

Strategic Plan 2022- 2026

Downers Grove
Economic Development Corporation



ACKNOWLEDGMENTS

The Downers Grove Economic Development Corporation would like to thank members of our Executive Committee, and the participants of our focus groups and key person interviews, for providing their time and expertise.

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Downers Grove Economic Development Corporation
Alter Brewing
Village of Downers Grove

**DOWNERS GROVE ECONOMIC DEVELOPMENT CORPORATION
DOWNERS GROVE VISITORS BUREAU
MISSION STATEMENT AND CORE OBJECTIVES**

Mission Statement:

To enhance the economic vitality of the Village of Downers Grove through the retention, expansion and attraction of business that is conducive to improving the quality of life in Downers Grove.

Core Objectives:

- A) Promote and facilitate business attraction to Downers Grove;
- B) Promote and facilitate the retention and expansion of businesses in Downers Grove;
- C) Promote and facilitate development tools and programs, including those identified in the Village's Comprehensive Plan and Long-Range Plan;
- D) Promote and facilitate travel, dining and entertainment spending in Downers Grove with an emphasis on overnight stays;
- E) Facilitate the dissemination of information on workforce development programs to existing and prospective businesses;
- F) Cultivate a diverse local economy.

COMMERCIAL SECTOR

1. Key Issue:

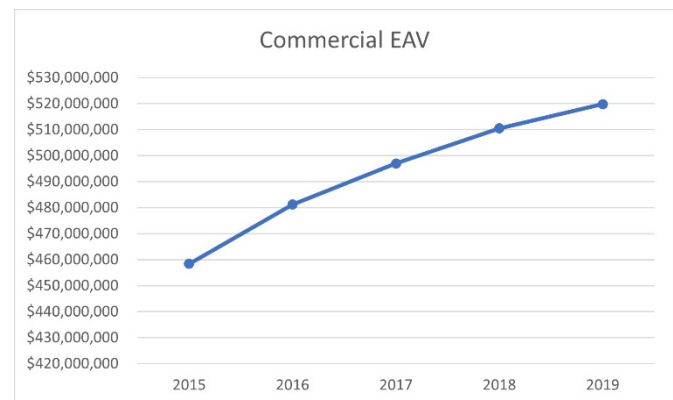
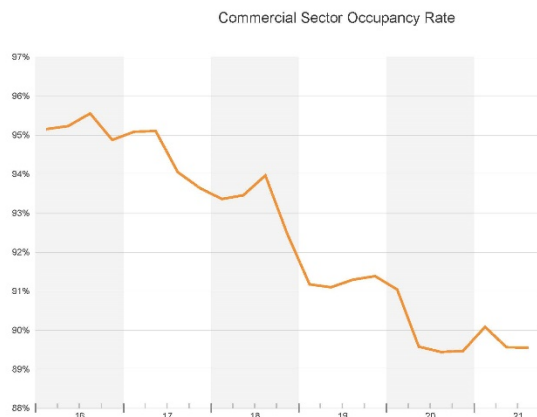
How will changes in the retail environment affect commercial development?

Background:

Downers Grove has a large commercial sector that spans every area of the Village, from Butterfield Road to the north, I-355 to the west, 75th Street to the south, and the Westmont border to the east.

The commercial sector is a very important part of the local economy. These retailers, restaurants, and service businesses generate jobs and taxes, including sales tax and food & beverage tax revenues for the Village. The importance of this sector is reflected in the Village of Downers Grove Comprehensive Plan, which identifies several commercial corridors as “Key Focus Areas.”

There are several key commercial corridors in Downers Grove that represent opportunities for redevelopment and/or new tenants. There is currently 5,201,780 sq. ft. of commercial space in Downers Grove. The difficulties facing commercial landlords, which began with the decline of bricks and mortar stores, is reflected in commercial occupancy rates. In Downers Grove, the rate has dropped from 95% in 2016 to 90% in 2021. There are 541 businesses in Downers Grove that are classified as retail, restaurants, food services, hotels, and entertainment.



