

**VILLAGE OF DOWNERS GROVE
ECONOMIC DEVELOPMENT COMMISSION**

Village Hall, Committee Room
801 Burlington Avenue
Downers Grove, IL
November 12, 2003
8:00 a.m.

Commission Chair Riordan called the meeting to order at 8:00 a.m.

PRESENT: Commission Chair Mike Riordan, Liz Chalberg, Mike Kelch, Linda Kunze, John Luka, Mike Parilla, John Randall, Mike Ryan, Bill Weiss, Barb Wysocki

STAFF: Joseph Skach, Director, Planning and Community Development
Steve Rockwell, Director of Economic Development
Cathy Schuster, Assistant Director of Economic Development
Ginny Mindo, Administrative Assistant for Economic Development

ABSENT: Ken Bohanon, Jeff Bilek, Phil Cullen, Gary Vlk

GUESTS: None

APPROVAL OF MINUTES FROM OCTOBER 8, 2003

Commission Chair Riordan requested a motion to APPROVE THE MINUTES from October 8, 2003. Mr. Kelch motioned to approve the minutes, Mr. Ryan seconded the motion.

Vote: Yay: Commission Chair Mike Riordan, Liz Chalberg, Mike Kelch, Linda Kunze, John Luka, Mike Parilla, John Randall, Mike Ryan, Bill Weiss, Barb Wysocki

Nay: None

Motion carried 10:0

CHAIRMAN'S PREROGATIVE

Commission Chair Riordan began the meeting suggesting that for that today's meeting would have a change in the typical format to review the documents in the orientation binders and for the Commission to work on reevaluating and getting a better understanding of their roles, responsibilities, missions, goals, and objectives.

Mr. Riordan then asked Ms. Mindo to read the commitment list from October. She read:

1. Each Commission will submit a draft report of goals and objectives to the Chair and staff within two weeks.
2. The Chair and staff will obtain a draft of goals from the Council.
3. The Business Opportunities/Incentive Committee will meet and run a mock walkthrough of the incentive process and report back to this Commission.
4. The Ogden Committee will review their report at the next EDC meeting. (*rescheduled*)

Mr. Riordan then asked the group to view the EDC Goals and Objectives 2003-2004 sheet. He suggested beginning with review of the Mission: *“To facilitate balanced economic growth that enhances the quality of life in Downers Grove”*. He asked the group if there was agreement on the Mission. Mr. Ryan agreed that it sounded good. Ms. Chalberg said that she felt the term “quality of life” was very nebulous, and that defining the quality of life for one group of people would be different than for another group. Mr. Luka agreed, noting that in certain demographic groups, the quality of life is their budget, whereas in a different sector of the demographic group with higher disposable dollars, their quality of life might, for example, include more attractions and amenities. Ms. Chalberg asked if that line could be removed from the Mission Statement, noting it is this Commission’s role to enhance the economic growth of the Village. Mr. Kelch disagreed, stating the substance of the quality of life is a good thing to have in the Mission Statement because it speaks for improving the quality of life for the majority of the people in Downers Grove. Ms. Kunze suggested incorporating the “Come Home” message “To facilitate balanced economic growth and preserve the progress and tradition of the community”. Mr. Randall agreed that that is more carefully crafted in essence, but he finds the word “balanced” in terms of “balanced economic growth” to be nebulous, and suggested the word “increased”. Mr. Riordan noted, that the word “balanced” meant to him in this context that the mission is not just all about financial gain; that this Commission does care about other issues such as aesthetics and supporting the community.

Ms. Chalberg requested clarification that the statement did not need to be finalized today. Mr. Riordan noted that it did not. He also noted that Ms. Chalberg had agreed to take copious notes so that the group could go over them again to help make the session more productive.

Mr. Riordan then asked the group to review the Goals:

1. To foster the establishment of the Village as a recognized business/commercial location choice
2. To promote and advocate beneficial economic development policy specifically related to business and commercial concerns
3. To promote and advocate beneficial land use policy in support of economic development policy

He asked for feedback. Ms. Chalberg inquired if #2 meant to develop a policy book. Mr. Riordan replied that it would be the Comprehensive Economic Development Plan, which would include all the policies this group develops.

