

VILLAGE BOARD
Committee of the Whole Meeting
December 17, 2018 – 7:00 PM
Lemont Village Hall – Village Board Room
418 Main St., Lemont, IL 60439

AGENDA

- I. Call to Order
- II. Roll Call
- III. Discussion Items
 - A. Downtown Lemont Collaboration Framework Report and Discussion
(Community Development)(Stapleton)(Berry)
 - B. Clear Channel Rt. 83 & Main Street Billboard Utilization Discussion
(Administration)(Egofske)(Molitor)
 - C. Johnson Controls LED Presentation
(Finance)(Sniegowski)(Smith)
 - D. FY19 and FY20 Finance Presentation
(Finance)(Sniegowski)(Smith)
 - E. Referendum Options Discussion
(Administration)(Egofske)(Schafer)
- IV. Unfinished Business
- V. New Business
- VI. Audience Participation
- VII. Adjourn

TO: Village Board
FROM: Jason Berry, AICP, Economic & Community Development Director
SUBJECT: Downtown Lemont Collaboration Framework Report
DATE: December 14, 2018

SUMMARY/ BACKGROUND

The Village of Lemont's recently completed 2018-21 Strategic Plan has put a focus on the need for economic vitality and the important role Lemont's historic downtown has in the community and region. The plan's strategic initiatives include developing a downtown retail stability strategy and establishing a downtown tourism program. Recognizing the importance of public/private partnerships to accomplish each of these initiatives, the Village of Lemont engaged Business Districts Inc (BDI) to study a framework for collaboration between the Village, Chamber, and the newly formed Downtown Merchants Alliance (DMA).

Three themes emerged from BDI's report, highlighting the need for:

- Ongoing partnerships between the Village and a wide range of private sector interests and local groups
- Efforts to improve downtown's overall appearance and environment
- Embracing new ways to tell downtown Lemont's story to attract more downtown users

The focus by the Village and Chamber over the past year on enhancing Lemont's downtown is taking root, with BDI noting "partnerships now in place between the DMA, the Village, the Chamber, and the Heritage Corridor CVB, represent a strong basis for expanding partnerships that support downtown growth. As one of the Chicago area's most historic downtowns, Lemont's downtown district is unique and reflects the Village's story." In order to get the most out of the Village's partnership with the Chamber and DMA, clearly defined roles and responsibilities are essential, allowing each entity to work toward achieving their specific downtown objectives. Below are notes copied from BDI's report alongside a summary of key points.

ANALYSIS

DMA Roles and Responsibilities

"Sustaining an organization, like Lemont's DMA over the long-term, will require that the organization recognize the limitations of its members—their first job is to run a successful business—and provide value in programming so that members want to engage with the organization, allowing the organization's work to be distributed among members to build organizational strength."

Focus on business promotions and actions designed to generate revenue.

Aid collaborations among downtown businesses to generate sales through an activity, such as Small Business Saturday.

Enhance merchant visibility during events.

Village of Lemont Roles and Responsibilities

Develop marketing and promotion that translates online and with social media. Use simple messages that quickly convey aspects of downtown Lemont's story and why it's a compelling place to visit.

To create an experience, downtown's appearance is a critical factor in attracting businesses, investment, and consumers.

Understand the ownership objectives of individual downtown landlords. Lack of investment in downtown's buildings deters prospective tenants operating viable businesses from choosing downtown Lemont as a business location.

The impression exists that Lemont's Historic Preservation Commission enforces ordinance standards less stringently for applicants new to Lemont versus for downtown's established owners. Fostering a consistent approach and regulatory framework in preserving downtown's buildings can ensure improved appearance and increased investment.

Potential incentives exist through the Village to ensure sympathetic building rehabilitations.

Work with Lemont Fire Protection District (LFPD) to assess any code-related issues as applied to historic buildings. Tenants and property owners indicated that the LFPD often requires additional work after final inspections.

Evaluate wayfinding and how to navigate downtown Lemont. Since the report wrapped up in August 2018, Public Works has designed and installed new parking signs at most Village-owned parking facilities and has ordered wayfinding signs and additional identification signs for the downtown parking garage.

Update business opening guide on the Village website. Debrief with owners of businesses opened within the last year about how to improve the process

Reconsider regulations regarding downtown business occupancies to respond to broader market trends, emerging business formats and types. Additional and more diverse restaurant options can attract additional consumer dollars from downtown's key markets

Be prepared for modifications to downtown parking management. Changes may include dedicated parking spaces for customers making online purchases for in-store pick-up, for restaurant services such as UberEATS and GrubHub, for weekend valet service (using the downtown parking deck,) and for ride sharing to encourage patrons not to drink and drive

Most outreach participants believe that the remnant of the I & M Canal located in downtown's center can not only link the downtown district together but can become an important downtown amenity and gathering spot. Identifying ways to phase Canal improvements and matching to funding sources can transform this area.

Link Lemont's current and potential outdoor recreation amenities to the downtown district.



Report Recommendations:

Village

- Review of marketing materials and messages
- Simplify business opening processes
- Address regulatory and review inconsistencies
- Continue joint retention and recruitment efforts
- Continue to evaluate funding options

Chamber

- Assist with business process simplification
- Continue joint retention and recruitment efforts with Village
- Identify other local partners to assist with downtown work
- Partner with DMA on merchant education efforts and managing to market trends

DMA

- Build membership by promoting the interests of all downtown businesses
- Foster joint promotional efforts among downtown's businesses via networking
- Organize one business promotion (assume Small Business Saturday) to start
- Identify members to assist with joint/partnership work to build DMA capacity (and distribute DMA work)

Partnership

- Improve wayfinding/Increase parking deck usage
- Conduct property owner outreach with partners
- Begin to address overall appearance and circulation issues
- Educate downtown's business owners about activities and changes
- Maintain ongoing communications

ATTACHMENTS

Downtown Lemont: Framework for the Future. Capitalizing on Downtown's Opportunities (August 2018)



Downtown Lemont: Framework for the Future

Capitalizing on Downtown's Opportunities

August 2018



BUSINESS DISTRICTS, INC.



