

**City Of Rolling Meadows
Economic Development Committee Minutes**

Monday, April 5, 2021

Members Present:

Mike Reppe
Craig Carlson
Kevin O'Brien
Jenifer Vinezeano
Christine Burbidge

Absent:

Laura Majikes
Roberta Marcinkus

Others Present:

Barry Krumstok, City Manager
Melissa Gallagher, Finance Director
Lori Ciezak, Assistant to the City Manager
Martha Corner, Business Advocate

Call to Order

Having established a quorum, Chairman Reppe called the meeting to order at 6:40 p.m.

Approval of Minutes

Chairman Reppe requested a motion to approve the minutes of the March 1, 2021, regular meeting. A motion was made by Member O'Brien, seconded by Member Burbidge, and with no additional discussion the minutes were unanimously approved by the membership.

New Business List – Feedback Received from Contacts Made

Member Burbidge said she received no complaints or comments to her follow-up calls to new businesses. Had positive comments and all her telephone calls were answered or returned.

2021 GOAL DISCUSSION

Small Business Incentive Program for Retail Businesses Located on Kirchoff Road That Offer a Product & New Restaurant Incentive

Members agreed that any incentive program should be directed toward non-corporate-owned franchises and there should be no restriction on the number of employees at a business. The incentives should be based on qualifications and not automatically given. With regard to façade and interior build out grant- Mr. Krumstok clarified that this would involve buildout of the inside and outside of the tenant space/building. Sales tax sharing – Mr. Krumstok clarified that this would only apply to businesses that sell a product. Service-based entities would not be included in a tax sharing program, but one idea for incentivizing service organizations was to subsidize build-out costs.

Chairman Reppe suggested that the service and retail businesses be the focus. Member Carlson stated that incentives should focus on higher-traffic locations or these incentive may prove worthless. Mr. Krumstok suggested having a sales tax sharing program that commences a year after a business opens to allow the business to become acclimated, then begin a graduated program that starts with high payments returned from the City then gradually lowering those payments until the program is phased out. Chairman Reppe suggested adding a 3rd year to the current restaurant incentive program with the same requirements adding a 20% tax rebate the 3rd year for a business that chooses a Kirchoff Road location. Along those lines, Mr. Krumstok suggested adding a 3rd year to the non-Kirchoff Road incentive plan making a rebate of 10% available to non-Kirchoff Road businesses their 3rd year. (As an example, Mr. Krumstok mentioned that one Kirchoff Road restaurant had the highest incentive payout, to date, of approximately \$9,000).

Member Carlson suggested businesses be grouped into categories based on sales revenue and dispersing the monies accordingly. Krumstok suggested creating two different scales: one for Kirchoff Road businesses and one for businesses located other than Kirchoff Road. The issue of creating a fair incentive program that includes gaming cafes was also discussed.

The subject of waiving building permit fees was also discussed as an incentive. Mr. Krumstok reminded committee members that building permits fees can vary greatly and might not be the proper aspect to rebate. The highest building permit payout per the old restaurant incentive was \$5,000. Member O'Brien reminded members of the importance of covering the City's costs and not overcompensating qualified businesses. A cap of \$5,000 for permit fees was agreed upon for the construction grant.

The Economic Development Committee intends to present a five –year incentive program to the City Council, after a final discussion in May, which offers businesses that choose to locate on Kirchoff Road a choice from the following programs:

- Restaurant Sales Tax Incentive – provides for rebated sales taxes of 60% after the first year in business, 40% after second year in business and 20% after the third year in business.
- Restaurant Construction Incentive – provides for a permit fee rebate of up to \$5,000 and a construction fee rebate of up to \$10,000. One half of the construction fee rebate would be paid upon issuance of a Certificate of Occupancy, and the second half of the construction fee rebate would be paid at the end of the first year of business.
- Retail Sales Tax Incentive – provides for rebated sales taxes of 3% after the first year in business, 2% after second year in business and 1% after the third year in business.
- Retail Construction Incentive – provides for a permit fee rebate of up to \$5,000 and a construction fee rebate of up to \$10,000. One half of the construction fee rebate would be paid upon issuance of a Certificate of Occupancy, and the second half of the construction fee rebate would be paid at the end of the first year of business.

Member Vinezeano requested that Mr. Krumstok place the above matters on the May Committee of the Whole Agenda for the City Council.