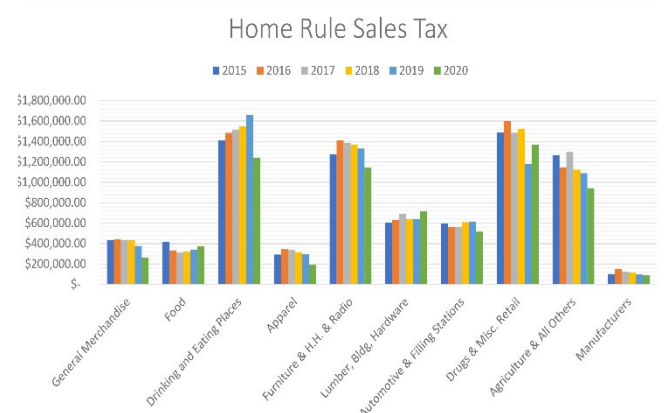
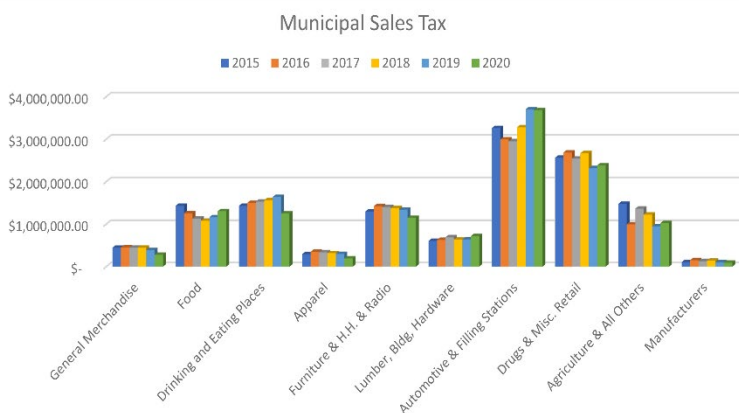
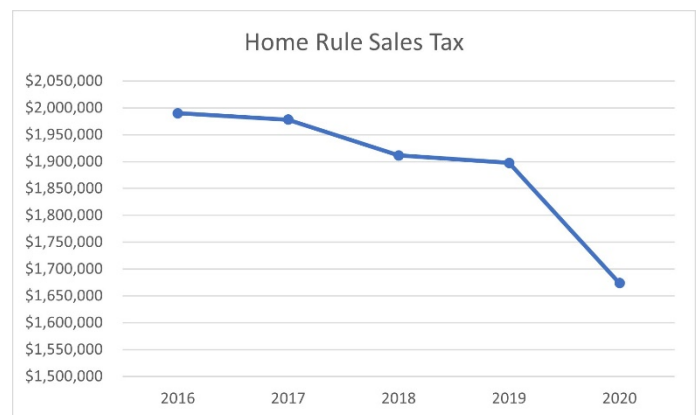
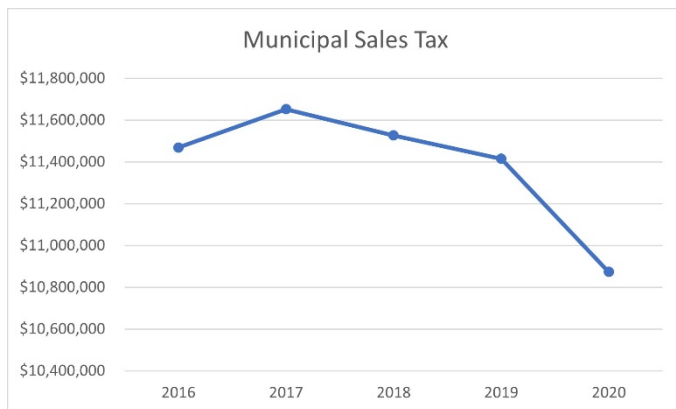
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7/15/2021

Butterfield Road is one of the major east-west corridors in the Chicago suburbs, stretching from Oak Brook to western DuPage County. Several shopping centers, our Class A office parks, and all but one of our hotels, are located in the corridor. *Ogden Avenue* is one of heaviest traveled commercial corridors in the western suburbs. In Downers Grove, Ogden stretches from I-355 on the far west side of the Village, to the border with Westmont on the far east side. *75th Street* is second only to the Butterfield Road corridor as a hub for national retailers. There are two large retail centers on 75th Street in Downers Grove: Downers Park Plaza and the Grove Shopping Center. *63rd Street* comprises Meadowbrook Shopping Center, and four small neighborhood centers, including the centers on the northeast and northwest corners of 63rd and Main Street. *Fairview/Maple Avenue* is anchored by a Metra Station, and is in close proximity to the downtown, as well as Ogden Avenue. *Belmont Road*, from the Metra Station to Maple Avenue, has the potential for commercial redevelopment.