Introduction

Business Districts, Inc. (BDI) was engaged by the Village of Lemont (Village) in April 2018 to identify downtown Lemont's best opportunities for success. The following summary describes the work completed for this project and recommends a framework for future collaboration between the Village of Lemont (Village), the Lemont Area Chamber of Commerce (Chamber), and Lemont's new Downtown Merchants Association, known as the DMA.



During the preparation of this framework, BDI completed an initial analysis of downtown Lemont's markets. This analysis appears in Appendix 1. Outreach included interviews with twelve (12) stakeholders and a facilitated focus group with the DMA. Summaries of these outreach activities are attached as Appendices 2 and 3. Research into best practices in ongoing partnerships between

municipal governments and downtown merchants' groups was also a component of the overall project scope. Finally, BDI considered the Village's current programming and activities specific to downtown issues identified during project outreach and through the best practices research.

The goal of the resulting framework is to ensure that the Village and its partners can capitalize on downtown Lemont's best opportunities. All commercial sectors operating in traditional downtowns are experiencing seismic shifts in how businesses operate and attract customers. This disruption will continue. Recognizing this ongoing impact will shape how the Village and its partners manage and adapt to assure downtown's future economic success.

Downtown Lemont: Current Market Conditions

The analysis of downtown Lemont's markets (see Appendix 1) identifies five (5) important market attributes with implications for the future:

1. Downtown Lemont's market geographies are solid, with higher household incomes and sufficient, increasing populations. Downtown and nearby traffic counts (ADTs) are fairly typical for a downtown district.
2. Downtown's businesses function as destinations for patrons from Lemont and the surrounding communities. These same downtown businesses recognize the importance of targeting and building their community of customers.
3. These same market geographies are sufficient to support future downtown business growth. Supporting the expansion plans of downtown's existing businesses in all sectors will be important component of this future growth. These businesses understand downtown Lemont's markets and how to succeed there.
4. Retailers and food and beverage businesses comprise about 44% of downtown Lemont's current business mix. Like other traditional downtowns, personal services are becoming a larger percentage of any downtown's mix, and downtown's are truly becoming a mix of uses. Food and beverage remains an opportunity in Lemont and elsewhere. The spending power and local sales tax data for the food and beverage sector indicates that additional restaurants can be supported.

5. Like all commercial districts nationally, the impact of broader market trends, most spurred by technology, requires a focus on downtown Lemont's future and how it addresses change.

As Lemont begins its work to capitalize on its opportunities, three (3) broader market trends provide the context for considering downtown Lemont's growth options. Managing downtown change is not about nostalgia for what used to work or what downtowns were in the past. It is about fostering what uses will work and successfully position downtown to adapt and grow. In addition to representing change, each trend affects downtown's occupancies, investments, and image.

- **The 'Experience.'** Consumers, regardless of age, are seeking singular experiences as the compelling reason to visit and spend time in traditional downtowns. Providing this unique consumer experience is key to sales growth and market positioning and differentiation. Successful downtowns strategically promote their distinctive character to their target consumers. For Lemont's downtown, this means continuing its special events, improving downtown's overall visual appeal, strengthening the attraction power of downtown's businesses and their destination character, and serving as Lemont's gathering space.
- **Internet Resilience.** Past retail success emphasized attracting people to storefronts; retail success now and in the future means getting goods to people. How businesses sell may be more important than what they sell. Retail success also means selling through all channels, or 'omni-channel'—in store, online through websites and social media, and mobile. Successful retail businesses now develop and expand a 'community of customers' directly engaged with their products and services. Most offer in-store pick-up on day of purchase. The best independent retailers and many food and beverage businesses use their Internet presence to attract customers and sales from the larger 'Smart Phone Market' described in Appendix 1. For downtown's food and beverage sector, 'Near Me' searches and increased sales through GrubHub and UberEATS are aspects of this same broader trend. Finally, the growth of wellness and personal services as a component of any downtown's business mix reflects another aspect of resiliency in traditional downtowns.
- **New Business Types and Formats.** With the application of technology and Internet resiliency, new business types and operating formats continue to emerge. These newer businesses require less square footage for their operations, paralleling the smaller footprints now required by larger retailers. Recognized examples of new types and formats include temporary retail and food events, such as pop-ups, cash mobs, seasonal outdoor dining, or locally, Pollyanna's food truck events. Other examples encompass stores within stores and seasonal businesses selling completely different products during the year. These emerging formats often enable new or established business owners to test new concepts and are used to activate downtown vacancies. Ultimately, these varied activities add excitement to the downtown and enhance the downtown's image as a unique place with new things to experience.

Downtown's Promotions and Marketing

Fundamentally, crafting downtown Lemont's future experience will create memories and tell downtown's story to residents and visitors. Significant downtown marketing and promotions activities are already in place. The Village of Lemont currently funds and manages a comprehensive, annual special events calendar and produces multiple marketing and promotional materials supporting downtown and the Village's overall economic growth. This effort complements the work of the Chamber and the Heritage Corridor Convention and Visitors Bureau (HCCVB). Most of the Village's special events are held downtown, providing ongoing visibility to downtown's businesses.

The Village knows how to organize and evaluate quality events, and adding to the current special events calendar makes little sense. The Chamber also organizes quality downtown events. Based upon attendance data provided by Village staff, downtown events are well attended. The DMA, with the Chamber's help, can focus on supplemental business promotions, or actions designed to generate revenues for businesses. With support from both organizations, downtown's businesses can either individually or jointly organize promotions to enhance merchant visibility during major events. In addition, working together on one business-specific event designed to generate sales, such as assuming responsibility for Small Business Saturday,¹ can again help provide value to merchants and engage them in the goal of increasing sales for all businesses.



