

MINUTES
SPECIAL ECONOMIC DEVELOPMENT COMMITTEE MEETING
August 14, 2020

CALL TO ORDER:

Mayor Gary Grasso called the meeting to order at 8:30 a.m. The meeting was held in person with digital attendance at the Village Hall.

ROLL CALL:

Present: Mayor Gary Grasso, Trustee Tony Schiappa, Mark Stangle, Ramzi Hassan, Paul Stettin, Sam Odeh (on the phone), Michael Simmons, Kirsten Jepsen, and Leslie Bowman (arrived at 8:38)

Absent: Debbie Hamilton, Bhagwan Sharma

Also Present: Village Administrator Doug Pollock, Assistant Village Administrator Evan Walter, Communications & Public Relations Coordinator Janet Kowal, Management Analyst Andre Beltran.

MINUTES:

A **MOTION** was made by Trustee Schiappa to approve the Minutes from the August 5, 2020 meeting. The **MOTION** was seconded by Ms. Jepsen and approved by a vote of 8-0.

CONSIDERATION OF DOWNTOWN BUSINESS DEVELOPMENT DISTRICT

Mayor Grasso stated that when he came into office his top priority was improving the Village Center and making it a vibrant part of the community. There were many challenges to that goal when he came into office, particularly it being in Cook County, as well as COVID-19. Mayor Grasso said that Ramzi Hassan asked to have it brought up at a special meeting due to a state-imposed deadline of October 1, 2020, to approve a District and file it with the state; the next deadline was April 1, 2021. As Mr. Hassan is one of the business owners it would affect the most, Mayor Grasso obliged him. The Downtown Business Development District appears to offer an opportunity to provide a financing mechanism for downtown improvements and development, but that financing would be through a sales and hotel tax. Any new tax, even one in a targeted area, should be critically examined. Mayor Grasso asked Mr. Walter to give an overview of Business Districts in general.

Mr. Walter stated that Business Development Districts are an economic tool permitted to municipalities by the State to use special sales and hotel taxes collected in a defined area for improvements to solely that area. Establishment of Business Development Districts is similar to the TIF process, but would not affect property taxes but rather be funded through an up to 1.0% sales and hotel tax. The downtown area meets the conditions under the law required, as its EAV has significantly lagged behind the Village's EAV as a whole. Unlike TIF, no other taxing bodies are affected; in fact, any future development or EAV growth would actually help other taxing bodies' revenue. The additional sales and hotel tax would also only be paid if people frequented the downtown; if someone does not spend money in the downtown they would not pay it.

The Business Development District would have to be established by a vote of the Village Board. It is required to have a public meeting set by the Village Board, which must be advertised twice in a paper of common circulation in the Village; once no more than 30 days, and once no less than 10 days before the meeting. To have the Business District established on January 1, 2021, which would then have revenue coming to the Village starting April 1, 2021, it would have to be certified

by the State of Illinois by October 1, 2020. With current timeframes, that means the latest the Village Board could have a public hearing and vote on establishing it would be at the September 28 meeting, and to give proper notification time would require the establishment of the public hearing at the August 24 board meeting.

Mr. Stettin asked what were the advantages and disadvantages of it. Mr. Walter stated it helped incentivize businesses to develop downtown. Mr. Hassan noted that many people outside Burr Ridge would pay the tax, helping to improve the area for residents. Mr. Odeh noted that it has been very successful in the other municipalities in which they have been established. Mr. Stettin asked for some examples. Mr. Walter stated Lombard has two for the mall area: one for the front and one for the rear. It allowed them to have targeted redevelopment in the rear of the mall while having general redevelopment on the other portion. LaGrange Park has several that they use for target corners in their city. Finally, Willowbrook used one for Plainfield Road and Route 83 redevelopment.

Mayor Grasso was concerned with the added tax hampering the competitiveness of businesses. Ms. Bowman stated that people come to Burr Ridge for the quality of its stores and the amenities, not because it is the cheapest. They come for the feeling they cannot get shopping online. A 1.0% tax will not affect that appeal, and she says that as someone who has large sales-taxable receipts as part of her business model. If the improvements are made, it will draw even more people downtown and help her business. Mr. Stettin agreed, saying it would be embarrassing for someone who goes to a fine restaurant to quibble over one dollar on the bill.

Mr. Hassan stated he thinks people will understand what it is to be used for, as it is not just going into the general coffers of the government, but for directly improving this area. Mr. Simmons said though some might disagree with any taxes, that the EDC members and businesses in general are leaders in the community, and that they have to step up to the plate and advocate for. Ms. Jepsen agreed, saying this push comes not from the Village, but from the business owners downtown who are directly affected by it, and see what good will come from it. Trustee Schiappa noted that the support he heard from businesses in the meeting indicated that they had a high trust-level with the Village Board to implement and invest the revenues from the District wisely for the benefit of all; this was agreed by the general membership.

Mayor Grasso stated that he would take the EDC's positive consensus to mean that the EDC wished for the Board to give the District a place on an upcoming agenda. Mayor Grasso demanded that if further consideration were made of establishing such a District, staff would be required to provide opportunities for public comment and notice far beyond what any State or local law required, and that no decision would be rushed. The EDC agreed with Mayor Grasso's statements.

OTHER CONSIDERATIONS

No other considerations were brought forward.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

Mr. Stangle made the **MOTION** to adjourn the meeting to September 2, 2020 at 5:00 p.m., **SECONDED** by Trustee Schiappa. **APPROVED 9-0**. The meeting was adjourned at 9:38 a.m.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Andres Beltran". The signature is fluid and cursive, with the first name "Andres" and last name "Beltran" clearly distinguishable.

Andrez Beltran
Management Analyst