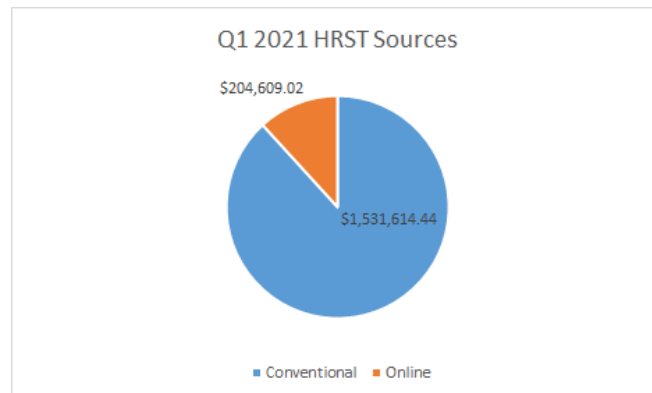
Many retailers and restaurants have designated Downers Grove as being in two trade areas. The first is generally known as the Oak Brook, Lombard and Downers Grove trade area. It usually covers eastern Butterfield Road, and includes the northern portion of the Village of Downers Grove. The second is generally known as the Downers Grove, Woodridge and Darien trade area. It usually includes 75th Street from I-355 to Cass Avenue in Darien, and includes the southern portion of the Village of Downers Grove. Of course, the boundaries of trade areas vary depending on the retailer or restaurant. It is important to understand trade areas for two reasons. First, it clarifies the demographic data and site selection factors that the prospective tenant is reviewing. Second, it defines the boundaries of the tenant's site search. This enables us to identify which sites in Downers Grove are within the boundaries of that specific trade area, as well as which communities may be competing for that project.

Sales tax revenues represent a significant portion of the revenue collected by the Village. Municipal sales tax revenues had been declining, even prior to the 2020 pandemic. In 2020, municipal sales tax revenues were down 3.68%. Home Rule sales tax revenues had also been declining prior to 2020. There was a 10.23% drop in Home Rule sales tax revenues in 2020. The pandemic impacted each segment differently. The grocery, hardware/home improvement and pharmacy segments saw increases in 2020, which is not surprising given that so many people were staying home during the pandemic. Auto and gas station sales only dropped by 0.51%. But the general merchandise, apparel, furniture and restaurant segments were decimated during 2020. There was a 23.6% drop in municipal sales tax revenues from the restaurant segment. This is not surprising, given that indoor dining was shut down for much of the year.



The pandemic only accelerated the shift to on-line sales. Ecommerce sales now represent 15.3% of all retail sales in the United States, up from 14% in 2020. Ecommerce sales are expected to grow to 17.9% of all sales in 2022, and to 20% by 2024. Prior to the pandemic, the segments that saw the largest increases in on-line sales were general merchandise and apparel. However, during the pandemic, grocery and restaurant delivery services (such as Instacart and Grubhub) became very popular. As the pandemic subsides, much of those consumers are expected to return to the grocery stores and restaurants. Auto dealers have not seen the same type of increases in on-line sales. Most car buyers still want to visit the showroom. Nevertheless, the increase in ecommerce sales is expected to still impact general merchandise and apparel sales, as well as the electronics and appliance segments. Restaurants, grocery stores, and pharmacies will continue to see growth in online delivery orders, although not at the levels during the pandemic. Hardware/home improvement, furniture and auto dealers will be impacted less by ecommerce, as was the case prior to the pandemic. The State of Illinois enacted an internet tax, that took effect in January 2021. The Village is projecting total internet tax revenues of \$1,855,175 in 2021.

January '21		
Total HRST	\$ 452,143.30	
Coventional	\$ 392,384.29	87%
Online	\$ 59,759.01	13%
February '21		
Total HRST	\$ 546,899.89	
Coventional	\$ 503,549.14	92%
Online	\$ 43,350.75	8%
March '21		
Total HRST	\$ 737,180.27	
Coventional	\$ 635,681.01	86%
Online	\$ 101,499.26	14%



Strategies and Solutions:

In 2015, the DGEDC retained AECOM to conduct a study on the retail market in Downers Grove and in the Downers Grove trade areas. The retail landscape has dramatically changed since 2015. First is the growth of ecommerce, and second was the pandemic. The DGEDC should closely monitor industry information on each retail segment (auto dealers, grocery, furniture, etc.) to determine which segments are best suited, and would be the most viable, for our retail corridors. Research should also be conducted on Downers Grove's comparative advantages in the commercial real estate market. In addition, the DGEDC should make recommendations to the Village on the use of incentives and other tools.

