

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

Monday, May 3, 2021

Members Present:

Mike Reppe
Craig Carlson
Roberta Marcinkus
Linda Ballantine
Christine Burbidge
Kevin O'Brien

Absent:

Laura Majikes
Jenifer Vinezeano
Vacancy

Others Present:

Barry Krumstok, City Manager
Melissa Gallagher, Finance Director
Lori Ciezak, Assistant to the City Manager
Martha Corner, Business Advocate
Elizabeth Payne, PW Executive Secretary

Call to Order

Having established a quorum, Chairman Reppe called the meeting to order at 6:06 p.m.

Approval of Minutes

Chairman Reppe requested a motion to approve the minutes of the April 5, 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

Businesses on the New Business List for April and May will be contacted by Member Burbidge.

Meet Chicago Northwest Presentation

Dave Parulo, President of Meet Chicago Northwest and Heather Larson, Director of Sales, gave a presentation about the activities of Meet Chicago Northwest, the impact on and recovery from the Covid-19 pandemic on local businesses, and their organization's response in line with the "Restore Illinois" program.

2021 Goal Discussion Continued:

Mr. Krumstok distributed information on the two Incentive Programs as discussed by the Economic Development Committee at past meetings: a revised restaurants tax incentive program and a new retail sales tax incentive program.

a) Restaurant Incentive

Chairman Reppe recapped the current Incentive Program which has been in place for a few years and is geared toward filling vacancies throughout the City with a special incentive directed toward vacancies on Kirchoff Road. Both Chairman Reppe and Mr. Krumstok explained the history of the incentives and the need for further discussions to expand on the program. Adding the third year of incentives to the restaurant program was the biggest change along with the incentive for exterior improvements.

Mr. Krumstok explained that the incentive is intended for small companies and not corporation. Member Carlson asked if the City is legally able to not offer the program to corporate entities. Barry answered that our goal is to encourage small businesses and mom-and-pop businesses. Ms. Corner explained that Kirchoff Road inherently attracts these types of businesses rather than the larger, corporate players. Member Carlson asked if Rolling Meadows is competitive when compared to surrounding communities' incentive programs, and Ms. Corner clarified that based on a survey of other communities that she performed, the decision of whether or not they participated in a tax incentive programs largely depended on how the programs were funded--a special taxing district, for example. Several nearby communities do not offer an incentive program—the closest being Mount Prospect—which is why her report contains statistics from communities located further away.

Mr. Krumstok asked for member feedback about the restaurant plan and explained that staff can refine the wording in Section 4. Member Reppe asked if a 5-year stipulation for filling vacancies was needed in Section 3, and Mr. Krumstok replied that it is best to keep the wording as it is currently written. Member O'Brien suggested making clear distinctions in the definitions in the City's codes for restaurants, gaming cafés, and gaming accessories.

Member Carlson asked how the program is to be marketed to businesses, and Member O'Brien explained the three main points of the plan:

- Reimbursement of permit fees
- Rebate of a percentage of Food & Beverage Taxes paid for the first 3 years
- Reimbursement of façade and interior improvements up to \$10,000

Member Ballantine asked if a new owner reopened a formerly closed restaurant location (with the same or new name) would they qualify for an incentive, and Mr. Krumstok stated that a stipulation or rule would need to be added with language to clarify situations such as this.

Member Carlson asked members to consider ways to prevent abuse of the program.

b) Retail Business Incentive

Mr. Krumstok explained that, as discussed in April, while the Retail Business Tax Incentive program provides rebates of City fees and a grant for façade and interior improvements, it also provides rebates for taxes paid to the City at the following rate:

- First anniversary – Rebate of 3%
- Second anniversary – Rebate of 2%
- Third anniversary – Rebate of 1%

A discussion was held on how to make the Retail Business Incentive more appealing to encourage businesses to open on Kirchoff Road as well as gearing the program toward service-oriented businesses. Ms. Gallagher stated that the tax collected by the City is 2.5%, and a discussion took place regarding whether or not the rebate percentages in the Retail Sales Tax Incentive document were too low. Ms. Marcinkus inquired if the increased rent on Kirchoff Road will offset the benefit of any incentive the group is discussing.

Ms. Gallagher suggested increasing the percentages to 25% the first year, 20% the second year, and 15% the for locations on Kirchoff Road and 15%, 10%, and 5% respectively for locations other than Kirchoff. A formal motion to present these percentages to the City Council was made by Member O'Brien seconded by Member Burbidge. With no further discussion, a vote was taken, and the motion passed.

a) **Types/Category of New Businesses the Staff Should Target/Market During the Year.**

Service industries, such as a salon, were proposed for Kirchoff Road, and members brainstormed ideas for incentives to bring such a business to this location. Ms. Marcinkus, as the owner of a salon in Rolling Meadows, stated that the rebate of taxes will not help a service-related business; however, the rebate of permits and money to improve a tenant space is helpful and proposed increasing the amounts for service-related businesses. The question of whether or not these types of incentives would be sufficient to entice a business to move to Rolling Meadows was discussed.

Ms. Marcinkus asked if the rent in the "Downtown" area of Rolling Meadows is higher than elsewhere in Rolling Meadows since that is a consideration when deciding where to locate a business.

Staff Reports

a) **Business Advocate Update**

Members were referred to the information provided by Ms. Corner which was included in the meeting packet.

Member Burbidge stated that Regency Plaza, located at Euclid Avenue and Quentin Road in Palatine, will be demolished and rebuilt as condominiums. She suggested that the City approach those retailers to consider relocating to Rolling Meadows.

Chairman Reppe revisited the idea of the City using vacant tenant spaces to showcase home-based businesses and their products. The space between Dollar Tree and the paint shop is approximately 3,500 square feet, and he proposed making improvements and giving interested home-based businesses a 10 foot by 10 foot space to use. According to Chairman Reppe's contractor, the cost to bring the space to code will be under \$50,000. Landlord would give more than that for tenant improvement, so would not cost the City anything. Rent would be approximately \$8,000 per month. He feels 21 businesses could occupy the space with plenty of space between. He described a possible plan that could be offered to the businesses who chose to use a space. More discussion on this matter will take place in the future.

Items of Interest in the City

Mr. Krumstok stated that next month Jon Ridler of the Chamber Co-Op will attend the meeting to discuss what they do.

Issues Not on the Agenda

Mr. Krumstok explained that Ms. Payne was present to answer any possible planning and zoning questions that may have arisen during the meeting.

Public Comment

None.

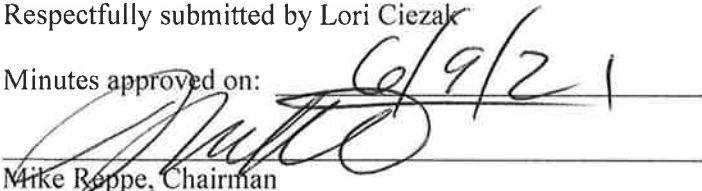
Adjournment

Chairman Reppe requested a motion to adjourn the meeting which was made by Member Burbidge seconded by Member Marcinkus, and unanimously approved by the membership. The meeting was adjourned at 7:55 p.m.

The next regularly scheduled meeting of the Economic Development Committee will take place June 7, 2021, at 6 p.m.

Respectfully submitted by Lori Ciezak

Minutes approved on: 6/9/21



Mike Reppe, Chairman
Economic Development Committee