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BUSINESS COMMUNITY DEVELOPMENT COMMISSION Notice of Meeting

Thursday, January 10, 2013

The Winnetka Business Community Development Commission will convene its regular meeting **Thursday, January 10, 2013** in the Council Conference Room at Winnetka Village Hall, 510 Green Bay Road, Winnetka, Illinois, at 7:15 AM.

Agenda

1. Review and Approval of November and December minutes.
2. Discussion of January 8, 2013 Village Council BCDC Presentation
3. Discussion of BCDC Strategic Plan
4. 2013 Goals / Objectives
5. Upcoming vacancies on the BCDC
6. Discussion of Community Development processes
7. Updates from Chamber of Commerce, Plan Commission, Village Council and Staff
8. Public Comment
9. Adjournment

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BUSINESS COMMUNITY DEVELOPMENT COMMISSION
December 13, 2012 MEETING MINUTES

Members Present:

Jason Harris
Patrick O'Neil
Trustee Richard Kates
Peggy Swartchild
Tom Eilers
Terry Dason

Members Absent:

Mike Leonard
Paul Dunn

Village Staff:

Michael D'Onofrio, Director Community Development
Brian Norkus, Assistant Director Community Development
Lori Weaver, Admin. Assist. Community Development
Rob Bahan, Village Manager
Megan Pierce, Assistant to the Village Manager

Call to Order

The meeting was called to order at 7:20 am

Chair Harris opened the meeting by welcoming and thanking Rob Bahan and Brian Norkus for joining the BCDC this morning. He stated that he met with Rob Bahan, Mike (D'Onofrio), and Brian (Norkus) and that he was set for a January 8th, 2013 presentation to the Village Council.

Rob Bahan stated that the January 8th Village Council meeting was very full with the budget and the storm water issue first, then BCDC should be able to speak. BCDC should co-ordinate with the Village Manager. He said the Village has two budgets this year as they are changing the Fiscal Year 2013 to a calendar year budget. He stated that whatever you don't feel is ready for January, could be presented in August or September.

Chair Harris stated that the purpose of today is to explore Community Development; with the pre-read and a presentation by Mike D'Onofrio and Brian Norkus. Get details and context of the pre-read and then further discussion.

Chair Harris asked about the November minutes. Changes were made to the minutes. The minutes were not approved; it was requested that Paul Dunn clarify and approve the thoughts attributed to him. November minutes to be approved at January 2013 meeting.

Chair Harris indicated that Terry Dason had a conflict and could not make it this morning. Paul is unable to join us. Also, that Mike Leonard is on the New York set of the TODAY SHOW officially retiring.

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Chair Harris mentioned the customer service surveys. In the meeting with Mike (D'Onofrio) and Brian (Norkus), they discussed the process of surveys.

Rob Bahan addressed the process of surveys. He stated that in the materials provided by Mike D'Onofrio, an example was given of how a survey was administered in 2010. It has been expanded to include Forestry and Engineering, as these are two areas that also cause concern. The survey will go out as permits are wrapped up. The surveys will be administered thru the Manager's Office. Bahan added that business exit surveys will start January 1, 2013.

Tom Eilers stated that at the previous BCDC meeting, there was a lengthy discussion of exit surveys. He stated that the exit surveys are a serious issue. He said that we don't want a situation where the warden is interviewing the prisoner about their stay. We should not have this discussion today as we have a full agenda. The BCDC's position should be decided. Issues are either empirical or anecdotal and that needs to be taken into consideration.

Rob Bahan commented that they are looking for patterns; looking to see if things take too long.

Tom Eilers stated that you will not necessarily get candid answers from someone who has to live with this inspection process.

Rob Bahan stated that there would be two ways to respond: 1. anonymously and 2. Leave name and contact information. These are for both commercial and residential. Bahan stated that he has been in the Village for two years and that there are not too many shrinking violets. Also, he stated that there is more than one way to get information back.

Tom Eilers said that they needed to vet the subject for the BCDC to discuss.

Chair Harris thanked Rob (Bahan) and Tom (Eilers). He stated the role of the BCDC going forward is something to put into the Village Council presentation.

Rob Bahan said that the "getting open" process and the exit surveys are areas where they want to get more information and are more easily administered because there is not that much activity.

Peggy Swartchild asked if there is difference between the residential and commercial surveys.

Rob Bahan responded that it is written in such a way as to address both. He said he would be happy to share it with the BCDC.

Tom Eilers said that any process is better than nothing; he is not trying to be critical.

Rob Bahan stated that it is important to have multiple means of collecting the data.

Chair Harris asked to turn the floor over to Mike D'Onofrio and Brian Norkus. He recommended that questions be held for the end.

Mike D'Onofrio stated that his intent was to look at the role of the department, the permitting process, especially specific to the commercial permits. He said that Brian Norkus would present a few case studies so as to give a flavor of what is involved in the permitting process. Then, he will discuss some updated vacancy data.

Mike D'Onofrio referred to his chart and stated the Role of Community Development is to protect the community thru:

1. Oversight of building construction
2. Zoning
3. Planning
4. Health and Sanitation

Mike D'Onofrio asked "How does Community Development protect the community (residents, commercial property, tenants, and patrons)". With respect to commercial properties, Community Development issues the permits and inspects the work done to verify that it is done in accordance with the Village building code that was adopted by the Village Council that has been in effect for a number of years.

Mr. D'Onofrio stated that Community Development issues about 1,000 permits per year. This includes a variety of different permits. There are permits for new house construction, additions, alterations, remodeling, new patios, roofing. Why do we issue permits? For example, before a permit is issued to re-roof a house, Community Development checks that the contractor has a state-issued roofing license, which means that they have worker's comp insurance; this in turn means that if a worker gets hurt, they won't sue the homeowner.