The DGEDC and the Village should pursue businesses in the retail segments that are expected to recover their pre-pandemic in-store customer base, as opposed to those segments that continue to see a large shift to on-line sales. The segments to be pursued are: grocery stores, furniture, hardware/home improvement, pharmacies, auto dealers and restaurants. General merchandise, apparel, electronics and appliance stores are expected to continue to see the shift to ecommerce.

Key Performance Indicators:

The DGEDC will track sales tax revenue, internet tax revenue, Food & Beverage Tax revenues, and EAV in the commercial sector.

Action Items:

High Priority: Identify comparative advantages in the commercial real estate market between Downers Grove and competing communities in our trade area. [Completed in Year 1]

High Priority: Make recommendations to the Village of Downers Grove on tools and incentives for commercial redevelopment projects and the attraction of commercial tenants, including tax increment financing, sales tax rebate agreements, and business improvement districts. [Completed in Year 1]

2. Key Issue:

What are strategies for the Ogden corridor and the future of the Ogden TIF?

Background:

Ogden Avenue is one of the busiest commercial corridors in the western suburbs. In Downers Grove, Ogden stretches from I-355 on the far west side of the Village, to the border with Westmont on the far east side. Ogden Avenue has long been a preferred location for commercial development projects, retail and restaurant tenants, auto-related service centers, and, most importantly of all, auto dealers. Development of vacant parcels and commercial redevelopment projects on Ogden Avenue remains a very important priority for the Village of Downers Grove and the DGEDC. The Village created a Tax Increment Financing District that covers Ogden Avenue, west of Stonewall Avenue. The Ogden TIF has been very successful, helping to transform many catalyst sites into redevelopment projects. But Ogden Avenue has shallow lot depths, which makes redevelopment for some properties difficult without acquiring adjacent homes. The lack of lot depth also impacts a developer's ability to design a drive-thru lane and to build sufficient parking. The Village's Comprehensive Plan recommends increasing lot depths by allowing developers to acquire houses on a case-by-case basis.

The Ogden TIF District expires in 2024, with 2025 being the last year that the Village will receive TIF proceeds. As of May 2021, the balance in the TIF fund is \$2.5 million. It is expected to grow by an additional \$1 million per year until the TIF is retired.

Strategies and Solutions:

The redevelopment of catalyst and other high priority sites on Ogden Avenue, as identified in the Village's Comprehensive Plan include: (1) the northeast and southeast corners of Ogden and Cross; (2) the southwest corner of Ogden and Saratoga; (3) the northeast corner of Ogden and Washington; (4) the northeast corner of Ogden and Douglas; and (5) and the small single-use buildings on the north side of Ogden, between Saratoga and Lacey. In addition to these redevelopment sites, new development is

planned for the southeast corner of Ogden and Walnut and the southeast corner of Ogden and Washington. (see the Ogden maps that are attached.) These sites present opportunities, but also have a common obstacle: the lack of lot depth. The Village's Comprehensive Plan recommendation to increase lot depths for new redevelopment projects should be pursued. This may be particularly helpful for auto dealer projects. Several auto dealers have been unable to find sites for new dealerships because the sites are too small and not deep enough.

The expiration of the highly successful Ogden TIF District in 2024 is a critical milestone for the Ogden corridor. The Village should consider creating a new TIF District that covers Ogden Avenue from Stonewall to Walnut Avenue. This would open several potential redevelopment sites that are currently not within the existing TIF District. In addition, the DGEDC Executive Committee should discuss "close-out" recommendations for the existing Ogden TIF District, which expires in 2024. Funds could be used for land acquisition, demolition, and other development costs for the attraction of potential auto dealership and other retail projects. The acquisition of land can increase the lot depth of commercial sites.

Key Performance Indicators:

The DGEDC will track the status of the Ogden TIF, and occupancy rates in the Ogden corridor.

Action Items:

High Priority: Identify opportunities for expanded sites for potential auto dealership projects in the Ogden corridor. [Completed in Year 1]

High Priority: The DGEDC Executive Committee should make a recommendation to the Village on (1) the creation of a new TIF District that covers Ogden Avenue from Stonewall to Walnut Avenue; and (2) closing out the existing TIF District by using funds for land acquisition, demolition, and other development costs. [Completed in Year 1]

3. Key Issue:

What are strategies for the redevelopment of functionally obsolete shopping centers?