With online and mobile-enabled purchasing required for most downtown business to operate, promotional and marketing materials must translate well into all online and social media platforms. This means simple messages quickly conveying aspects of downtown Lemont's story and why it's a compelling place to visit. With certain exceptions (such as in-depth CVB publications), text-heavy marketing and promotional materials are no longer as effective with reduced attention spans. Consumers viewing their options on a mobile phone want fast and direct answers to their queries.

Best Practices in Downtown Partnerships

In considering how to strategically address downtown's future, best practices research was conducted on six (6) downtown merchants groups and how they work in partnership with municipal government and their area Chambers of Commerce.² Positive and negative relationships were examined to ensure that how Lemont organizes for downtown's future capitalizes on emerging opportunities and how the Village, the Chamber and the DMA serve as downtown champions. The most important bases for collaboration are:

- **Perceived value.** Any merchants' organization, in particular, must provide value above and beyond what merchants do as individual businesses to generate sales and increase visibility. Lemont's DMA is a new organization with increasing membership. The DMA must prove that it can provide value to downtown's businesses, serve as a reliable partner with the Village, and ensure that the organization is sustainable.
- **Recognized roles and responsibilities.** For those communities with active collaborations among local government, merchant organizations, and Chambers, the role of each group is clearly defined. Each entity works to achieve their specific downtown objectives, and ongoing communication among all of the partners completing downtown work is both essential and continuous.

¹ For DMA's purposes, American Express continues provide new resources for this event each year.

² These communities included Long Grove, Mount Prospect, Geneva, LaGrange, and Morris; one community requested anonymity during their interview.

- **Complementary work.** In understanding their respective roles in improving downtown, the work done by the Village, the Chamber, and the DMA should be complementary. As an example, the Village of Lemont has a strong annual special events calendar. It is unnecessary for the DMA to organize any major special events. Not only does the DMA lack the current capacity to stage large downtown events, but their more appropriate role is fostering sales growth through first steps, such as aiding collaborations among downtown businesses to generate sales and an activity, such as Small Business Saturday.
- **Future focused.** Any downtown partnership must focus on what needs to be done to enable greater downtown success. Most of all, Lemont’s approach to downtown’s future must be comprehensive. Growing downtown’s overall sales is important, but this growth will result from multiple incremental steps to create the best downtown Lemont. This work will encompass several task sets--ongoing partnerships between the Village and a wide range of private sector interests and local groups, efforts to improve downtown’s overall appearance and environment, and embracing new ways to tell downtown Lemont’s story to attract more downtown users.

As part of this research, communities and merchant organizations identified two (2) issues to avoid in downtown organizing.

- **Avoiding rivalries and cliques.** Among partnerships, rivalries, or assuming another entity is competing for the same resources or ‘turf,’ always inhibit strategic growth. The partners’ focus and the importance of improving downtown get lost to competitive drama. Two (2) communities noted that their merchant organizations became cliques of merchants versus a larger group representing the varied interests of all downtown merchants and doing a few things well. Once perceptions change, the merchant group loses its capacity to serve as an effective partner to other entities working to improve their downtown. Sustaining an organization, like Lemont’s DMA over the long-term, will require that the organization recognize the limitations of its members—their first job is to run a successful business—and provide value in programming so that members want to engage with the organization, allowing the organization’s work to be distributed among members to build organizational strength.
- **Accountability.** In any future situation where Lemont’s partner organizations receive funding from the Village, there must be transparency and accountability. Most municipal governments require specific accounting for their funding, timelines and objectives for the use of these funds, and detailed reporting and metrics to ensure that government dollars are used effectively to achieve a joint objective. These requirements also benefit and protect downtown merchant organizations operated by volunteers.

Downtown’s Physical Environment and Appearance

Outreach for this study identified three (3) issue sets specific to downtown’s physical environment and appearance. As described below, these issues have implications for the Village’s regulatory framework and for potential use of any available Tax Increment Financing, or TIF, funds in Lemont’s downtown.

Wayfinding. Understanding how to navigate downtown Lemont was noted by virtually all participants. The Village and its partners are working to mitigate this issue.

Building Improvements. To create an experience, downtown’s appearance is a critical factor in attracting businesses, investment, and consumers. Interviewees mentioned downtown tenants moving

because of property owner unwillingness to maintain or improve tenant spaces. Understanding the ownership objectives of individual downtown landlords should be an initial priority within this framework. Cook County real estate taxes are and will remain problematic, but ongoing downtown reinvestment occurs in other Cook County communities with similar or higher real estate taxes.

From the interviews and merchant focus group, the impression exists that Lemont's Historic Preservation Commission enforces ordinance standards less stringently for applicants new to Lemont versus for downtown's established owners. Regardless of the applicant, the emphasis should be on quality improvements approved in collaboration with owners that enhance downtown's appearance and attract quality tenants. In addition to preservation review concerns, tenants and property owners indicated that the Lemont Fire Protection District (LFPD) often requires additional work after final inspections. The Village, working with LFPD, should assess any code-related issues as applied to historic buildings.³ Future incentives for fire suppression, building improvements, or other improvements specific to downtown Lemont's properties or objectives could be considered.

Occupancy Improvements. Participants in the outreach process indicate that the Village and the Chamber have greatly improved the Village's process for new downtown business permitting and openings. The available business opening guide on the Village website needs updating. First, the steps to open a downtown business should be diagrammed and described after the meeting with Village or Chamber staff. The FAQs need to address the 'how to' of business opening and expansion. With recent improvements to the Village's process, the owners of businesses opened within the last year should be debriefed about how to improve the process. These observations can be incorporated into the process updates.



In addition to assisting individual businesses in openings, the Village will need to consider how to respond to the broader market trend noted earlier--emerging business formats and types. This trend will likely require the Village to reconsider its regulations regarding downtown business occupancies. New types of occupancies may include: shared ground level lease spaces with smaller store footprints; stores 'within' stores; temporary and seasonal occupancies; and short-term leases. These new occupancies activate the district and advertise downtown vacancies.

Acknowledging these new business formats may also require modifications to downtown

parking management. Changes may include dedicated parking spaces for customers making online purchases for in-store pick-up, for restaurant services such as UberEATS and GrubHub, for weekend valet service (using the downtown parking deck,) and for ride sharing to encourage patrons not to drink and drive.