Mr. D'Onofrio continued with the issuance of a sign permit. He stated that Community Development has a number of regulations about how the sign will look. This protects the appearance of the community.

Mr. D'Onofrio stated that Community Development does a number of other non-permit related activities. These include zoning relief, variations, demolitions, commercial design review, certificates of appropriateness, subdivisions, and lot consolidations. Community Development staffs a number of boards, including the BCDC, the Plan Commission, the Zoning Board of Appeals, Design Review Board, and the Landmark Preservation Committee. We do economic development, and food service and sanitation. We contract with the Village of Wilmette to have a licensed environmental health inspector. She conducts regular inspections of the approximately 45 food service establishments (restaurants, schools, minimarts, etc.) in the Village, for compliance to state regulations. Also, she inspects and works with temporary vendors at the various special events.

Rob Bahan interjected that the contract with the Village of Wilmette has been in place for a long time. He worked in Wilmette back in the '90's and it was in place at that time.

Mike D'Onofrio referred to a slide outlining the Community Development staff of ten people. The details of each position were listed. Generally, Community Development has ten full-time

employees with one position vacant and the part-time contract employee. In terms of tenure, it ranges from 1 year, Lori Weaver and Brian Norkus is the longest serving employee at 20 years. Mike D'Onofrio is in the middle at 11 years. Our average tenure is 10 ½ years. In the planning profession, Brian and Mike have about 50 years of experience between their work in the Village and other places.

Mr. D'Onofrio continued with the breakdown of the Community Development department. He mentioned that he is the director; Brian Norkus is the assistant director. In the Building and Code Enforcement area, there is a plan examiner, Darab Shahabi. Shahabi is a licensed architect, which you don't always have in this position. We have two inspectors, Rudy Zaransky, a licensed plumber and Bob Wickman, who is a licensed electrician. They examine and approve the plans and are then out in the field most of the day doing various inspections. We have a code enforcement officer, Mike Dlouhy. Six years or so ago, the Village Council decided to fund a position to "ride a circuit" each day due to the amount of construction activity, especially in the new construction area, in the Village. He checks on construction sites each day, to ensure they are kept clean, not tracking mud on the street; he checks into neighbor disputes, etc. Dlouhy does not handle property maintenance inspections. These types of complaints are handled by D'Onofrio or Norkus since they are fairly rare, and there have been maybe two since the Village adopted the property maintenance code.

Mr. D'Onofrio continued with the Planning and Zoning area. There are two positions – the planning assistant, Ann, and the planning technician, which was Jill Morgan, and is currently vacant. Mike D'Onofrio stated that he and Manager Bahan have had conversations about what kind of skill set that person might have to lend themselves to economic development. Jill was doing some of this already. We are fully intending on bringing someone in to fill this position with some focus on economic development.

Mr. D'Onofrio continued with the clerical staff, indicating that these people really should be up at the top of the chart. He stated, like in any good organization, these people keep everything in line and moving. We have the permit coordinator, Anita Lichterman; that is exactly what she does – coordinates the permit from intake to the time it is closed out. Lori Weaver is the administrative assistant; she backs up the permit coordinator. She has picked up some duties here – doing minutes, occupancy surveys, and agenda packets.

Mike D'Onofrio stated that Community Development organizationally is a pretty flat structure; Mike and Brian are very easily accessible. We do retail, we don't do wholesale. We make ourselves available when people want to talk to us.

Chair Harris added that it is critical that there is a process and that we need to re-communicate this to the public. In three of the four Listen and Learns that were held, it is clear that there is a misunderstanding of the process.

Mike D'Onofrio made some initial comments prior to introducing the commercial building permit process flow chart. He stated that we issued about a 1000 permits per year. This past year, 1000 permits equals about \$1.5 million dollars. Commercial is about 10% of this or about \$150,000.

Chair Harris asked if the dollar amount for commercial permits was the same as for residential permits.

Mr. D'Onofrio stated that it is hard to say as there is a variety of different commercial permits. From January thru November 2012, we processed 40 interior remodeling of commercial space permits at approximately \$45,000 per permit expenditure. In 2011, we issued 38 permits at approximately \$98,000 per permit expenditure. One big project can increase the number substantially. But, the fee calculation is the same for commercial and residential permits. The fee is based on the value of the improvement.

Mike D'Onofrio said one thing that he would like to mention is that Community Development is a regulatory agency. He likes to say that we are the building police, not in a bad way, just that we have rules and regulations that we enforce. The village operates under the ICC code series. We go on a six-year adoption cycle. BOCA was one of three national building codes, used mostly in the Midwest, which the Village used previously. Approximately ten years ago, the three national codes were merged into the ICC codes. It is national model code.

Rob Bahan stated that there is a trend to standardize the codes, at least regionally, for the design professionals and the contractors.

Mike D'Onofrio stated that the ICC code is used by all surrounding communities.

Patrick O'Neil asked if the Village code is customized.

Mr. D'Onofrio stated that the Village adopts a number of amendments, to "Winnetka-ize" it. For example, the electric code was changed to require electric in conduit, not to allow romex. Also, we require pressure testing of gas piping. Not everyone does this. We do this because a number of years ago there was a fire and they thought it was caused by a leaking gas pipe. This is to verify that there are no leaks in the piping.

Patrick O'Neil stated that he is a big fan of this. TRIFECTA had a leak and something blew during testing.