Mr. Skach distributed the Village’s General Fund Revenue packet and reviewed the presentation that was made at the Council meeting the night before by the Finance Staff and the Village Treasurer that highlighted issues that this Commission will face in helping the Village to set policies. Mr. Skach went through three slides; the first one displayed a pie chart showing the importance of sales tax for the revenues to the Village. The second slide gave a comparison to public safety expenses. The last slide served to highlight the criticality of sales tax receipts. Mr. Riordan asked what happened with the property tax code in 2002. Mr. Rockwell replied that the Council had decided to rebate. Ms. Chalberg stated that she was not sure if this body was the appropriate one to take responsibility to actually push something like this forward because the Chamber has talked about it also. She noted, with some exceptions, that most houses built prior to 1990, have been under assessed by 30%. Mr. Luka asked if there was communication with the County Assessor, noting that in other communities, school districts usually employ a full time person to work with the Assessor to help bring accuracy to the assessed value process. Ms. Chalberg stated what a positive effect there would be if we could offset it with commercial development. Mr. Rockwell noted that it is not just the houses, citing a commercial property he recently visited that was in the same situation. Mr. Luka inquired about the surrounding areas. Mr. Parilla replied that he has been working with a couple of people who have been in their houses in Elmhurst for 26 years who just had a 45% increase in their taxes. Mr. Randall noted that Naperville reassessed 1 ½ years ago in

one school district (School District 204), and it went up 30%. Ms. Wysocki asked how a township determines whom to reassess. Ms. Chalberg replied that they do them in quadrants. Mr. Luka noted that real estate assets have grown substantially over the last ten years. Mr. Parilla asked if the rate has changed. Ms. Chalberg replied that it has probably gone down slightly.

Mr. Skach brought back the issue that the sales tax is the commercial revenue generating portation and is really the key aspect. He noted that there is a disturbing trend in that commercial revenue is going down while operating costs will continue to go up, which goes to the question about what are some of the policies. Mr. Skach then strongly suggested *attraction*, citing the baseline efforts that have been started in Strategic Land Use Planning to cultivate the 10-15% of the Village land that has the potential to generate revenues, establish them as commercial areas, and occupy them. Mr. Rockwell stressed that the group should not lose sight of the fact that in the past 20 years, the sales tax has quadrupled and reports indicate that we have 130% of what would be expected for our demographic.

Mr. Riordan asked how the group felt about #2 of the Goals (listed above). Ms. Chalberg stated that our policy should be to try to offset increased property values with extraordinary economic growth, and this needs to be set as a Goal. Mr. Rockwell questioned why it was so important to have the second lowest rates in DuPage County. Ms. Chalberg replied that from a commercial standpoint, the choice between a large tax bill and a smaller one makes a huge difference. She added if you are a residential customer, it could determine where you choose to reside. Ms. Chalberg also added that she didn't think we had to worry about whether we will attract people to Downers Grove, because they are coming in droves, but from a commercial standpoint, if the huge buildings are under assessed by 30, 40, 50% in terms of their taxes, that would be quite detrimental to those business owners. Mr. Luka noted that what happens in many cases is a property owner will continue to hold on to a dilapidated building because they have already paid off the mortgage and their taxes are extremely low. Mr. Skach said that it is the latter part of the statement, which is where the focus really is, the business side, the sales tax receipt side. Mr. Riordan asked the group if they wanted to modify the statement. Mr. Parilla noted that, though the Goals may be a little nebulous, they need to be broad, because over time, they change. Ms. Chalberg noted that each Objective supports the Goal, and there might be 12 objectives under each Goal. Mr. Parilla added that the time should really be spent on the Objectives because that is where the value comes from. Mr. Riordan asked the group if they were in agreement that the Goals were acceptable. The group concurred.

Mr. Riordan moved on to the Objectives segment of the statement:

- a. Complete a Comprehensive Economic Development Plan
- b. Develop and implement a formal Attraction and Retention Strategy
- c. Increase awareness of the Village as a desirable business/commercial location choice through a direct marketing strategy
- d. Increase/enhance strategic commercial areas throughout the Village

Mr. Kelch requested an overview of what the components would be for the Comprehensive Economic Development Plan. Mr. Riordan noted that the first three objectives would help to give a better understanding of what that all means. Mr. Skach suggested that there should be statements about the attraction policy, retention policy, incentive policy, and a potential sales tax policy. He suggested that it would be a living document that would be updated every few years as to where strategically the Economic Development Commission as an economic body sees itself going. Mr. Rockwell noted that he started working on an outline of a comprehensive plan, but then was sidetracked doing the Strategic Plan, which actually helps to determine where in the comprehensive plan the priorities are in doing the land use component. He stated that he would finish preparing an outline that would show what goes into a typical comprehensive plan and see if this group agrees with it. Mr. Riordan asked Mr. Rockwell if he was looking for specific actions, dates, etc. that this group would need to do their jobs more effectively. Mr. Rockwell stressed the importance of input from the Commission.