Background:

Like so many other municipalities in the Chicago area, the Village has three shopping centers that are functionally obsolete. The first is the Grove Shopping Center on 75th Street, which is the largest retail center in Downers Grove. Redevelopment of the center is a long-term priority for the community. But there are two issues that will make redevelopment very difficult. First, the center was originally planned as a major regional mall with substantial parking. Since it was eventually developed as a traditional open-air center, the area originally designated for parking is now just concrete. It is not only wasted space, but it has left the out lot users too far away from the in-line anchor stores. In addition, the internal road network does not lend itself to linking the in-line and out lot tenants. The second issue is that covenants require that the property owners in the Grove Shopping Center must approve any

redevelopment project that impacts changes in zoning or use of the common area. Nevertheless, the redevelopment of this center must be a long-term goal.

The second shopping center is University Plaza, on Butterfield Road. Given the layout of the center, and the condition of the buildings, University Plaza has outlived its useful life and should be redeveloped. Due to the securitized debt placed on the property in 2015, it seems very likely that the site will not be sold in the near term. The current owner, Cedar Street, has recently met with the DGEDC and Village on redevelopment opportunities. Cedar Street is willing to pursue redevelopment with or without a partner. The DGEDC and the Village has discussed potential uses for the rear of the center, in addition to retail. This would include offices or an upscale hotel. University Plaza represents the best opportunity for the complete redevelopment of a shopping center in the Village.

The third shopping center is Meadowbrook, on 63rd Street. This represents both a redevelopment opportunity and a significant challenge. The center, which was acquired in 2013 through a bankruptcy auction, has had difficulty attracting and retaining good tenants. Meadowbrook is badly in need of redevelopment, or at the very least, substantial improvements to the center. The western end of the center is in poor condition, and it is difficult to see how the center can be viable unless that portion is redeveloped.

Strategies and Solutions:

The DGEDC and the Village of Downers Grove should take a long-term view of the Grove Shopping Center and determine whether to pursue retail redevelopment, or an alternative use for all or part of the center. If it is to remain primarily a retail center, then the DGEDC should reengage the owners of the in-line space with the goal of securing a large grocery anchor store for the east side of the center. If alternative uses are an option, what are those uses? In addition, the difficult issue of covenant restrictions will have to be addressed. The Village's Comprehensive Plan identifies multi-family as a potential use for a portion of the center.

The DGEDC and the Village should aggressively pursue redevelopment options for University Plaza, now that the owner has indicated a strong interest in redeveloping the center. Identifying potential non-retail users for the back of the center will be an important component. If an office building or a hotel were to locate in the back portion, then restaurants could be built on out lots.

The DGEDC and the Village should continue to strongly encourage the owners of Meadowbrook to either consider: (1) redevelopment of the entire center, or at least, the western portion; or (2) make substantial improvements to the center. In either case, the redevelopment of the former Roundhead's out lot, and the creation of a new out lot, which seems to be a priority for the owner, will require Village approval. The Village's Comprehensive Plan offers options for redevelopment, including multi-family on a portion of the center.

It is difficult to see how any of these three shopping centers are redeveloped without some form of incentives. The DGEDC should make recommendations to the Village on tools and incentives to facilitate redevelopment.

Key Performance Indicators:

The DGEDC will track occupancy rates and the status of tenant leases.

Action Items:

High Priority: The DGEDC Executive Committee should consider all options for the long-term future of the Grove Shopping Center, and make recommendations to the Village. [Completed in Year 1]

Medium Priority: Work collaboratively with Cedar Street, the owners of University Plaza, on a strategy for the redevelopment of University Plaza. [Completed in Year 3]

Medium Priority: Work collaboratively with Frontline Real Estate on a strategy for the redevelopment of Meadowbrook, the particularly the western half of the center and the out lots. [Completed in Year 3]

4. Key Issue:

What are the redevelopment opportunities for the Fairview/Maple corridor?

