’s economic base.

The advantage of this type of program is that it creates a performance incentive for the grantee. However, such programs and the need for consideration of such programs must be reviewed very carefully and should not be generally available absent review of the request and compliance with the goals set forth herein.

Key policy statements for such incentives are:

1. The incentive shall be limited to the funds collected by the Village as part of the General Sales Tax Funds transmitted by the State of Illinois to the Village and/or the Places for Eating Tax collected by the Village. The Village's Non-Home Sales Tax designated for capital improvements shall not be eligible as part of an incentive.
2. The incentive generally will not be used for projects that place extraordinary, unmet demands on Village infrastructure or services.
3. The developer must be able to demonstrate to the Village's satisfaction the ability to construct, operate and maintain the proposed project based upon past experience, general reputation and credit history.
4. The Village should only consider an incentive if it will generate additional sales tax above and beyond existing revenue levels. Such incentives must also account for any cannibalism of existing business activity within the community. Offering a sales tax incentive in order to keep an existing business in operation or retain a business, absent an offsetting investment meeting the economic goals of the Village, should not be considered.
5. Unless specifically identified in the incentive agreement, any rebates should be established in such a manner that the Village receives at least 50% of the anticipated additional tax generation attributable to the project during the life of the agreement. Generally, the only exception to this provision would be if an incentive is offered to rebate a previously constructed capital improvement that was installed prior to and directly associated with the business opening.
6. The applicable period in which a sales tax incentive is offered shall generally not exceed a ten (10)-year period, unless approved by the Village Board based upon a finding that "but-for" the extended time period, the incentive will not satisfy the intent of the agreement. Such occurrences shall also meet the exception provisions of this Policy.
7. When applicable, "claw-back" provisions will be utilized. For example, when recipients fail to meet investment (physical building upgrades or development), longevity, or job creation commitments, they will be required to repay a pro-rated share of the incentive reflecting the level of deficiency as determined prior to the agreement.
8. A project will be more favorably reviewed if the project:
 - a. represents significant private-sector financial investment;
 - b. promotes a higher and better use of the property as determined by the Village through its adopted plans;
 - c. provides a positive fiscal and economic impact to the Village;
 - d. adds new and unique retail business tenants to the Riverside market;
 - e. mitigates any potential negative impacts to the surrounding area;
 - f. closes an existing leakage in retail sales tax dollars within the Village; and

- g. addresses or minimizes the impacts of consumer expenditure cannibalization from existing businesses and projects in the Village.

Incentive Criteria for a sales tax rebate include:

- Desirable business that would address an under-served business segment
- Presence of extraordinary development/redevelopment costs such as, but not limited to:
 - Remodeling/demolition
 - Environmental remediation
 - Capital purchases
 - Facility expansion
 - Public infrastructure
 - Governmental requirements (i.e. storm water retention, road improvements, etc.)
 - Land acquisition
- Quality of development and overall aesthetics that are in excess of the mandated legal requirements and design standards.

Submittal requirements will include:

- Sales Tax Assistance Application form
- A preliminary financial commitment from a financial institution, plans and/or drawings for the project, and background information on the developer. The developer shall submit financial projections, with back-up documentation, which will serve as a basis for the agreement. Existing sales or transfer sales from existing Riverside businesses must be accounted for in the projections.
- The developer shall submit audited financial statements for the last three (3) years. If the audited statements are comparative, only two (2) years are needed. If audited statements are not available, three (3) years of annual financial statements, tax returns and summary schedules for other projects completed or started within the three (3) year time frame covered by the financial statements must be submitted. The developer must also submit an interim financial statement for the current year. Upon the request of the applicant, the Village may permit these documents to be provided directly to the Village's financial advisor or legal counsel in order to protect proprietary or confidential information.
- The developer shall submit a complete listing (name and address) of all investors in the project with 5% or greater ownership interest. The listing shall also identify each individual's ownership interest.
- The developer shall comply with all disclosure requirements of the Village, under applicable law.
- The developer shall submit other information as requested.

Incentives Associated with Public Capital Improvements

These include programs which address expenditures for improvements that would otherwise be an obligation of the Village or another taxing body to complete. Notable examples of these types of agreements include utility extension agreements, or Business Districts (BD) improvements.

Key policy statements for such incentives are:

1. Each agreement will be considered individually based upon the nature of the capital improvement being undertaken as part of the project.
2. Any incentivized capital improvement advances the overall goals of the Village by providing for an enhanced infrastructure system or addressing existing infrastructure deficiencies.
3. Incentives shall generally be applied toward those activities and development obligations that are above and beyond those required as set forth within Village Code.
4. The incentive agreement shall specifically identify the methodology associated with establishing the incentive cost as well as the funding source that will be provided by or credited toward the project.