Mr. Riordan went on to “b.” of the Objectives: “Develop and implement a formal Attraction and Retention Strategy”. He noted that basically all the group should be focusing on for this Objective are the specific actions and dates. He asked if anyone had anything to add. Ms. Chalberg suggested having a general outline instead of deadline dates so that there could be more input and the outline could be more open-ended as to what is realistic, especially if some items are going to get assigned out. Mr. Riordan explained that he felt “a.” and “b.” of the Objectives were more staff items and that they are almost inputs into the Goal Setting Session, and that the other issues on the Planning and Strategy side would be divided among some of the Committees. Mr. Randall noted that Objectives “a.” and “b.” are the foundation, at least for the Goal Setting Session, not to be cemented, so there should be input. Mr. Skach added that we now have a better Strategic Plan than most villages have. Mr. Rockwell added that it was useful and important that the land use policy be completed first.

Mr. Riordan checked with everyone on Objective “c.” “Increase awareness of the Village as a desirable business/commercial location choice through a direct marketing strategy”. The group accepted Objective “c.”

Mr. Riordan requested the group review Objective “d.” “Increase/enhance strategic commercial areas throughout the Village”. Ms. Chalberg questioned the use of the words “increase/enhance”. Mr. Riordan used Ogden Avenue as an example citing the Commission’s work from year ago as an area they needed to focus on. Mr. Rockwell suggested “focus and identify”. Mr. Skach noted that the strategic plan process identified 14 strategic areas and from this point forward, the question is how do we fill up those areas with desirable businesses and keep the focus on sales tax revenue and increase the sales tax revenue, which is how “increase/enhance” makes sense. Ms. Chalberg still questioned the use of the word “increase”, and asked if it meant increase the revenue generated by it. Mr. Skach replied that it could have a revenue component or even a land component. He used Ogden Avenue as an example where additional property was gained and the Strategic Planning side helped facilitate that. He added that it is then part of the Economic Development staff’s mission to do an actual sector analysis so that this body understands who this Village is economically, what it has proposed, what are the sectors that are big revenue generators and how they contribute. From that, the staff would then get feedback from the Commission in regards to specific policy directions to explore.

Mr. Rockwell discussed how he and Ms. Schuster have worked the past month or so to bring in several groups. He noted though, that when they met with the developer or the owner of the desired site, the owner or developer did not want to pursue it. This goes back to the properties not being assessed correctly and the property owners not wanting to sell. Mr. Rockwell noted the need for some type of roadblock evaluation. Mr. Luka asked if there had been communication with the Township Assessor. Mr. Rockwell replied that he does get some information from the Assessor. He noted that the problem is that there is no community involvement in decisions such as lowering taxes in the downtown, so when, for example, they were raised back up, there was an uproar. Mr. Luka noted that there are local governing bodies in other communities that communicate directly with the Township Assessors and County Assessors to keep realistic and assessed values. Mr. Rockwell noted that many communities are just not paying a lot of attention.

Mr. Randall suggested that this group needs to put some forward thinking into its charter. He stressed the importance of staying current.

Mr. Kelch had several observations, firstly, the fact that values are under assessed, which is bad for new business – this is a clear business issue that this group can attack and address. Secondly, if there are businesses that want to come to Downers Grove, but we cannot get the developers and the landowners to move, we need that succinct definition of the business problems so we can “chase” those. Mr. Skach suggested caution in using anecdotal evidence solutions noting that there is abundance of existing commercial land available to us including viable business centers. He added if a major retailer was really

interested in coming to Downers Grove, they would come here, which brings the focus back to attraction efforts. He added that if there is not an immediate place to put a business, we would have to work to find one. Mr. Skach noted, with respect to developers, that's something that zoning and land use policy takes care of, and over the past year, we've had several very positive code amendments, a few in the restaurants with respects to the variations.

Mr. Riordan clarified that what he was hearing from Mr. Kelch and Mr. Skach was the need for attraction, which is basically the focus of the Goal Setting Session with the Objectives laid out more clearly by staff. He also clarified that Mr. Randall stated a need for more speed and accountability. Mr. Riordan added that each month, each Committee should have their goals; then on their goals, their specific actions; that type of thing.

Mr. Parilla wanted to mention a couple of items, beginning with the charts Mr. Skach distributed. Mr. Parilla stated that they put into context the urgency and the need to be more aggressive. The second item, which might need to be added to the Objectives, is the need to keep an ongoing communication between the various Commissions including the Council, so that we remain in sync with them. Mr. Skach noted that over the past year, the Economic Development Commission and the Plan Commission have been able to foster a much closer relationship not ordinarily seen in a municipality.

Mr. Riordan noted that in the meeting, they would be factoring the coordination of the Committees an update on a regular basis of where we are at financially. Ms. Chalberg asked about TIFs and how they are assessed. Mr. Skach replied that TIFs are not assessed as economic units. He added that the Township does the assessment, and the properties within the TIF ebb and flow with the tide, and that the TIF area is not separated out.