Mr. D'Onofrio stated that most amendments are based on past experience(s). We don't sit around and go "oh, this might be a good idea". They are based on actual experiences.

Mr. D'Onofrio continued with the commercial building permit workflow. It is fairly similar for residential, but for today we are just focusing on commercial. There is usually a zoning question that brings the tenant to us. We offer a pre-occupancy walk thru inspection with a number of professional staff to see how the space will or won't work for the business that wants to occupy it. This pre-occupancy walk thru usually includes the plan examiner, the building inspector, the fire department, and the tenant.

Next, Mr. D'Onofrio continued with the submitting permit step of the workflow. This includes the completed permit application, plans, and cut sheets for any equipment. We check that the

build out and the equipment is up to code. This is checked for completeness at the counter. If it is incomplete, it is returned to the applicant with a list of needed items. They would then resubmit when they have all of the information. They must submit six sets of plans so that the submission can be reviewed concurrently, instead of sequentially.

Chair Harris asked if this is only paper or can it be done electronically.

Mr. D'Onofrio stated that the process is both. The application comes in on paper. With respect to the plans themselves we have tried to do it electronically, but they are too difficult to read on the computer screen.

Mr. D'Onofrio continued, stating that the Design Review Board is something that Brian is involved with.

Mr. D'Onofrio noted that commercial projects take precedence over anything else that comes in. With permits, it is first in, first reviewed. Each discipline (building, zoning, plumbing, electrical, mechanical, fire) does their written reviews which are sent to administrative assistant electronically. Once all disciplines are finished, a plan review letter is compiled and sent to the architect and the tenant. The architect then resubmits the revised plans. On average, this can take anywhere from two days to 4 weeks. The resubmittals are reviewed and either approved or sent another plan review letter.

Mr. D'Onofrio continued stating that the Village requires copies of licenses and bonds from all contractors. Again, this is a safety measure. The bond is an insurance policy made out to the Village. If a claim is necessary, a letter is sent to the insurance company and amazingly, the problem usually gets fixed very quickly as the contractor is personally responsible. The fees are figured and paid. Then, the permit is issued. The Village does a number of inspections during the course of the project, including rough and final plumbing, electric, framing, mechanical, fire alarm, fire suppression, health, and sanitation. Once the final inspections are approved, a Certificate of Occupancy is issued. The most time involved in the permitting process is between the first plan review letter and the resubmittal of revisions.

Tom Eilers said that the BCDC needs to look at it from the perspective of the landlord dealing with the tenants. The tenant won't get approved plans because they don't listen and don't do what is required. This is important in the landlord-tenant negotiation. The landlord is negotiating with the tenant. The Village should never say that it is the landlord's responsibility. This is all life safety, all understandable, all appropriate. Where the process falls apart is when, after plans have been fully approved and rough inspections begin, items are added and this throws the lease negotiation into chaos. It is important once the plans are approved, fees are figured and paid, and the permit is issued that all inspectors have their act together and don't go in and say, by the way, you need this. The issue is in the operation and the people involved, not the flow chart.

Brian Norkus stated, to that point, one of the most valuable aspects of the pre-occupancy walk thru is that it gives the inspectors, the prospective tenants, and the landlords an early opportunity to review the space and try to start drawing attention to issues of concern.

Mr. Eilers said that it is unfair to assume that all issues have been identified at that point. It needs to be after the architect has done his plans. If this does apply to Winnetka, his criticism is of that last stage after the permit is issued. When municipality inspectors add scope of work after this, this is what causes the lease arrangement to be thrown into chaos. The landlord – tenant relationship is thrown into chaos.

Trustee Kates stated the pre-occupancy walk thru may or may not be too late. If the lease is already signed, then the issues come up, this is too late. There may need to be guidelines out even earlier.

Tom Eilers said that you tell the tenant not to sign the lease until after the pre-occupancy walk thru. Also, tell them not to add anything later as the Village needs a full set of plans to know what is needed in the space.

Rob Bahan has seen this in the food industry in other areas. The tenant gets into the space and decides to change something, make the bar longer for instance. He asked where specifically problems pop up.

Tom Eilers said that if it is a life safety issue then it needs to be added and that everyone makes mistakes sometimes. The notion, on part of the municipality, should be that once the permit is issued, except for extraordinary cases, nothing is added to the scope of work. If the business parties doing the work change the scope, which is whole different ballgame.

Patrick O'Neil stated that he is living proof of this. His restaurant, O'NEIL'S, was remodeled, moving the bar from one end to the complete opposite end. The plans were approved, budget in place, and the plumbing inspector decided that they needed to add a dishwasher. Everything was implemented and the agreements signed. This was a huge deal as there was no room for it. We ended up putting it in the corner of the room; it was the silliest thing in the world. It didn't make any sense. Had to put it in the corner of the room where it stayed, unused for 6 or 7 years until the Village sanitarian said it was okay to remove it. This cost about \$12,000. That is the kind of stuff that needs to get addressed.

Mike D'Onofrio stated that he has addressed a lot of these issues recently. He stated that he wasn't going to give anecdotal evidence of the amount of dollars the Village saved ONCE UPON A BAGEL based on code interpretation that he made. He said Community Development is taking a hard look at this on every job.

Rob Bahan said he would give one other anecdotal example in a non-food service business, BABY TAKE A BOW. It just opened in the former seafood shop and there was an issue with the door swing. It swung in, not out. This was probably a \$5,000-\$6,000 fix. It was a pre-existing condition; we talked with Fire Department and decided to leave it alone. This is some of the flexibility that we are all thriving for to ensure that our commercial areas are successful. There are some things that you need to enforce, but need to also have the discretion to say this is one of those items that you don't need to pass onto either the tenant or the owner. In O'Neil's

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case, he thinks it is a continual improvement process to understand where it is required and where it isn't.