Incentives to Advance Village Goals and Policies

These incentives include programs and activities that are intended to be a catalyst for indirect investment or would otherwise enhance the prominence of the Village in the County or region. These incentives are more varied than the other types of incentives, but offer an opportunity to offer an incentive if it meets a stated policy of the Village. Such types of projects are:

1. **Prominent Redevelopment / Revitalization Projects** – These are projects that advance the Village goals for addressing blighted sites or projects that address stated redevelopment objectives. These include projects within the established Business Districts (BDs) as well as other “eyesore” properties that have code deficiencies or other obsolescence. A redevelopment and/or revitalization project may be considered for an incentive agreement if the proposed project:
 - a. Meets the Village’s vision, goals and objectives of the Central Business District Plan, Harlem Avenue Business District Nos. 1 and 2 Plans, Ogden-Harlem Business District No. 3 Plan and other approved documents;
 - b. Represents new and significant financial investment;
 - c. Provides a positive fiscal and economic impact to the Village;
 - d. Promotes a better use of the property or improves the financial performance and/or viability of the existing property;
 - e. Represents superior design aesthetics that substantially and significantly exceed current design standards and are worthy of a public incentive; and/or
 - f. Mitigates any negative impacts to the surrounding area.
2. **In-kind Economic Incentives** – These incentives identify activities that the Village would undertake to advance a construction project, but may not result in a direct financial contribution to the project. These include, but are not limited to:
 - a. Additional staff assistance through the project formulation and the permitting process;

- b. Incorporation of preliminary review activity through workshop activities before the Planning & Zoning Commission and/or Village Board; and/or
- c. Incorporation of “fast-tracking” of permit activity, if necessary to facilitate the development.
- d. Utilization of zoning tools, such as planned development and other development entitlements to facilitate development activity

Consideration of any of these incentives, which include a financial expenditure by the Village, shall be set forth within a development/incentive agreement or other like document. Said agreement shall specifically identify the nature of the request, the rationale and justification for the request and the source of funding that is intended to be utilized as part of the project.

Exceptions to the Policy

As a policy document, this economic incentive policy does not have the same legal standing of a legislative action. As such, it is good practice to identify the process for consideration of projects that are deemed to be worthy of an incentive consideration but do not meet all of the parameters of the overall policy. Examples may include a “trigger” project that is anticipated to cause other development to occur, the size and/or scope of the project, the level of incremental taxes to the Village to be generated by the project or other unique circumstances). In such cases, the policies being modified and the reasons for the exceptions should be identified. Such exceptions should be noted in the evaluation process and in the resolution approving the incentive. As a non-home municipality, the Village cannot mandate that a super majority of the Corporate Authorities approve such a request. However, such approval shall require a disclosure statement noting the project is not within the boundaries of the economic incentive policy. This statement shall be disclosed to the EDC and Board of Trustees and the request will not be placed on the consent agenda when reviewed by the Corporate Authorities for final consideration.

Questions for Consideration of Incentives

In working with a party seeking an incentive, the Village shall act in the best interest of the Village and its residents, businesses, and taxpayers. In consideration, such questions should be raised about any such incentives and how they relate to the Village’s overall economic goals. For transparency and to provide a general understanding of the nature of the agreement, the questions raised below shall be considered by the Village prior to final consideration of any incentive agreement.

1. Retain, expand and attract commercial businesses
 - Are the goods or services that the new business provides a new business sector or product that is not available in Riverside now?
 - Are the goods or services that the new business provides a business sector or product that is not readily available in Riverside now? Does this provide for additional opportunities for our residents or visitors?
 - Is this an existing Riverside business looking to expand and grow?
 - Will the existing business create additional jobs or economic growth for the Village?

2. Promote general economic development and business growth
 - Does this project create or retain jobs? Additional questions will need to be answered such as: how many jobs; is this an increase or decrease to the current number of jobs on site; do the job pay a prevailing wage, minimum wage, or more; and what kind of job types are being created.
 - Does the development make enhancements to better the surrounding properties? These enhancements should be above what is required through existing Code requirements.
 - Will there be public improvements which would benefit the Village as a whole such as a park, traffic lights, road improvements, and/or extension of water and sewer lines?
 - Will innovative development technologies be incorporated into the project, or will the project bring an existing non-conforming property into closer compliance with Village Code.
3. Increase municipal revenue sources and identify incentives for specific development opportunities
 - Is the equalized assessed value (EAV) of the property projected to increase and positively impact the taxing districts?
 - If sales taxes will be generated will the amount exceed what is being generated at the site currently?
 - Will there be other financial benefits gained?
 - Will there be additional costs to the Village after the development is complete related to Police, Fire, Public Works, etc.?
 - What is the overall amount of capital improvements that will be made in Riverside?
4. Encourage redevelopment along key commercial corridors
 - Does the project address a property that has been underutilized, excessively vacant or functionally obsolete?
 - Are the conditions associated with the property a function of market conditions?
 - Will the improvements benefit the neighboring properties?
 - Is the development consistent with the Central Business District Plan or other adopted plans?

The aforementioned questions are intended to provide a level of engagement between the incentive beneficiaries, elected officials and other interested individuals in consideration of whether such an incentive is worthy of favorable consideration. To determine whether the project requires the incentive requested, the Village may engage the services of a third-party consultant to evaluate the project and the incentive requested in relation thereto. The costs associated with such third-party consultant shall be borne by the incentive requestor, required by Title 1 Chapter 21 of the Village Code.