The Economic Development Committee intends to present a five-year incentive program to the City Council, after a final discussion in May, which offers businesses that choose to locate not on the Kirchoff Road corridor a choice from the following programs:

- Restaurant Sales Tax Incentive – provides for rebated sales taxes of 40% after the first year in business, 20% after second year in business and 10% after the third year in business.
- Restaurant Construction Incentive – provides for a permit fee rebate of up to \$5,000 and a construction fee rebate of up to \$10,000. One half of the construction fee rebate would be paid upon issuance of a Certificate of Occupancy, and the second half of the construction fee rebate would be paid at the end of the first year of business.
- Retail Sales Tax Incentive – provides for rebated sales taxes of 3% after the first year in business, 2% after second year in business and 1% after the third year in business.
- Retail Construction Incentive – provides for a permit fee rebate of up to \$5,000 and a construction fee rebate of up to \$10,000. One half of the construction fee rebate would be paid upon issuance of a Certificate of Occupancy, and the second half of the construction fee rebate would be paid at the end of the first year of business.

Member Vinezeano requested that Mr. Krumstok place the above matters on the May Committee of the Whole Agenda for the City Council.

Ms. Corner stated that each business has unique requirements, and she listed the different ways the City can get out the message. Chairman Reppe stated that his landlord does not do this well. Member Carlson mentioned that all avenues need to be contacted and he leaves it to Ms. Corner to get the word out to all parties and interested groups.

Small Business Incentive Program for Service-Type Businesses Located on Kirchoff Road

The general consensus among the members is that a service-type business will benefit more from a program offering rebates on permit fees and construction costs than from a sales tax incentive.

Category of New Businesses Staff Should Target in 2021

A plan was discussed to utilize the Rolling Meadows City Market to gauge the interest of Rolling Meadows' home-based business owners' interest in moving their businesses from their homes and into available tenant spaces in town. For those Rolling Meadows business interested, booths would be referred to as "RM Row" and would be available only to Rolling Meadows. Any business wishing to participate would be required to commit to all five market dates.

Chairman Reppe mentioned that his list of categories to target consist of: small pet stores; veterinarian; bakery (like Oak Mill); photo, bridal, DJ shop; breakfast restaurant; pediatrician; kid zone (like mini golf, trampoline); escape room; small arcade; hair and gathering area; brewery & beer; seafood restaurant; battery & cell phone repair store; Jamba Juice; karate & martial arts studio; and dog park.

There was some additional discussion on what costs may be for the "pop-up small business space. More information would be provided at the next meeting.

STAFF REPORTS

Business Advocate Update

Due to time constraints, Economic Development Committee members were referred to the printed Update provided by Ms. Corner which was included in the meeting packet.

New Business List Distribution

The new business list was distributed during the meeting.

Next Level Northwest

Mr. Krumstok stated that Dave Parulo of Meet Chicago Northwest will make a presentation at the May Economic Development Committee meeting.

RM Business Buzz

Due to time constraints this matter will be placed on the next Economic Development Committee meeting Agenda.

City Events for 2021

Due to time constraints this matter will be placed on the next Economic Development Committee meeting Agenda.

Chamber of Commerce Update

It now looks like May 1st is now the new date when the Chamber will be part of the cooperative from Arlington Heights (this includes Palatine & Mount Prospect).

Items of Interest in the City

Due to time constraints this matter will be placed on the next Economic Development Committee meeting Agenda.

Issues Not on the Agenda

Member O'Brien stated that representatives from Knock Out Prints were extremely pleased with their experience working with all divisions within the City as they went through the permitting and buildout process. They had good words for Business Advocate Martha Corner.

Member O'Brien advised that Blake Goldie has resigned from the Economic Development Committee due to his job commitments.

Public Comment

None.

Adjournment

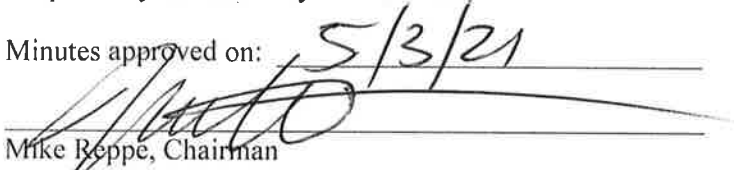
Chairman Reppe requested a motion to adjourn the meeting which was made by Member Carlson, seconded by Member O'Brien, and unanimously approved by the membership. The meeting was adjourned at 7:56 p.m.

The next regularly scheduled meeting of the Economic Development Committee will take place May 3, 2021, at 6 p.m.

Respectfully submitted by Lori Ciezak

Minutes approved on:

5/3/21


Mike Reppe, Chairman

Economic Development Committee