Chair Harris stated that this work process is very important from a practical standpoint. He asked when someone comes and asks for a permit, does Community Development take them thru this process, give them the actual flowchart, the names of the people.

Mr. D'Onofrio stated no, Community Development does not give the applicants the flowchart.

Chair Harris asked if that would help educate the public; should the BCDC recommend this.

Mr. D'Onofrio said yes, it would help; that it never hurts to give more information.

Rob Bahan added that it should be companioned with the "How to" guide.

Mr. Norkus said that this should be added to the pre-occupancy walk-thru, with contact information and the "how to" guide to permit process.

Mr. Bahan said thanks to the Village Council for approving the financial software. It will have a two-year phase-in for Community Development software. This will modernize the processes, collect better data.

Trustee Kates mentioned that the pre-occupancy walk-thru may be too late. That it needs to be done prior to inspections.

Mr. D'Onofrio stated the term "pre-occupancy" may be a misnomer. Community Development tries to get it done pre-lease, before anything happens.

Mr. Bahan suggested "preliminary walk-thru".

Chair Harris asked if there is any interdependency between areas of review; do they review plans together or are they all done separately.

Mike D'Onofrio answered that 90% of all reviews are done by three people who sit next to each other. They are doing their own reviews. Each discipline stands on its own. They will talk if there is an issue.

Chair Harris asked, from a departmental view, if there are frequent meetings reviewing the projects.

Mr. D'Onofrio answered no; Community Development does not do this.

Chair Harris asked for questions on the information presented by Mike D'Onofrio.

Ms. Swartchild said that a lot of people have complaints about the fire code. She asked if Winnetka's are stricter than others.

Mr. D'Onofrio said that he can't say if it is stricter than other municipalities. Winnetka has adopted the ICC Fire Code.

Trustee Kates asked if the fire code is on the pre-occupancy walk-thru.

Mr. D'Onofrio answered yes, it is.

Mr. Bahan stated that Winnetka is about where everyone else is, except on the grandfathering clause on sprinklers, which is pretty generous. He said the North Shore tends to be a little tighter than other regions. He said it depends on the professional capacity to approve, implement, and administer the codes.

Trustee Kates said the problem may be that the pre-inspection is not broad enough to cover things that may be surprising to tenants.

Mr. D'Onofrio commented that at our (Community Development) walk-thru's, we always have fire there. Whether all things are identified or not, he doesn't know.

Mr. Bahan asked if there are subsequent walk-thru's as issues are identified.

Mike D'Onofrio said we are available as needed. We offer the first one; if they want a second look, they can ask and we will get the right people out there. For example, we had several preliminary walk-thru's for ONCE UPON A BAGEL. This was because the property owner was trying to get a handle on things.

Chair Harris asked if there is a physical checklist; what is the outcome of the walk-thru.

Mr. Norkus stated that the comments from the various disciplines are assembled in a report and sent to everyone at the walk-thru. Typically, this includes a tenant, their contractor, the architect, the landlord and the various people from the Village. He said there are a couple of different "flavors" that these take. One is "vanilla", for example, an inspection of a former retail space where a new retail tenant wants to go in. The tenant is just looking to make sure they can move in legally. This is a very straightforward process. The fire department may point to the exit signage that needs adjusted and this is the end of the comments. The more complex walk-thru involves a tenant that is changing the type of use or where they want to reconfigure the space. We look at the drawing and the change of use and this involves a more complex review.

Chair Harris asked for any other questions before people had to leave.

Trustee Kates said that when you go thru the report of what Community Development does, there is an absence of commercial development promotion. This may be due to the vacancy in Community Development. The question may be whether you have a full-time person with a pension or a part-time person who reports to the manager. You may want to separate the policing for the promotion.

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Chair Harris responded that this committee has had many discussions concerning the need to communicate with and organize the business districts to promote business. The activation of the website, the possibility of hiring a public relations firm, and the idea of an ombudsman are all things being considered to aid in filling the vacancies in Winnetka and to stay ahead of the curve. We have work to do to firm up our recommendations to the Village Council.

Trustee Kates said that you may need a meeting before the Council meeting to firm up ideas for the presentation.

Chair Harris said that pre-read information will be sent to the Council; this information will be reviewed by the BCDC prior to sending it to the Council.

Tom Eilers commented that traditionally he has had the opinion that it is not the municipality's responsibility to fill the vacancies; it is the property owners' responsibility. Recently, he has seen more municipalities actively engaging in this activity. There are several different models out there. For the BCDC to make a solid recommendation to the Council on January 8th, we would be doing it without having done our homework. We can raise the issue, but we don't have to re-invent the wheel.

Mr. Bahan said the Urban Land Institute is pulling its group together and will be sharing a tentative work plan with the Council for the technical assistance panel that will convene in February. The BCDC will have a role here in terms of being interviewed concerning your perspectives on improving the business districts. We have held off on filling the vacancy until we know what we are doing. With that said, Community Development still has work that needs to be done. Planning and zoning reviews that need to get done. There is a significant amount of work to be processed. Mike informed him this week that permit value increased to \$54 million this year from \$36 million last year. These are heightened investments in the community; vacancies rates are down to 4% on average in the business districts. You need to know your strategy before you allocate resources to a person to go out and recruit.

Tom Eilers agreed with all of this and said that Winnetka needs to get real and decide, not what we would like to be but what we can be realistically. We are not Highland Park, not Naperville, not a Glen Ellyn, not a Crystal Lake; it is a different ballgame, much smaller scale.