Background:

The Fairview/Maple Avenue District is anchored by a BNSF Metra Station, and is in close proximity to the downtown, as well as Ogden Avenue. The area is currently comprised of a mix of small commercial uses. The Fairview Metra Station could serve as an anchor to draw new commercial redevelopment and multi-family residential projects, such as the new 18-unit apartment building at Fairview and Second. Another upgrade to this area would be the realignment of Maple Avenue, enhancing connectivity to both Rogers and Fairview. But there are challenges. Many of the commercial and industrial buildings are old and functionally obsolete. In addition, the lots are very small, making redevelopment difficult.

Strategies and Solutions:

The Village's Comprehensive Plan designates Fairview as a Key Focus Area. The Plan calls for mixed-use development that provides goods and services, including new retail and restaurants, targeted towards commuters and area residents, that compliments, not competes with, Downtown Downers Grove. This is an important distinction. The Fairview/Maple District is a neighborhood and commuter corridor, completely separate from the downtown. The Comprehensive Plan identifies several catalyst sites, including the future redevelopment of the Pepperidge Farm facility on Second Avenue. Redevelopment of the Fairview/Maple District should compliment redevelopment on Rogers Street. The BNSF Metra station should factor into any redevelopment plan.

Key Performance Indicators:

The DGEDC will track the status of property ownership and tenant leases.

Action Item:

Medium Priority: The DGEDC and the Village of Downers Grove should work together to develop a long-term strategy on future redevelopment opportunities for the Fairview/Maple District. [Completed in Year 3]

5. Key Issue:

What are the redevelopment opportunities for the Belmont corridor?

Background:

Belmont Road, from the Metra Station to Maple Avenue, has the potential for commercial redevelopment. In addition to the train station, the corridor features a 351-acre business park, a golf course, and is in very close proximity to both I-355 and I-88. There is also a mix of multi-family and single-family residential in the area. Yet despite the large number of businesses and employees, as well as commuter traffic, there is virtually no commercial development in the area, save for a neighborhood retail center at the southwest corner of Belmont and Maple. There are difficulties. Many of the properties in this area are not annexed into the Village. In addition, the lots on the east side of Belmont are very small. The sites on Belmont Road include the properties on the east side of Belmont, at Curtiss, and the unannexed southeast corner of Belmont and Maple.

Strategies and Solutions:

The DGEDC should start by pursuing a small commercial project at Belmont/Curtiss that would include one or two restaurants. These restaurants would be in very close proximity to one of the largest concentration of employees-the Ellsworth Business Park. Many of these employees are customers at restaurants on Maple and on Ogden. A new commercial project on Belmont may spur other future redevelopment opportunities. The DGEDC and the Village should also consider the long-term potential of annexing commercial properties into the Village, including properties at Maple and Belmont.

Key Performance Indicators:

The DGEDC will track the status of property ownership and tenant leases.

