

# CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

## MINUTES

### Development Committee

January 14, 2013

#### APPROVED WITH CHANGES AT THE FEBRUARY 11, 2013 MEETING

#### 1. Call to Order, Roll Call, and Establishment of a Quorum

Chairman Pineda called the meeting to order at 7:00 p.m.

Roll call found Aldermen Sandy Dimas, H. Ronald Monroe, Ruben Pineda, John C. Smith, Jr. and Rebecca Stout present.

Also in attendance was Director of Community Development John D. Said.

Alderman Beifuss arrived at 7:14 p.m.

#### 2. Approval of Minutes

A. Development Committee of November 12, 2012

**Alderman Dimas made a motion, seconded by Alderman Monroe, to approve the November 12, 2012 Development Committee Minutes. There was no discussion. The members unanimously agreed. Motion carried.**

#### 3. Public Participation – None.

#### 4. Items for Consent – None.

#### 5. Items for Discussion

A. Stericycle – 1150 Howard Drive, Filing Fee Reduction

Chairman Pineda requested staff to provide a brief overview. Mr. Said commented that Stericycle is requesting a reduction in the siting application fee deposit from \$100,000 to \$25,000. He noted that staff does not support the request. Mr. Said stated that in August the City approved an ordinance concerning site approval procedures and Stericycle was specifically considered at that time. He added that the consideration included a reduced fee deposit of \$100,000 for potentially infectious medical waste as compared to \$250,000

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Michael L. Guttman  
CITY ADMINISTRATOR

for municipal solid waste. He added that the deposit is required to cover the City's expenses for the review. He noted that the City has incurred costs, approximately \$10,000 to \$12,000, without the deposit. He noted further that the Ordinance states that should funds drop below \$25,000 at any time the applicant is required to deposit additional funds so the amount incurred already is close to the \$25,000. Mr. Said stated that the \$100,000 is a deposit and not a fee. He added that the deposit guarantees the payment of money to process the application and the excess deposit is refunded.

Alderman Stout stated that the deposit has been reduced from \$250,000 to \$100,000 already in the new ordinance that was just adopted. She added that the minimum threshold is \$25,000, which is what they are requesting. She commented that the ordinance should be followed.

Alderman Smith commented that the \$100,000 deposit is to cover the City's costs for the application process and any monies not used are refunded. He stated that there is no point in reducing it at this time. He added that it has been reduced already from \$250,000 to \$100,000.

Alderman Dimas stated that she is in total agreement with the other aldermen. She commented that as she looked at it she was impressed with the fact that it was already reduced by \$150,000. She added that the \$100,000 is a fair amount especially since they will get back what is not used.

Alderman Monroe stated that he agrees. He commented that it is not a fee; it is a deposit and they get back what is not used.

Chairman Pineda stated that he agrees because the ordinance was just passed. He apologized and stated that he appreciated them coming to the meeting. He added that from the consensus of the Committee, he could pretty much guarantee that City Council will feel the same way so this item will not go to City Council at this point.

Mr. Rick Gabey from Stericycle asked if he could comment and Chairman Pineda responded yes. Mr. Gabey stated that he wanted to give them an understanding of where they come from. He noted that they take care of fiscal responsibilities. He noted further that unfortunately in this case, as far as a medical waste transfer station, they are locked in under the Illinois pollution control facilities. He added that the City's ordinance follows the pollution control facility application process. Mr. Gabey commented that in this case it points out that if someone is proposing a landfill or a volume reduction waste facility a sizeable deposit is required, which they can understand. He added that they are not a solid waste operation. He noted that all of their waste is packaged in compliance with U.S. DOT regulations. He noted further that they looked at the process and complexity of their submittal versus a solid waste submittal. Mr. Gabey stated that their facility will have no exposure to the environment. He noted that the impact to traffic is minor compared to a solid waste facility. He added that their proposal will not have expensive reviews because there is no open handling or processing of waste on site. He

added that they suggested the \$25,000 deposit because they felt the \$100,000 is not warranted for this type of application. He stated that they have gone through the process in other states and they deemed the \$25,000 request as a fair amount. Mr. Gabey stated that they are there now but they do not transfer waste. He noted that they have invested a large amount of money already. He noted further that they would cover all consultant costs. He encouraged the members to come see what they do. He noted that the City of West Chicago is currently a customer.