³ This assumes that the Village and LFPD have adopted the most current version of the International Existing Building Code and its companion codes.

Canal Improvements. Most outreach participants believe that the remnant of the I & M Canal located in downtown's center can not only link the downtown district together but can become an important downtown amenity and gathering spot. Identifying ways to phase Canal improvements and matching to funding sources can transform this area.

Downtown Lemont: Strengths, Challenges, and Opportunities

Identifying downtown Lemont's Strengths, Challenges, and Opportunities supports this downtown framework. Downtown's most internal and external factors provide the context for those programs and activities conducted by the Village, the Chamber, and the DMA. Recognizing both Strengths and Challenges provides the basis for a realistic approach in capitalizing on the district's best Opportunities.

Strengths: Defined as positive downtown factors, either local or regional, that are fundamental to the future.

- Downtown's business owners are very positive about downtown Lemont's future and believe that many projects in process now will prove beneficial to downtown's economy.
- The district's most successful businesses have adapted (and continue to adapt) to broader national trends in consumer behavior. These businesses are destinations within downtown Lemont's core markets.
- As noted in the Market Characteristics appendix, downtown's key markets are sufficient to support overall business growth.
- Recent residential development in Lemont's downtown adds to the district's vitality.
- As one of the Chicago area's most historic downtowns, Lemont's downtown district is unique and reflects the Village's story.
- Downtown is pedestrian friendly, and it is generally easy to circulate on foot for residents and visitors.
- Partnerships, now in place between the DMA, the Village, the Chamber, and the Heritage Corridor CVB, represent a strong basis for expanding partnerships that support downtown growth.
- Potential incentives exist through the Village to ensure sympathetic building rehabilitations.
- The Village organizes a high quality, annual downtown event schedule, promoting Lemont's downtown.

Challenges: Represent conditions detrimental to downtown's economic future.

- Lemont's downtown is hidden, lacking visibility and easy vehicular access. New downtown visitors must figure out how to get where they are going. Related is linking Lemont's current and potential outdoor recreation amenities to the downtown district.
- Despite its historic character, many of downtown's historic buildings require either additional maintenance or larger rehabilitation projects. Both issues have an impact on downtown's overall appearance and how Lemont's downtown is perceived.
- This same lack of investment in downtown's buildings deters prospective tenants operating viable businesses from choosing downtown Lemont as a business location.
- The I&M Canal and its immediate surroundings requires both improvements and investments.
- Downtown's location in Cook County, with its higher real estate taxes, affects how investment occurs in downtown's properties.

Opportunities: Encompass those downtown strategies that will improve the district, assuming ongoing collaboration focused on economic success.

- Downtown Lemont’s unique historic character can provide the authentic experience desired by consumers—residents and visitors. Fostering a consistent approach and regulatory framework in preserving downtown’s buildings can ensure improved appearance and increased investment.
- Related to historic character is downtown’s distinctive story. Downtown Lemont’s history, including the raunchier parts, contributes to creating an overall experience. This story is detailed in the National Register district nomination (Lemont Downtown Commercial District).
- The Village, the DMA, and the Chamber can collaborate to address downtown’s physical challenges (above), initiating a true private-public sector partnership.
- Capitalizing of downtown’s destination character, visitors seeking outdoor activities, and potential nearby development can support the expansion of downtown’s economy.
- According to owners of downtown’s newest businesses, the Village has made significant strides in working collaboratively with businesses interested in downtown locations. These new businesses are also applying technology to grow their businesses.
- Additional and more diverse restaurant options can attract additional consumer dollars from downtown’s key markets.
- With ever increasing mobile access to downtown-related information, the Village and its partners can simplify and target their messages to the merchants’ communities of customers.



Framework for Downtown Collaboration: Recommendations

Downtown Lemont’s opportunities are described above. Each of those opportunities is one element in building downtown’s economic success over the next few years. Multiple actions have been identified in developing this framework for collaboration. The question then becomes where to start. The following recommendations identify tasks that can be initiated or completed within the next two (2) years. These recommendations emphasize tasks that the Village, the Chamber, and the DMA can accomplish to strengthen their partnership and begin to affect visible change in Lemont’s downtown. One or more of the partners are already addressing certain tasks, and other tasks are shown as the responsibility of all partners. The partners should jointly determine a plan of action to address those items.



Village

- Review of marketing materials and messages
- Simplify business opening processes
- Address regulatory and review inconsistencies
- Continue joint retention and recruitment efforts
- Continue to evaluate funding options



Chamber

- Assist with business process simplification
- Continue joint retention and recruitment efforts with Village
- Identify other local partners to assist with downtown work
- Partner with DMA on merchant education efforts and managing to market trends



DMA

- Build membership by promoting the interests of all downtown businesses
- Foster joint promotional efforts among downtown's businesses via networking
- Organize one business promotion (assume Small Business Saturday) to start
- Identify members to assist with joint/partnership work to build DMA capacity (and distribute DMA work)



Joint/Partnership

- Improve wayfinding/Increase parking deck usage
- Conduct property owner outreach with partners
- Begin to address overall appearance and circulation issues
- Educate downtown's business owners about activities and changes
- Maintain ongoing communications

Downtown Lemont is poised for success. The combination of unique historic character, potential new development and amenities through projects like The Forge, and downtown businesses with destination character will ensure that Lemont's downtown can grow. Growth for downtown Lemont will mean fostering investment and Lemont's own downtown experience—improving downtown's appearance, attracting businesses from all sectors and new residents, and creating an exciting and interesting place.