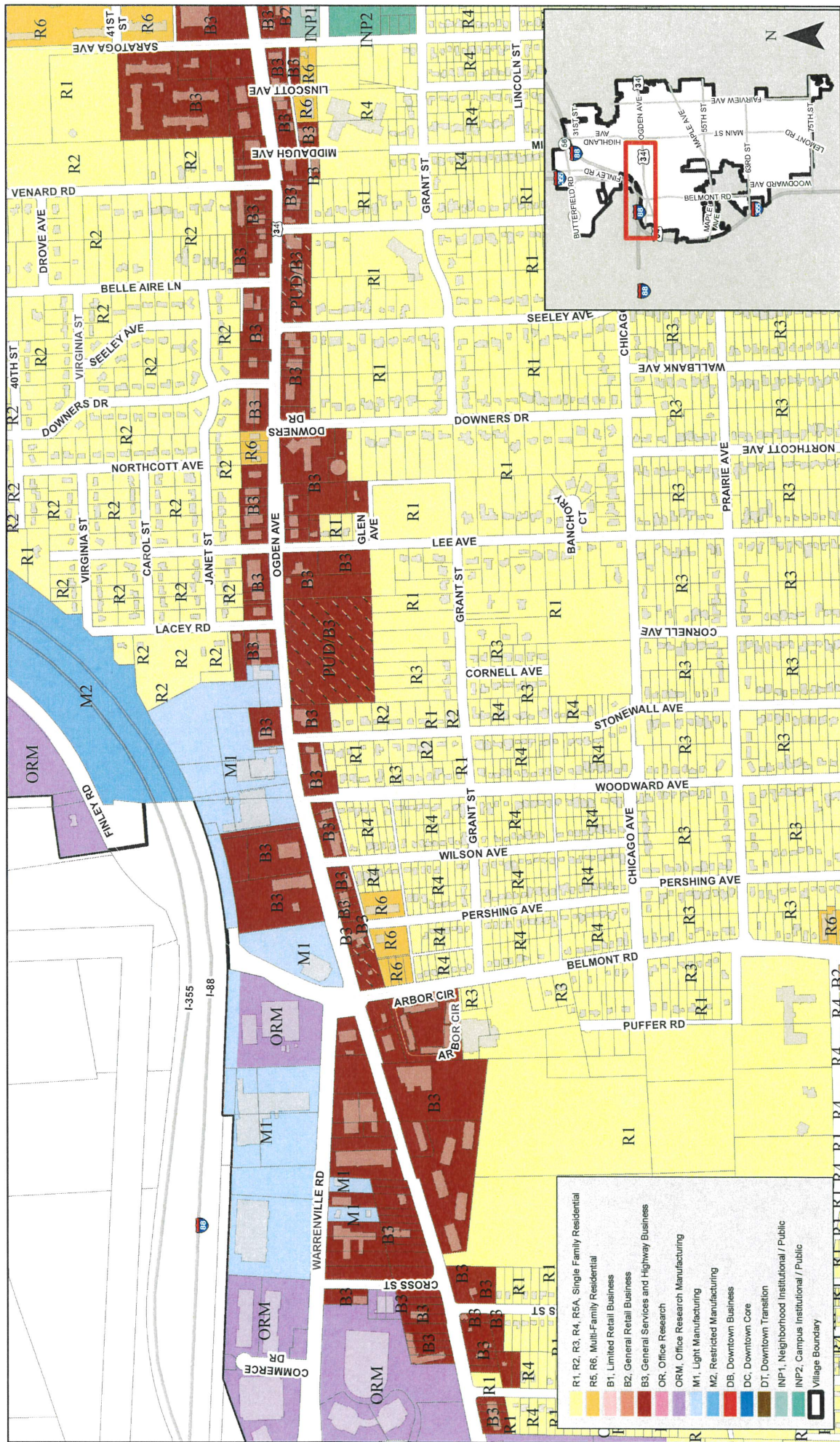
Action Item:

Medium Priority: The DGEDC and the Village of Downers Grove should work together to develop a long-term strategy on future redevelopment and annexation opportunities for the Belmont corridor. [Completed in Year 5]

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Village of Downers Grove - Ogden Avenue Commercial Corridor (West Half)



Zoning Map

DOWNTOWN REDEVELOPMENT

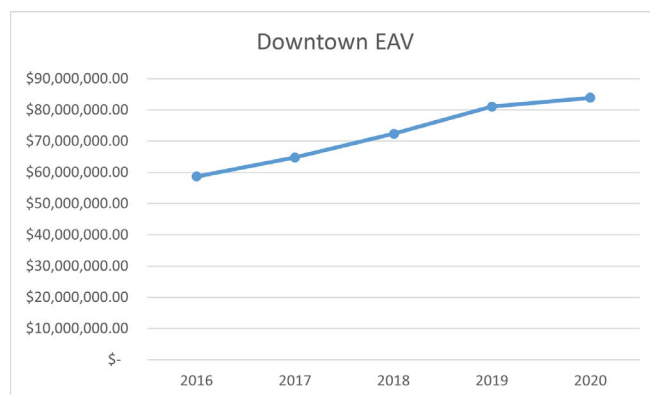
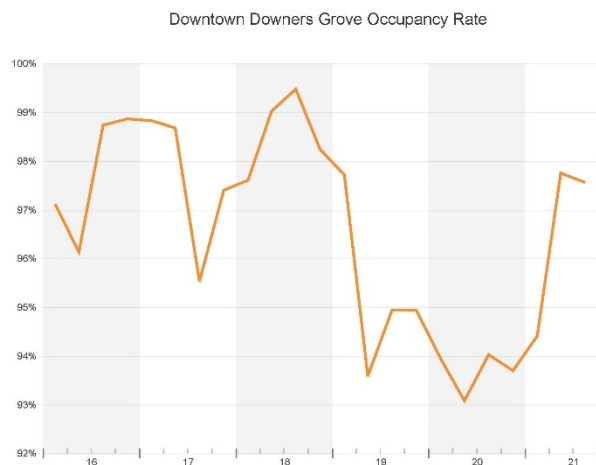
1. Key Issue:

What obstacles may impact opportunities for redevelopment in Downtown Downers Grove?