Trustee Kates added that there may be some flexibility in the budget that we can have the resources.

Tom Eilers and Richard Kates left at 8:30 am.

Brian Norkus proceeded with three short case studies. He stated that 24 new businesses have moved into Winnetka in the last calendar year.

Mr. Norkus started with the BP Amoco station. It went thru a special use process in 2010 to introduce a more formal convenience store in a very ad hoc service station. One of the concerns that arose out of this process was how the customers would interact with the traffic and public sidewalk. Not unusual to see vehicles blocking the public sidewalk. The public sidewalk was

not well marked. We tried to get BP Amoco to look beyond the convenience store to the public area. Community Development drafted a plan to start discussion of creating that separation of the sidewalk from the bay area. Also, to make that an entrance into Hubbard Woods. This translated into an approved landscape plan with a curb separating the sidewalk and some landscaping. One of the other things he discovered was a nearly complete connection from Green Bay to the Sawbridge location. They have been exploring the idea of creating a formal walkway.

Terry Dason arrived at 8:40 am.

Mr. Norkus continued with the second case study, Café Fleurette located at the Elm Street Train Station. The village had a pretty active role in shaping the design of the train station to ensure the renovations retained the Village's character. Metra is only interested in being a railroad, not a landlord. There was a lot of unused space in the station. The Village was interested in maintaining the amenities for the commuters. The railroad said they would renovate the space and provide a coffee shop space; the Village has to rent the space to a suitable tenant. In 2011, the Village put out a call for renters. It is seen as a retail incubator space, a good entry level space for a tenant to start out in with very little work done to get open. It is designed so that if the tenant does well, they can move to bigger space in the Village with no penalty.

Peggy Swartchild asked who they pay the rent to.

Mr. Norkus answered that the rent goes to the Village. The Village was primarily interested in the quality of the tenant. They received four proposals. The Village Council chose Café Fleurette. Rachel Beaudry's (the tenant) husband is a French pastry chef and she is pretty darn good herself. When she opened she wanted to be open on Saturdays, wasn't sure how they would be. Saturdays are now her busiest day. She has quite a loyal following that started at the farmer's market in Northfield. She has greatly exceeded her expectations. Brian Norkus said he keeps dropping hints on other available spaces she might want to consider.

Rob Bahan said that the success of this concept has gotten out. Highland Park is asking for the RFP model.

Peggy Swartchild asked if Hubbard Woods (train station) might get a similar tenant.

Mr. Bahan responded possibly if the capital improvements get approved by the state. It would be a great concept for Hubbard Woods.

Brian Norkus continued with the 805 Elm Street building, formerly JOHNSEN'S SEAFOODS and now BABY TAKE A BOW. The building's importance stems from its location in the middle of a predominate block in the core retail district, basically, ground zero of retail history in Winnetka. He met with the new landlord early on when he was considering buying the space and his goals were similar to the Village's mind set. He wanted a food operation, a pretty natural progression, such as a bakery. The Village was very supportive of his concepts for the space. They worked with him to create a packet to give to perspective tenants. He, also, restored the exterior of the building bringing it back to its original look. Norkus prepared a press release for

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the toy store next door to get them some press. Also, the Village suggested creating an outdoor space for people to enjoy the food products by eliminating the 3-car garage building at the rear of the property. The alley could have been made more appealing.

Mr. Norkus said the Village has come up with a list of key vacancies in the Village to aid in filling the vacancies.

Rob Bahan left at 8:50 am.

Terry Dason apologized for being so late. She asked what the cost per square foot for rent in Winnetka is.

Patrick O'Neil responded –mid \$20-\$40, average is \$32-33/square foot.

Chair Harris thanked Mike and Brian for their efforts

The meeting was adjourned at 9:00 am

BUSINESS COMMUNITY DEVELOPMENT COMMISSION
November 8, 2012 MEETING MINUTES
REVISED

Members Present:

Jason Harris
Patrick O'Neil
Trustee Richard Kates
Paul Dunn
Tom Eilers

Members Absent:

Peggy Swartchild
Terry Dason

Village Staff:

Lori Weaver, Administrative Assist. Community
Development
Megan Pierce, Assistant to the Village Manager

Call to Order

The meeting was called to order at 7:16 AM.

The September 2012 meeting minutes were reviewed. Trustee Kates asked that the sixth paragraph on page 4 be stricken. He said he did not say this. The minutes were moved for approval by Tom Eilers, seconded by Paul Dunn, and approved by voice vote.

The October 2012 meeting minutes were reviewed. Trustee Kates asked that the wording be changed in paragraph 4 of page 1. He changed it to "the ombudsman or expeditor position in regards to Community Development", not "in Community Development". The minutes were moved for approval by Paul Dunn, seconded by Patrick O'Neil, and approved by voice vote.

Chair Harris opened the meeting by saying that there were three things he would like to cover in this meeting. One was the Indian Hill Listen & Learn; two was the Exit survey; and three was the strategic plan and how to work with Village Council to set it up; how to frame it for presentation to the Village Council.

Chair Harris called on Paul Dunn to continue with the discussion of the Indian Hill Listen & Learn.

Paul Dunn stated that the Indian Hill Listen & Learn was held at the @Properties location. One banker showed up and he was outnumbered by 5 or 6 people from the Village. Mr. Dunn said the banker felt the commercial property in Indian Hill was well maintained.

Paul Dunn stated the main point that came from the Indian Hill Listen & Learn is that these businesses are destination-oriented; as such, they survive on their own and are not as impacted by outside events. All seems to be good in Indian Hill.