Appendix 1: Downtown Lemont: Market Characteristics

Markets and Demographics

Table 1: Selected Demographics

Selected Demographics: Downtown Lemont				
	Zip Code 60439	Convenience 10-Minute Drive	Downtown's Core Market	'Smart Phone' 30-Minute Drive
Total Population	23,529	28,026	258,850	387,809
Total Households	8,337	10,013	90,114	143,995
Household Size	2.82	2.80	2.87	2.69
Median Age	46.0	45.4	40.6	41.3
Population Density (Pop/Sq Mi)	764.52	1,000.58	1,653.21	1,775.85
Employees	17,988	24,001	113,476	192,175
Average Household Income	\$126,940	\$128,095	\$114,417	\$108,103
Median Household Income	\$95,180	\$96,627	\$84,183	\$78,011
Per Capita Income	\$45,085	\$45,896	\$39,826	\$40,229
Estimated Restaurant Spending	\$40,087,131	\$42,559,898	\$392,038,254	\$510,474,011

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Village staff and project interviewees identified the above as key downtown Lemont markets. Selected demographics are shown for each market. Market definitions are:

- **Zip Code 60439:** This market was considered to best represent local residents who identify as Lemont residents. Downtowns naturally attract residents who identify with their downtown and patronize these community businesses.
- **Convenience Drive Time, or a 10-Minute Drive:** This market defines the trade area where consumers will drive to meet a convenience or routine need. For Lemont, this drive time would also be a 15-20 minute bike ride. Lemont's topography and traffic patterns extend the more typical 5-minute convenience drive time.
- **Downtown's Core:** Downtown merchants identified this market as the trade area where most of their customers originate. It includes the Village and parts of the surrounding communities of Homer Glen, Woodridge, Darien, Orland Park, and Lockport.
- **'Smart Phone Market, or 30-Minute Drive:** The use of technology has resulted in seismic changes in consumer behaviors. For example, using mobile phones, consumers now order products for store or restaurant pick-up. Retailers, restaurants, and personal services 'Near Me' provide consumers not only instant gratification but with exposure to new businesses and often new experiences. These consumers

represent new additions to each business' community of customers. Consumers typically will travel about 30 minutes for order pick-up or to try a new business meeting their immediate needs.

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Municipal Sales Tax

Table 2: Village Municipal Sales Tax Data

Lemont Municipal Sales Tax Data (Cook Only)					
	2016	2015	2014	2013	2012
Eating and Drinking Places Tax	\$205,291	\$192,491	\$180,426	\$173,132	\$168,614
Retail Tax*	\$853,576	\$1,210,434	\$1,182,046	\$1,155,165	\$1,137,030
Restaurant Sales	\$20,529,124	\$19,249,070	\$18,042,601	\$17,313,207	\$16,861,438
Retail Sales*	\$85,357,601	\$121,043,442	\$118,204,597	\$115,516,474	\$113,702,982

Sources: Illinois Department of Revenue, BDI.

*Are reported sales to the Illinois Department of Revenue for their General Merchandise, Food, Apparel, Furniture and Household, and Drugs and Miscellaneous Retail categories

Table 3: Restaurant Market Share

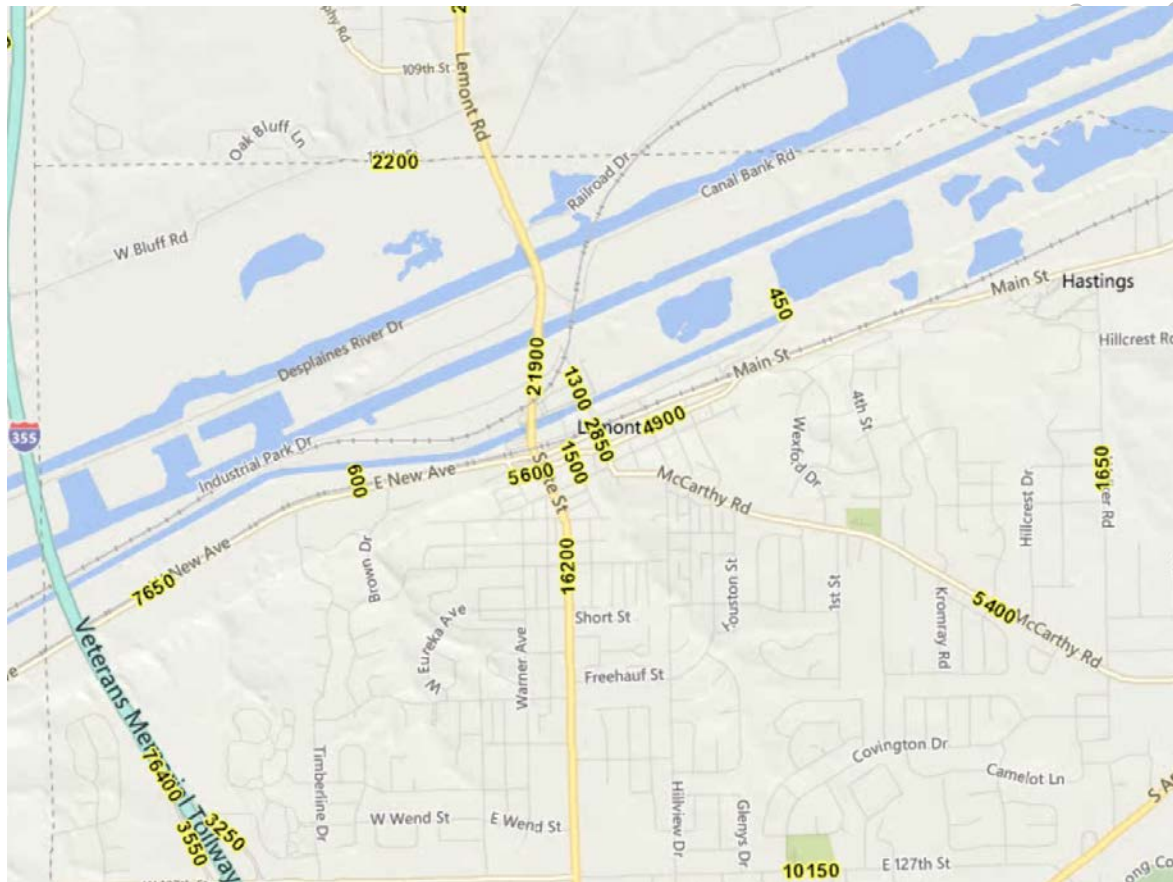
Estimated Restaurant Market Share (Using 2016 Lemont Sales Tax Data Above)				
	Zip Code 60439	Convenience 10-Minute Drive Time	Downtown's Core Market	'Smart Phone' 30- Minute Drive Time
Estimated Restaurant Spending By Market	\$40,087,131	\$42,559,898	\$392,038,254	\$510,474,011
Restaurant/Eating and Drinking Place Sales	\$20,529,124			
Market Share (Sale/Spending)	51.2%	48.2%	5.2%	4.0%

Sources: Illinois Department of Revenue, BDI.