The Village will create applications for the above mentioned incentive programs. These will be made available on the Village website along with this policy.



COMMUNITY
DEVELOPMENT

MEMORANDUM—COMMUNITY DEVELOPMENT DEPARTMENT

To: Chairperson Herbst & Members of the Economic Development Commission
 From: Sonya Abt, AICP, Community Development Director
 CC: Jessica Frances, Village Manager
 Re: Continued SWOT Analysis (continued from May)
 Date: September 3, 2020

Background

The village is in the preliminary phases of creating a 5-year economic development plan and solidifying an action plan for 2020. Staff directed a SWOT (**S**trengths, **W**eaknesses, **O**pportunities and **T**hreat) Analysis to identify Riverside’s strengths and weaknesses and identify external opportunities and threats. By utilizing this information, the Commission can create an appropriate and effective strategy to achieve its economic development goals. The analysis can be utilized to create an action plan.

At the March meeting the commission started this process. The Commission went over previously outlined visions and goals, including the Riverside CBD Plan’s priorities and guiding principles and the Point B facilitated branding’s goals and long-term sustainable competitive advantages. The commission was in agreement with these still being the goals and visions of the Village.

SWOT Analysis – Part 1

The Commission identified strengths, weaknesses, opportunities and threats that affect Riverside’s abilities to achieve our visions and our goals. These are listed in the table below.

- Identify the community’s strengths and weaknesses (internal factors – inherent characteristics of the community, often looked at in comparison to other communities)
- Identify opportunities and threats of/to the community (external factors – generally outside of the influence of local actors and have an impact on the local economy)

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<p>(Assets or factors that give a community its competitive advantage and make it an attractive place to be.)</p> <ul style="list-style-type: none"> • Greenspace, Recreational opportunities, Biking • Proximity to Chicago • Good schools • Motivated Village Board, willing to work with surrounding communities • Residents with good incomes & purchasing power & hobbies • Flexible recruitment • Riverside Foods • Nice & safe community • Housing: Diverse housing stock, good value – still a discount compared to other nearby communities, aging in place opportunities • Small Population • Charming downtown & Train (Metra Station) • Historic Landmark • Empty Storefronts 	<p>(Factors that are obstacles or constraints to economic development. They can be social, physical, financial, regulatory, operational.)</p> <ul style="list-style-type: none"> • Reputation of not being business friendly • Lack of economic anchor • Lack of parking • Bad landlord • Dated available space • Not a great history of thriving businesses • Empty storefronts • Backs of businesses turned to the train • Low walking traffic • River – limited visibility, pathways, signage • Small population • Aging internet infrastructure/availability • Limited facilities for larger gatherings



MEMORANDUM—COMMUNITY DEVELOPMENT DEPARTMENT

<u>OPPORTUNITIES</u>	<u>THREATS</u>
<p>(Conditions, that are external to the community, that make it easier or possible to develop competitive advantages.)</p> <ul style="list-style-type: none"> • Brookfield Zoo/Zoo Events • Younger families moving in/Young families moving to the ‘burbs • Des Plaines River & Des Plaines River Trail • # of businesses without an online presence • Changing nature of business/commerce • Makers – people already in town whom could take advantage of a maker’s space • Home rule referendum • Restarting Guerilla Gardening • What is our economic anchor? 	<p>(Unfavorable trends or developments external to the community that lead to a loss or decline in a community’s competitive advantage or economy in general.)</p> <ul style="list-style-type: none"> • Climate change • High taxes and high rents • Non home-rule community • Threat of recession • Small businesses – can they withstand a recession? • ComEd reliability & blackouts • Landlord motivation or lack of • Aging population • Berwyn (their BDC Flexibility & \$\$\$) • Lack of landlord investment

Also helpful are “neutral factors” (factors that do not neatly fall under the strengths, weaknesses, opportunities or strengths categories); they may be critical to the overall economic plan.

- Business Districts
- Planned Unit Development Ordinance

Next Steps

The Commission may want to revisit Part 1 given the COVID pandemic.

SWOT Analysis – Part 2

SWOT Analysis is an iterative process that facilitates the plan-making process. We will be working to take the strengths, weaknesses, opportunities and threats identified in Part 1 at the last meeting and utilizing them to create an action plan and economic development plan for the commission.

The SWOT matrix is a great place to start that analysis. Please utilize the SWOT Matrix to analyze our answers from our previous meeting (on page 1) and think of actionable items.

		<u>SWOT Matrix</u>	
		STRENGTHS	WEAKNESSES
OPPORTUNITIES	Evaluate ways to use strengths to take advantage of opportunities.	Consider how opportunities can be used to compensate for or overcome weaknesses.	
THREATS	Create strategies that will use strengths to avoid or to mitigate threats.	Develop defensive policies that will minimize weaknesses and avoid threats	

Example:

Analysis: As a nice and safe town with close proximity to the city and an affordable housing stock we can take advantage of the opportunity of young families looking to move out to the suburbs. This increase in population and income will help attract new businesses that can serve young families and help sustain existing businesses.

Actionable item: Work with local realtors to promote Riverside’s available properties to young families in Chicago.