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Chair Harris stated that there is a dividing line between South Winnetka and Kenilworth.

Patrick O'Neil asked if there was a cut-off.

Chair Harris stated that the pizza place (Marco Roma) is the cut-off of Winnetka. He stated that we should shake hands with Kenilworth concerning the branding of that area.

Patrick O'Neil stated that Indian Hill was more service-oriented; hair, car, not a lot of retail.

Chair Harris mentioned the need to service the area surrounding New Trier. The kids go to 7-11 or Captain Nemo's.

Paul Dunn mentioned he had a long phone conversation with a merchant, John Lewis, who was unable to attend the Listen & Learn.

Chair Harris suggested that the BCDC include Indian Hill in all conversations, but the other three districts need to be the focus.

Chair Harris called on Tom Eilers to discuss the Exit Survey.

Tom Eilers suggested that three areas be added to the exit survey – rent, area (business district) of the store, and retail taxes.

Chair Harris asked Megan Pierce how the survey is meant to be sent out.

Megan Pierce answered that it would be best to access the merchants before they leave town. She stated the process could be that the manager's office gets the information from the finance department or by "word on the street" that a business is leaving; the manager's office would generate the exit survey; the manager's office should assure the merchant confidentiality. She stated that the survey should include a cover letter with the intent of the survey to allow the merchants to feel secure to participate; there would be a follow-up 2 weeks later to encourage them to take the survey. Ms. Pierce stated that there is a very small window of opportunity to reach these merchants.

Ms. Pierce stated that in her previous position in St. Charles, they had a business retention survey. The survey comments were **gathered** and summarized before being presented to the council to assure anonymity to the merchants.

Trustee Kates said the BCDC should get the results.

Tom Eilers said that to get real information as to why people are leaving the BCDC should interview them.

Chair Harris stated that previously Terry (Dason) had mentioned this might be a good tool – an annual satisfaction survey.

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Megan Pierce stated that an exit survey is a first step towards a satisfaction survey or retention survey. She said a retention survey and the process for it was much different from an exit survey.

Paul Dunn asked what a retention effort consisted of.

Megan Pierce said the survey is sent to all businesses. It checks the climate of business; it may ask how the business feels about interaction with the Village and with other businesses. She stated the Village does not currently have a retention survey in place.

Chair Harris asked if the BCDC should consider implementing a formal survey.

Paul Dunn said that retention is a great idea; we need to measure how we are doing; have to have something to measure.

Chair Harris asked if the content of the exit survey was okay with Tom's additions.

Tom Eilers said we need good information and you get this by talking to people; **some are intimidated by the Village authority.**

Chair Harris asked who should administrate it (the exit survey).

Patrick O'Neil said we are here to help people; we should administer it.

Trustee Kates said that when someone is leaving, they are not going to be intimidated; no reason to be shy about their thoughts. He said the exit survey should be removed from Community Development. He said the survey should not be done by someone who might be trying to cover why someone is leaving. He said the retention survey is a superb idea; grab things before they get out of hand.

Patrick O'Neil expressed his desire to have a survey on opening a business. He stated that he almost walked away from 2 of his 3 restaurants during this process. He brought up that Dairy Queen walked away from Winnetka.

Trustee Kates said that he had investigated the Dairy Queen situation. He said the reason they did not locate in Winnetka was a corporate decision, not a local one. He said that someone was selling the Dairy Queen product down the street.

Trustee Kates stated the need for a manual of what to expect when you open a business. He referred to a client of his that had problems opening a business in Winnetka; that he received a hostile notice threatening fines for not being in compliance.

Patrick O'Neil stated that it was a horrible experience and it would be great to have in and out surveys. Also, we need an opening manual.

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Tom Eilers stated that we need consistency; need to have the truth; He said we can ferret out the truth by having a business person speak with the exiting business person, peer to peer.

Trustee Kates said that the village should do both – send out survey and go talk to people who are leaving.

Tom Eilers stated there should be a note on the survey that the results would be shared with the BCDC.

Patrick O’Neil said he would like to have Once Upon A Bagel sitting there (at the table).

Trustee Kates pointed out that the prior issue was a contractor problem. **The owners of the ice cream shop weren’t accurately told what to do;** sanitarian told them one thing and heard differently from contractor.

Patrick O’Neil said that Lynn (sanitarian) is fair. He said during the remodeling of O’Neil’s, he had 5 different people sign off on the plans; he followed the plans and then was told that he had to add a dishwasher. It was harassment.

Trustee Kates stated that D’Onofrio has an advance walk-thru.

Tom Eilers stated that this is an important issue. The landlord and tenant have an agreement as to what each is doing; then the Village comes in and adds things. It throws the deal off balance.

Chair Harris said that the Village needs to publicize the steps of the process. It is the #1 thing needed – the process of getting a permit.

Tom Eilers stated that at the end of the day, this will help the Village. A lot of the times, with these complaints, it is found that the people were told to do things, didn’t do it and it gets kicked back; need to separate fact from fiction.

Trustee Kates stated that this is something this committee can do.

Chair Harris said the surveys – open and exit with an annual survey would be good.

Paul Dunn stated that the notion of new surveys on opening is a great idea. Exit survey is good; it should be done by peers as the outgoing merchant will open up more to his peers. He and Tom Eilers had a conversation. They discussed if the Village is business-friendly or not. He stated there are always two sides to every story and the devil is in the details. Details are important. He said it seems as if sometimes the Village pulls thing out of obscure codes.