Given the importance of restaurants to most downtowns, the above two (2) tables estimate the Village share of estimated restaurant spending for each of the markets described in Table 1. The market share for the smaller markets is about 50%; meaning Village restaurants are capturing about 50% of the available consumer spending in these more proximate markets. Within the larger markets, particularly the Core Market described by downtown businesses, the market share is 5.2%.

Traffic Counts

Illustration 1: Downtown Lemont Traffic Counts



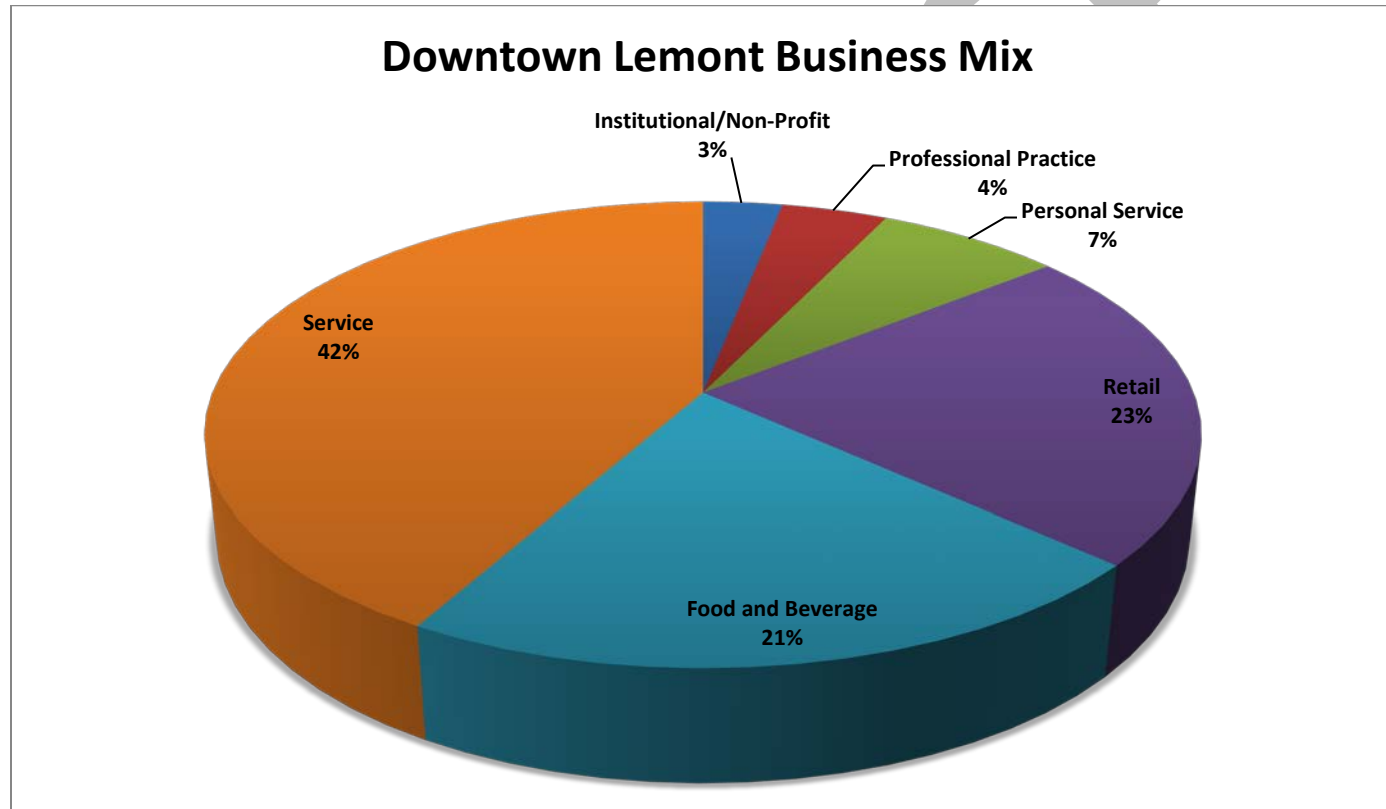
Source: Illinois Department of Transportation.

Traffic counts, or ADTs (Average Daily Traffic), for downtown Lemont are typical for traditional downtowns in suburban communities similar to Lemont.

Downtown's Mix of Businesses

Downtown's current mix of businesses is shown in Illustration 2 below.

Illustration 2: Downtown Business Mix



Downtown Lemont is currently home to 98 existing businesses.⁴ Within the overall mix, 56.1% of businesses are service-related, including institutions or non-profits, personal services, professional practices, and a wide range of services provided to Lemont area consumers and businesses. Retailers and food and beverage businesses represent 23% and 21% of the mix, respectively. Based upon study interviews,

⁴ Vacancy data by square footage or available ground floor units is not included in any of these calculations.

downtown's most successful businesses are attracting customers from a broader area, such as the 'Smart Phone' market described above, and using social and electronic media to compete effectively.