Chairman Pineda asked how long the deposit is held and Mr. Said responded until the siting process is completed. Chairman Pineda commented that reducing the amount of the deposit would be setting a precedent for an ordinance that was recently adopted. He added that he realizes the business is just starting and the deposit is a big expense. He added further that after 180 days the excess amount would be refunded. He noted that he has nothing against this type of business but the information provided is not enough to change his mind. Chairman Pineda stated that this item will not go to City Council.

#### B. Downtown Retail/Restaurant Business Grant Program – Draft Resolution

Chairman Pineda requested staff to provide a brief overview. Mr. Said commented that the Committee was enthusiastic about the program when it was discussed in November. He noted that he worked with this type of program in Elmhurst and it was successful. He noted further that the Committee wanted to encourage more restaurants in the downtown as well. He stated that City Council approved funding for the program in the 2013 budget, which he appreciated very much. Mr. Said commented that the intent of the program is to deal with new investment. He added that it does not necessarily have to be for a new business; it could be for an existing business wishing to expand or relocate in the downtown. He added further that a new investment can be a high hurdle to clear and this program would help smooth out that hurdle just a little bit. He stated that there are specific requirements for the applicant so we make sure our money is invested wisely. Mr. Said noted that the applicant has to prove they have a three-year commitment to the business in the downtown. He noted further that the grant is limited to \$10,000, is a matching program and can only be spent on certain items. He added that only certain types of businesses are eligible. He added further that banks, professional offices or nail salons are welcome downtown but are not eligible for the program. Mr. Said stated that each applicant applying for the grant will be required to complete a business plan. He noted that the application includes a Business Plan Outline. He added that a business plan is not a difficult thing to do. He added further that the College of DuPage has a great Small Business Development office to assist an applicant with a plan for little or no cost to them. Mr. Said commented that in terms of processing the applications, there will be a staff selection committee that would consist of the Administrative Services Director, the Marketing and Public Relations Coordinator and the Director of Community Development. He added that the selection committee would review the application and business plan and meet with the applicant. He noted that the recommendation from the selection committee would then go to the City Administrator and the grant would be approved by City Council.

Alderman Beifuss noted that Mr. Said used this program in Elmhurst and he asked if any changes were made to the particulars. Mr. Said responded that yes, he did. He commented that if you went to the website for Elmhurst, you could pull up their grant information and you would see some minor differences. He added that the make-up of the selection committee and the process for review is a little bit different. He noted that in Elmhurst the selection committee includes a City Council member and that the selection committee can award the grant without having to go to City Council. He noted further that the eligibility is pretty much the same. Mr. Said stated that he did tighten up the minimum time frame of five years between applications and he added restaurants. He commented that he also tightened up qualifying expenditures as far as what the money could be spent on.

Chairman Pineda asked how the qualifying expenditures are policed and how the businesses are held accountable. Mr. Said responded that an internal procedure will be set-up for that as far as submitting receipts to the City. Chairman Pineda noted that the applicant will be submitting a business plan and the plan will show what the grant is going to be used for. He noted that the application lists a number of examples of non-acceptable expenditures. Mr. Said commented that receipts for materials purchased or invoices from contractors will need to be provided. Chairman Pineda asked if a permit cost is a qualifying expenditure and Mr. Said responded no and if that needs to be added as a prohibitive cost, it can be. The members agreed that it should be added. Mr. Said stated that he would add any City fee as a non-acceptable expenditure. Chairman Pineda asked what happens if the business goes out of business in one or two years. Mr. Said responded that that happened in Elmhurst once or twice and unfortunately, they usually go out of business because they run out money. He added that theoretically, the City could pursue it because there is an agreement. Alderman Beifuss stated that it is a grant and not a loan. Alderman Monroe noted that there would be costs to pursue getting reimbursed.

Alderman Beifuss commented that the idea of the program is to provide a grant to small businesses to take a risk in our downtown. He added that the grant program will bring businesses here and hopefully they will flourish. Mr. Said noted that in Elmhurst he would get complaints from a business that had been in the downtown for 20 years and could not get the money. He noted further that he would explain it as if you want to make a new investment in the downtown, the City will be happy to work with you. He added that if a business needs the grant to keep the doors open, the grant would be an artificial prop to keep the business going. He added that the grant is intended to support new investment and not day-to-day operations.