Mr. Skach asked the group if they felt it would be a good idea to invite Theresa Cockrell, Township Tax Assessor here to give an information overview.

Mr. Randall asked the group if it should be doing an ongoing benchmarking. Mr. Skach replied that last year, on a semi-regular basis, the staff had started reporting statistics and maybe that is something worth revisiting. Mr. Parilla noted that it would be interesting to know what the taxable sales are in other communities. Mr. Skach said that there are about ten communities the Village is constantly reviewing.

Mr. Riordan suggested continuing with the agenda, moving on to #4. "Agree on how to better keep the EDC members informed of economic development activities". He noted the document Mr. Rockwell copied from the Goal Setting Session on August 2001 in which the group categorized the Gruen Report and came up with the various committees. He also suggested the idea that certain committees would be "standing committees": Marketing for example. But other committees, such as Ogden are really a result of review of the Gruen Report and the goals from the Council, and at that time it was a priority such as the CBD was five years ago. He added that if someone comes up with a new committee, for example, Architecture, to bring it up at the Goal Setting Session. Mr. Skach noted that there appears to be three key areas that consistently cover the issues: Marketing, Attraction and Retention, and Strategic. He noted there are then the spin offs, for example, an Ogden Committee is a spin off under the cover of the Strategic Planning Committee or specific committees that are stood up to handle strategic areas are under the cover of strategic planning. Mr. Riordan asked the group what their opinion of this was. Ms. Chalberg commented that there might be discussion about different roles people might take on, and to make sure multiple committees are not doing the same thing. Mr. Riordan noted that there is potential for confusion and overlapping, so there needs to be clarity of what a standing committee does and what the other committees do. Mr. Randall asked if there would be enough time at the Goal Setting Session to reassess who is on what committee. Mr. Riordan replied that they would come up with a plan, and there would be a "reshuffling of the deck".

Ms. Chalberg asked about a previous discussion where the possibility of bringing in the residential community as a resource had potential. Mr. Randall stated that they would need to set up an ad hoc committee.

Mr. Riordan asked the group when was the best date to have the Goal Setting Session. It was determined to meeting on Thursday, November 20th, from 6:00-9:00pm in this Committee Room.

Mr. Riordan suggested going through a couple more items on the agenda, beginning with how to keep EDC members better informed. He suggested that the group help Ms. Chalberg and himself prepare better for the meeting by doing some brainstorming on this ahead of time, writing down their thoughts, let Ms. Chalberg know ahead of time so she can put their ideas on screens.

Mr. Parilla came up with the idea that the subcommittees get together via e-mail at least on a monthly basis to improve communication and keep it continuous. He added that this would implement the speed issue. Mr. Randall suggested using something similar to a chat room to send and receive information, expertise, or some history. Mr. Rockwell noted that Mr. Kelch had previously tried to come up with a solution using a website, but due to firewall issues, it failed. He said he would investigate a simple AOL private chat room. Mr. Randall asked how the Council communicates with each other. Mr. Rockwell replied via email or phone calls. Mr. Skach noted that the communication is facilitated by the Village Manager.

Ms. Chalberg asked the group to come up with issues that have occurred since they have been on the Commission that have frustrated them. Mr. Riordan brought up that through individual conversations, the standard orientation process was frustrating. He suggested that new members receive a binder, meet with Mr. Rockwell and /or Mr. Skach and immediately are teamed up with a “buddy” for six months, who will also be a member of their specific committee. Mr. Riordan noted another frustrating issue is the organization of documentation; should it be posted? What is the best process? Mr. Skach suggested having a goals binder. Ms. Chalberg added that each subcommittee could have their own goals. Another suggestion by Mr. Riordan was when someone makes a suggestion or asks for something in a meeting, it should be screened and prioritized instead of just acted on immediately, so that there is more discipline.

Mr. Riordan discussed a few other ideas in terms of having a Goal Setting Session on an annual basis with a refresher meeting six months later and then follow this monthly process.

Mr. Riordan stated that the Goal Setting Session might take more than one meeting. It was decided to have a follow-up meeting on December 4th from 6:00-9:00 p.m. He suggested that everyone review their orientation binders. Mr. Rockwell noted that those who do not currently have binders would receive them shortly.

Ms. Kunze distributed some materials about what is going on downtown for the holidays: The performing arts and Hospitality Sunday. She also recommended “A Street Car Named Desire” at the Masonic Temple.

ADJOURNMENT

Commission Chair Riordan requested a motion to adjourn the meeting; so motioned by Mr. Luka, seconded by Mr. Parilla.

Respectfully submitted,

Ginny Mindo, Recording Secretary