Paul Dunn said that we or someone may want to take a deep dive in to Village processes and people. The complaints have been ongoing for years, but there is more innuendo than facts. If facts are developed that show there are a few egregious codes, or people trying to enforce codes unfairly, they should be identified and corrected so that future experiences are more user friendly and positive for the business climate.

Paul Dunn said he is convinced the peer-to-peer process will find in 85% of cases that Community Development will be vindicated; need to separate fact from fiction; need to see an unfiltered pattern to get to the truth.

Trustee Kates agreed with Paul Dunn, that people can still talk to people. He said the exit survey, however, should be administered through the manager's office. He said there should be an interview, as well. He said bad apples should be dealt with.

Tom Eilers asked, concerning the exit survey, what is the follow up to the answers? We need an opening survey, an on-going survey, and an exit survey.

Chair Harris inquired of Megan Pierce if the Chamber did a survey. Ms. Pierce responded not to her knowledge. Patrick O'Neil said no, as well.

Megan Pierce added that in other communities, that how the exit survey is administered depends on the structure – an economic development office might do it or the manager's office is a common spot. She stated that having it in the manager's office raises the level of importance of the survey to the people. She said that surveys are time-intensive and response is low (maybe 20%). Ms. Pierce said that people are sensitive. Also, you have to decide who you are talking to – the renters vs. the owners. She mentioned that surveys are normally done on a bi-annual basis due to the labor-intensiveness and that the information normally comes through the manager's office first.

Chair Harris asked if they were in agreement on the need for a set of surveys – opening (90 days in or so), an exit survey, and an annual retention survey, a sort of state of affairs survey.

All present agreed by voice.

Chair Harris then stated that the set of surveys would be part of the BCDC's recommendation to the Council. He said that more dialogue was needed on the who and the how to administrate these surveys. He said that, in 2012, the BCDC has opened a dialogue, would like to administer it in early 2013, give to everyone in the community to get a baseline. Chair Harris asked if there was a survey on property owners, as well, owners compared to merchants.

Patrick O'Neil offered up a "Landlord survey".

Tom Eilers said that if a tenant is having problems, the owner gets involved. The surveys may ferret out problems that are between the tenant and the landlord.

Trustee Kates stated that the Listen & Learns were good, but were of no value to the Council as they haven't gotten the results.

Chair Harris said that he appreciated this thought and the issues have been captured.

Trustee Kates stated that the guts have not been communicated.

Chair Harris said they will show the Village Council.

Tom Eilers said that it may be hard to package it – the recommendations needs to have the reasons why they are recommending it.

Chair Harris asked to finish the survey notion and to talk about the process of permitting with Community Development.

Trustee Kates said that it is business development vs. regulation.

Chair Harris stated that he would like to have study session around the process as it relates to business development and to look at how surveying fits into this process. He asked if the BCDC could do it in the next month or two. He asked if it was too much to take on at one time.

Tom Eilers suggested a two-step process – 1.) Community Development should help the BCDC understand what Community Development does and why and 2.) What recommendations should the BCDC make?

Patrick O’Neil and Trustee Kates both agreed; Patrick O’Neil suggested opening up the meeting to businesses for their input; maybe an evening meeting.

Tom Eilers said the meeting with Community Development should be more informational – what does Community Development do and why; Don’t want it to be perceived as a beat-up session. He said it should be a meeting where we are trying to get the facts right.

Trustee Kates said the problem is that what Community Development says they do and what is happening day-to-day may be different.

Chair Harris stated that there needs to be transparency.

Paul Dunn suggested that the BCDC work on the presentation to the Council. He said that the BCDC should spend 15 minutes of every meeting working on the presentation, need to hone down the presentation to the Council so it is concise, include the Listen & learn information and tell the Council that the notion on three surveys is one that the BCDC advocates. Mr. Dunn stated that the surveys would be great tools. Mr. Dunn said he was in favor of deep dive into Community Development. He said the BCDC should ask for the Council’s support to do this.

Chair Harris stated that storm water is the next major issue for the Council. He stated the Rob Bahan is interested in BCDC, just storm water is the priority at this time, going into November, December, and into 2013.

Trustee Kates stated that the Village Council is handling the budget.

Paul Dunn suggested the BCDC get slotted.

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Trustee Kates said that Council's time is pretty filled with the budget, the tax levy, and the pension.

Paul Dunn asked to get a target date; it would be better to have a date further out so as to have a better presentation.

Chair Harris asked if the BCDC should ask other **boards** to the dialogue, include other boards and key staff. He suggested going through Community Development and to give recommendations with flexibility. The BCDC should give sharp points that we are really advocating.

Paul Dunn stated that the ULI study is a great opportunity; the BCDC needs to be a part of this process.

Chair Harris said that in his discussions with Rob (Bahan) and Jessica (Tucker) they said the BCDC would get a dialogue.

Trustee Kates said the BCDC would be part of the interview process with the ULI. He said the Council should get the individual comments from the Listen & Learns as well as a summary.

Chair Harris asked if we were comfortable handling a big development in 90 minutes or do we need an evening session.

Tom Eilers said that the BCDC needed Community Development to put "some meat on the bones" of their staff; a simple discussion of what they do.

Chair Harris suggested a December meeting with Community Development.

Tom Eilers said the BCDC has seen its ups and downs; originally, the BCDC was a filter **for the items like the overlay system and the maintenance code**; now, we are focusing on our role – an ombudsman role – a supporting role. The BCDC needs to be perceived as knowing what we are talking about.

Chair Harris said the Village is open to having a discussion of the function of BCDC; he said he has spoken with Rob and Jessica. Chair Harris said that maybe he has progressive thoughts, but will push BCDC to think outside of their role and it will level off where it needs to be; this will make the BCDC better for business development in our community.