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Market Characteristics and Downtown's Future

- All of downtown's markets have strong incomes and solid numbers of residents and employees. Population density increases substantially from the Village/60439 market and amount of nearby open space.
- The U.S., as a whole, is aging and increasingly becoming more ethnically diverse, with the 'Millennial' generation being the most diverse U. S. generation yet. Downtown Lemont's larger markets, the Core and the 'Smart Phone' markets, reflect both characteristics. These larger markets are younger, as evident in the median ages, and more diverse. The Hispanic population in the Core and 'Smart Phone' markets is nearly 15%, or 14.9% and 14.8% respectively. For the Zip Code 60439 and the 10-Minute Drive Time, the Hispanic populations are 6.1% and 6.5% respectively.
- Spending power, as evidenced by Estimated Restaurant Spending, also is present across markets. Lemont's restaurant sales tax data also indicates an opportunity to grow Lemont's market share, assuming the addition of quality restaurants to downtown's mix.
- Downtown Lemont's larger markets are sufficient to support downtown business growth, as the result of joint (and strategic) efforts by the Village, the Chamber, and downtown's business and property owners. Encouraging the expansion plans of existing downtown businesses will remain an important component of that strategy, in addition to capitalizing on downtown's unique story, historic resources, and natural amenities, including Heritage Quarries.

Appendix 2: Downtown Lemont: Framework for Collaboration with Downtown's Merchants Project Interview Summary

This summary represents the common themes—opportunities and challenges—identified during project interviews with downtown Lemont merchants. Interviews were conducted on April 30 and May 9, 2018. These themes, when integrated with other project research, will form the basis for the framework for the Village and Chamber's work with the downtown business community.

Downtown Lemont: General Observations

- All interviewees were optimistic about downtown Lemont's future and the success of their businesses. They felt that downtown Lemont is poised for greater business and sales growth.
- While optimistic about downtown's future, how strongly Lemont residents identify with their downtown remains an open question for downtown merchants. Long-standing Village residents are viewed as less regular downtown patrons, while newer residents are characterized as wanting a great downtown. Some interviewees believe that Lemont's 'old/new' resident divide is diminishing.

Downtown's Businesses, Uses, and Markets

- Downtown's core customer base, or market, includes Lemont residents and residents from surrounding communities. The communities most frequently mentioned were Homer Glen, Woodridge, Darien, Orland Park, and Lockport.
- Supplementing this core market, multiple downtown Lemont businesses attract customers from a much larger trade area.
- Suggested new or additional tenants and uses for downtown Lemont include more varied restaurant types, tea shop, more internet-proof uses (including personal services), entertainment venues, and a bakery. Temporary uses, such as retail pop-ups, in current vacancies could create excitement about downtown and add pedestrian traffic. More children's activities are needed to attract local families.

Downtown's Real Estate

- "...[Q] quality businesses want to be in a nice space; dumpy [poorly maintained] buildings will not attract good tenants." (This is a direct quote from a downtown business owner.)
- Downtown's property owners vary in their willingness to work with ground level tenants on build-outs, ongoing maintenance, and compliance requirements, such as fire suppression and ADA. The lack of cooperation between certain owners and tenants over reasonable lease terms has driven good businesses from downtown.
- Cook County taxes remain a factor for all commercial uses seeking a downtown Lemont location, given the Village's proximity

Local Regulatory Issues

- The Village's past reputation for being unfriendly to downtown businesses has improved. Increased visibility by Village officials and their continued support of downtown business growth will be critical to downtown's resurgence. Individual owners generally described village staff and

the Chamber as helpful and responsive. The Village's Public Work department's maintenance of streets and sidewalks was commended.

- Additional information about the Village's business services, necessary forms, and approval and permitting processes, particularly for new business openings, needs to be added to the Village's website and routinely updated. Access to business resources, such as online business planning forms, should be part of this information.
- Multiple interviewees expressed concerns about life safety code enforcement by the Lemont Township Fire Protection District. These concerns were expressed as three (3) inter-related issues: the District's code, as adopted and applied, is likely inapplicable to downtown's historic buildings; unexpected changes, sometimes costly, are required just as new businesses plan to open; and unpredictable enforcement deters downtown's property owners from either addressing or mitigating code issues.
- The quality of the projects approved by the Village's Historic Preservation Commission for downtown's historic properties is perceived as inconsistent. Downtown's historic character makes downtown Lemont a unique place and a different experience from other downtowns, including nearby canal towns. Quality alterations and signage will reflect well on downtown's overall appearance.
- Storefront condition, cleanliness in certain areas of downtown (including near the canal), and dumpster corrals or screening are needed to improve downtown's overall appearance.

Opportunities and Potential Partnerships

- In organizing for the future, the Downtown Merchants Association (DMA) should work to provide programming value beyond what merchants can do individually to promote their businesses.
- Individual downtown business owners and small groups of businesses continue to work on an ad hoc with neighboring businesses to jointly promote their businesses.
- The Village, the Chamber, and the DMA need to identify regional partners and resources to attract more potential customers and foster downtown's business growth.
- Increasing programming to attract families to downtown Lemont would provide visibility to the businesses and help Lemont residents recognize the importance of downtown to their community.
- The canal is perceived as a potential downtown amenity, reflecting downtown's story. Identifying ways to phase canal improvements over time would result in a unique downtown space and better pedestrian connectivity throughout the downtown area.
- Improved bike trails, downtown bike parking, and connecting all local bike trails would help downtown's businesses and local and regional image.
- Three (3) parking management issues were noted—(1) the need for a wayfinding system, including parking signage, throughout downtown; (2) the possibility of 'head-in' or shared parking in certain downtown areas; (3) the use of the parking deck by a valet service for downtown's restaurants on weekend nights.
- The continued development of housing in and near downtown remains desirable to downtown's business community.

Appendix 3: Downtown Lemont: Framework for Collaboration with Downtown's Merchants Focus Group Notes

The following summarizes the June 4, 2018 discussion with Lemont's Downtown Merchants Association (DMA). Structured as a modified focus group, the purpose of this session was identifying business priorities for downtown Lemont and how the downtown business community can best work with the Village of Lemont.