Chairman Pineda asked how the grant program will be promoted. Mr. Said responded that there will be a special area on the City's website on a permanent basis, information will be provided to the real estate community through his contacts and Rosemary Mackey's, posters will be placed in storefronts that are available, he will meet with landlords, information will be provided at the City Museum and Gallery 200, newspaper articles and press releases. Chairman Pineda asked how much is budgeted for this

program and Mr. Said responded \$50,000. He added that some grants could be for less than \$10,000 so that would allow more than five grants per year.

Alderman Dimas noted that the budget is \$50,000 for this fiscal year. She asked if the \$50,000 gets used up before the end of the year, is there wiggle room somewhere else in the budget if another business comes in before the end of the year. Mr. Said commented that that would be a nice problem to have. He added that if that happened, he would talk to the City Administrator to see if additional funds are available. Chairman Pineda stated that we have had that problem with the Façade Grant program where additional funds have been added to the budget.

Mr. Said commented that in Elmhurst they were competing with Oak Brook. He noted that the chain stores would locate in Oak Brook. He stated that the grant program is intended for small independent retail stores. He added that 35 to 40 businesses participated in the grant program in Elmhurst over a seven to eight year period. He added further that their average investment was between \$90,000 and \$100,000. He commented that a \$10,000 grant is not a lot but it does help. Mr. Said stated that some clothing stores came to the downtown in Elmhurst and they are still thriving today. He commented that he has already talked to someone who wants to bring in a coffee shop and they are excited about this grant program.

Alderman Beifuss commented that there is an appeal process if the selection committee denies a grant. He asked if the business then comes before the Development Committee and Mr. Said responded yes. Alderman Beifuss commented that perhaps an approval *overriding a denial by the Selection Committee* should require a supermajority vote to award the grant similar to *the requirement to override* Plan Commission denials. He noted that that requirement might limit the number of appeals.

Chairman Pineda commented that the first issue is going to be from the businesses that do not fit the category or from the business who has been here a long time questioning why they cannot get the grant. He noted that an office does not bring in sales tax. Alderman Stout commented that it makes sense to make the grant available to businesses that bring in sales tax. Mr. Said noted that it costs more to set up a retail or restaurant business versus an office.

Mr. Said asked if there was a consensus to add the supermajority requirement and the members agreed. He noted that he will make the few changes suggested tonight and put this on the City Council agenda for approval.

Mr. Said asked Linda Ericksen to provide some comments based on her experience with the Façade Grant program. Ms. Ericksen commented that the program is a great idea. She noted that people come up with great ideas for businesses in the downtown but do not realize the costs of starting a business or the expense to build-out a space. Mr. Said noted that even if permit costs are prohibited, an owner could move their money around to pay for other things that are allowed. He added that he wants to have signs in the

vacant spaces saying that this property is eligible for a grant with a phone number and also have the signs in Spanish. The members agreed this was a good idea.

**6. Unfinished Business**

- A. Alderman Beifuss asked about the status of the environmental study for West Washington. Mr. Said stated that there has been no news yet. He noted that most of the on-site work has been completed. He noted further that there is still a lot of research to do and preparation for the report. He added that he will check in with URS to see what is happening. He added further that they were out there for most of December.
- B. Alderman Dimas stated that it was brought to her attention that the sign for Action Jewelers has been changed to Action Pawn Shop again and she thought the City did not allow pawn shops. Mr. Said responded that he would look into it.

**7. New Business – None.**

**8. Reports from Staff**

- A. Mr. Said stated that the Request for Qualifications for 151 W. Washington Street went out again on January 2, 2013. He added that the public hearing before the Historic Preservation Commission for the Certificate of Appropriateness for the demolition was continued for four months. He noted that revisions were made to the RFQ and responses to the RFQ are due by March 4, 2013. He noted further that it has been sent to numerous contacts and the distribution has been massive. Mr. Said commented that he has already heard from two people.
- B. Mr. Said stated that he cannot say much at this time but hopefully in the next couple of weeks he will have very good news for the former Tampico Market space at Route 64 and Route 59.

**9. Adjournment**

Alderman Dimas made a motion to adjourn, seconded by Alderman Stout. The members unanimously agreed. Motion carried. The meeting adjourned at 7:45 p.m.

Respectfully submitted,

Linda Ericksen