Tom Eilers said we need to engage in informal conversations.

Patrick O'Neil asked if the surveys need approval from the Village Council. What is the process?

Megan Pierce suggested looking to other communities' surveys for examples.

Trustee Kates said the surveys have to go through the manager's office.

Chair Harris said that we owe it to ourselves to go before the Village Council sooner than later and that we may need to take a step back, start the process out aligned with the Village Council and the Village manager.

Paul Dunn left the meeting at 8:30am.

Megan Pierce stated that the surveys (retention/entrance), if coming from the manager's office, don't need the Village Council's approval, just would like their input and support; if the surveys come from the BCDC, they may need the Council's approval. She, also, said that it is big jump to go from no surveys to three.

Patrick O'Neil stated that at the time of an exit survey, it would probably be too late to get input on the issues surrounding the building permit process, that it might be 10 years after the fact.

Chair Harris stated that they were three things to focus on: 1.) talk to Mike D'Onofrio about Community Development, 2.) speak with Rob and Jessica about a date, and 3.) the surveys.

Tom Eilers said it is not a difficult process to have surveys.

Chair Harris said that with the current technology it should be easy to get the surveys out, harder to compile the information; he said we need to make it easier to work with Winnetka, should be easy to work with us. He said it is about positioning – maybe we should go door-to-door.

Tom Eilers said the survey letterhead should be BCDC, not the Village of Winnetka.

Chair Harris agreed.

Patrick O'Neil said this would dismiss the fear of retaliation.

Trustee Kates said it is about procedure; in the Village code, BCDC is an information gathering group reporting to the Village Council; if it goes beyond that, it has to go before the Village Council.

Trustee Kates again stated the importance of the Listen & Learn comments being given to the Council, not just a synthesis.

Tom Eilers again stated the importance of getting slated on the calendar.

Chair Harris said he wants to share comments with the committee (BCDC) first before giving to the Council.

Chair Harris asked about the upcoming vacancies on the BCDC. It was determined that the vacancies are Jason (5/1/2013) and Peggy (4/15/2013). He asked for the committee to think about and suggest replacements for the Village Council's approval.

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Trustee Kates said Tom's (Eilers) contributions are valuable.

Chair Harris asked if there was anything else. He said the study session should be a dialogue. He asked if there was anything from staff.

Megan Pierce added that the ULI study is just now getting its legs; we should hear more from them in December.

Chair Harris stated that the next BCDC meeting in December 13th.

Trustee Kates said that once the BCDC is slotted, please have your ducks in a row.

Tom Eilers said being ready is the more important than being slotted sooner.

Chair Harris stated that we would need other meetings to be tight to go before the Council.

The meeting was adjourned at 8:45am.

COMMERCIAL VACANCY DATA

CURRENT VACANCY RATES BY # OF TENANT SPACES (12-12)

<i>District</i>	<i>Total tenant spaces</i>	<i>Occupied #</i>	<i>Total Vacant</i>	<i>% Vacant</i>
Indian Hill	22	21	0	0.0 %
East Elm	91	75	8	8.79 %
West Elm	118	111	1	0.85 %
Hubbard Woods	129	120	7	5.43 %
TOTAL	360	327	16	4.44 %

VACANCY RATES BY SQUARE FOOTAGE (12-12)

<i>District (Sq. Ft. of District)</i>	<i>2011 Vacancies</i>	<i>2012 Vacancies</i>
Indian Hill (80,050 s.f.)	0 s.f. (0%)	0 s.f. (0 %)
East Elm (128,210 s.f.)	25,280 s.f. (20%)	11,375 s.f. (9%)
West Elm (236,810 s.f.)	8,810 s.f. (4%)	2,200 s.f. (1%)
Hubbard Woods (221,030 s.f.)	23,050 s.f. (10%)	11,525 s.f. (5%)
TOTAL (666,100 s.f.)	57,140 s.f. (8.6%)	25,100 s.f. (3.9%)

HISTORIC VACANCY RATES 2009 - 2012

<i>District</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Indian Hill	8%	0%	0%	0%
East Elm	14%	20%	20%	9%
West Elm	4%	3%	3%	1%
Hubbard Woods	8%	13%	11%	5%
TOTAL	8%	10%	9%	4%

BUSINESSES THAT HAVE OPENED IN THE PAST 12 MONTHS

1. Trifecta Grill – 501 Chestnut
2. Sparkly Nails – 546 Chestnut
3. Hair Couture – 813 Chestnut Court
4. H&D Nails – 720 Elm
5. Café Fleurette- 754 Elm
6. Baby Take a Bow – 805 Elm
7. Once Upon a Bagel – 1050 Gage
8. Athletico – 850 Green Bay
9. Robert Bryan Home – 894 Green Bay
10. Skandal – 907 Green Bay
11. Spex Eyewear – 910 Green Bay
12. Custom Cabinet Shop – 913 Green Bay
13. Grace Nails – 1007 Green Bay
14. Your Loss Your Gain – 554 Lincoln #1
15. Cherree Berree Paper – 554 Lincoln #2
16. North Shore Match – 554 Lincoln #3
17. Anthony Perry Design Build – 564 Lincoln
18. Jameson Real Estate – 584 Lincoln
19. Flee Bags – 561 Lincoln
20. Sara Campbell – 561 ½ Lincoln
21. Liaison Studio – 811 Oak
22. North Shore Auctions – 809 Oak
23. Willow Boutique – 1060 Gage
24. Lake Shore Acupuncture