Initial Thoughts on Downtown Priorities

Wayfinding, particularly for parking (and deck)—are working with the Village now
Possibility of a Business District for funding downtown work
Continue DMA role as part of/participant in downtown events—hope to get to a DMA event at some point; Village events are well done
Develop some downtown-specific organizational and promotional materials

Priorities for DMA

Increase business participation, getting another 20 businesses involved
Property owner engagement with the Village
Truck traffic calming
Need to help the Village to promote the many things that they do,
Develop additional partners, such as the Lions Club, stressing the importance of service
Working with partners to promote their joint visibility locally, including business owners in Lemont's other business districts
Incorporate some environmental aspects into their work, such as working with the Village at recycling events
Foster additional collaborations among individual/groups of businesses
Start a downtown newsletter (e-news and print) to enhance communications; consider a business spotlight for promotional purposes
Work with Village on overall appearance issues, including the Canal, and paths linking downtown to the quarries and back
Identify potential businesses, temporary or concession, to attract outdoor visitors.

Opportunities for Downtown's Future

Population is increasing
Canal—can capitalize on that story and feature
Investment in downtown's unique history (Historical Society—how to engage as a partner; past efforts haven't worked)
Need to preserve historic buildings, but need rational and consistent code enforcement; does Lemont have the proper regulations in place to do this right?
Village's commitment to getting things done

Greater Investment in Downtown: How to Assist?

Signage

Appearance-related: visible improvements; recognize how to facilitate improvements versus deter them; work with property owners to understand their objectives

Joint special event process to consult with DMA—consider a special events committee to review all applications

Ongoing communication with the public and partners

Top 3 Tasks for Village and DMA Right Now

Continue cooperation—add regulatory improvements and engagement with events to current work on wayfinding, etc.

Continue to be the voices for downtown Lemont

Expand the number of DMA and Village partners in downtown work

Draft

TO: Mayor John Egofske
Village Board of Trustees

FROM: Linda Molitor, Community Relations Manager

THROUGH: George Schafer, Village Administrator

SUBJECT: Clear Channel Rt. 83 & Main Street Billboard Utilization

DATE: December 17, 2018

SUMMARY/ BACKGROUND

The Clear Channel Billboard lease expires in January 2019. At the July 16, 2018, Committee of the Whole Meeting, Finance Director Chris Smith presented background and analysis information to the Village Board.

With the Village acquisition of 12775 Main Street in 2016, known as the Meineke property, the Village passed an addendum to continue the billboard lease for three years since it could not be legally terminated. The lease was for \$5,000 per year.

At the July 16, 2018, Committee of the Whole Meeting, discussion of the potential to utilize the billboard for the Village's marketing program arose. Thereafter, staff held discussions with Clear Channel as to what options are available to us for marketing purposes should the billboard remain and the lease be extended.

Representatives from Clear Channel will present information and options to the Village Board at the December 17 Committee of the Whole Meeting.

TO: Village Board
FROM: Chris Smith, Finance Director
THROUGH: George Schafer, Village Administrator
SUBJECT: Johnson Controls LED Presentation

DATE: December 17, 2018

Ermin Arslanagic of Johnson Control has completed an analysis of the Village's streetlight utility and maintenance cost and will be presenting a LED conversion opportunity. Johnson Control is a large corporation that has assisted many municipalities with LED street light conversion. Their latest conversion was the Village of Schaumburg. Johnson Control has been selected by the State of Illinois as their primary vendor, thus a bid would not be necessary.

Ermin will be presenting to the Board the program as well as possible grant funding.

TO: Village Board
FROM: Chris Smith, Finance Director
THROUGH: George Schafer, Village Administrator
SUBJECT: FY19 and FY20 Finance Presentation

DATE: December 17, 2018

Staff will be presenting a year to date revenues and expenditures for all funds. We will discuss tax levy, pension fund, and revenue/expenditure forecasting.

The FY20 budget preparation has begun. The departments have submitted their capital equipment requests as well as the capital projects. The Board will be updated on various projects and related anticipated costs.

TO: Village Board
FROM: George J. Schafer, Village Administrator
SUBJECT: Discussion on Referendum Options
DATE: December 13, 2018

SUMMARY/ BACKGROUND

With the utilization of home rule authority no longer an option, the Village will once again be challenged to raise revenues needed to fund the capital and operating budget. Staff has begun formulating the Fiscal Year 2019-20 budget. In reviewing the preliminary budget, it is safe to say that the Village will be once again short and thus capital improvement will be limited. As a result, options for raising revenue utilizing non-home rule authority should continue to be discussed. At the November Committee of the Whole, the Board discussed several options for raising revenue including a business development district tax, non-home rule places to eat tax, non-home rule sales tax (referendum required), increased vehicle sticker rates, increasing water bills, and other options. It was determined at the meeting that while other options may need to be considered in the future if a referendum fails, the Board would like to proceed toward placing a new referendum question on the ballot for a non-home rule sales tax.

ANALYSIS

Non-Home Rule Sales Tax Increase – A 1% sales tax can be placed on the Village's portion of the sales tax imposed on most goods sold within the Village except for groceries and medical. This tax can be imposed over the entire town and requires a referendum passage by most residents of the Village. Estimated revenue from the full 1% option are \$1.3 million. The Village may present the question in quarter increments up to 1%. Lemont's current combined Sales Tax Rate is 9%. The breakdown by jurisdiction includes the following: State of Illinois (6.25%); Cook County (1.75%); RTA (1%); Lemont (0%). The Village Lemont receives 1% out of the State of Illinois's allocation but does not have a local sales tax.

Other Referendum Questions – The Village Board may want to consider presenting additional questions to the public to gauge interest on various topics. The Village can present a maximum of three questions to appear on the ballot.

For the question(s) to appear on the ballot for the April 2, 2019 Consolidated General Election, the Village Board must approve a resolution authorizing the question by

January 14, 2019. The Village is scheduling a special Village Board Meeting on January 8, 2019 for presentation of the resolution.

BOARD ACTION REQUESTED

The item is up for discussion purposes only. If supported, staff will present a resolution at the January 8, 2019 Village Board Meeting.

ATTACHMENTS

None.