Background:

Downtown Downers Grove is the historic heart of the community. Most of the large community events and festivals are held there. The restaurants and shops attract tourists to Downers Grove. There are many opportunities for outdoor recreation, and the pedestrian-friendly environment of the downtown makes it a draw for both consumers and businesses. The Metra station brings commuters and customers to the downtown. And, the municipal parking deck makes it easier for people to visit and work. The positive impact that the downtown has on our community, on our local economy, and on our image, is tremendous.

There have been many downtown redevelopment projects in recent years, including commercial and multi-family projects, and the parking deck. (A map of downtown redevelopment projects is attached at the end of this section.) The creation of the Downtown TIF District led to several of these projects, and was a catalyst for other redevelopment projects and new tenants. Many new restaurants, in particular, have opened recently. 15% of Village Food & Beverage Tax revenues are currently generated by downtown restaurants. In addition, occupancy rates in the downtown are very high, and the EAV has increased every year since 2015.



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Strategies and Solutions:

The DGEDC has primary responsibility for downtown redevelopment projects. The Village has designated three downtown zoning districts: Downtown Core, Downtown Business, and Downtown Transition. (The map of the zoning districts is attached to this section.) The Village's Comprehensive

Plan identifies future redevelopment catalyst sites. These sites provide an opportunity for commercial, office, and mixed use buildings, as well as transit-oriented multi-family projects. Additional tenant space can be created for restaurants, shops, and professional businesses. These catalyst sites include: (1) the Village's Civic Center campus; (2) the area around the Tivoli Theatre; and (3) the intersection of Maple and Main. Each of these catalyst sites presents an opportunity, but also presents challenges. For example, Classic Cinemas has raised the issue of parking as an important consideration of an expansion project. And the properties at Maple and Main have very shallow lot depths.

In addition to these catalyst sites, there are other sites that could be redeveloped, such as the northeast corner of Main and Rogers; the south side of Curtiss, west of Main Street; and the properties on Burlington, west of Main Street. Restaurant space is also in demand. However, the cost of converting retail or office space to restaurant space is very high. Many landlords opt to lease to a retailer or a service firm rather than bear the costs of restaurant space conversion. There is also a need for additional office space for the many professional service providers that want to locate in the downtown.

With the retirement of the Downtown TIF, there is not currently an incentive program for redevelopment projects. This may become a major obstacle to future redevelopment.

Key Performance Indicators:

The DGEDC will track downtown occupancy rates, EAV, and Food & Beverage Tax revenues from downtown restaurants.

Action Items:

High Priority: Make recommendations to the Village on potential tools and incentives for the attraction of redevelopment projects in the downtown, including tax increment financing, special service areas, and business improvement districts. [Completed in Year 1]

Medium Priority: Work with the Village to pursue redevelopment opportunities for the catalyst sites identified in the Comprehensive Plan. [Completed by Year 5]

2. Key Issue:

How can the DGEDC increase collaboration with the Downers Grove Downtown Management Corporation (DMC)?

Background:

The DGEDC has an excellent working relationship with the DMC. Both organizations have seats on each other's boards. The DGEDC has sponsored DMC events. The DGEDC is always well represented at the DMC Annual Meeting, and the DMC buys a table at the DGEDC Annual Luncheon. Several members of the DMC Board are DGEDC Investors.

The Village of Downers Grove has designated areas of responsibility for the downtown:

Roles and Responsibilities re: Downtown Downers Grove

Village of Downers Grove (VoDG), Downtown Management Corporation (DMC) & Economic Development Corporation (EDC)

Function	VoDG	DMC	EDC
Zoning / Bulk Rules	X		
Public Parking System	X		
Authorize Primary Funding for DMC/EDC	X		
Infrastructure Planning and Maintenance	X		
Aesthetics Plans and Strategies	X	X	
Events Planning, Coordination and/or Permitting	X	X	
Business Attraction and Retention		X	
Promotion and Marketing of the Downtown		X	
Strategies for Facilitating Redevelopment			X
Attracting & Facilitating Development Projects			X

Strategies and Solutions:

There are several opportunities for the DGEDC and the DMC to enhance their relationship and work collaboratively on important projects. The DGEDC should offer to assist the DMC in recruiting anchor tenants to the downtown. The DGEDC and the DMC should develop a joint downtown marketing piece. The DGEDC can include this piece in client packages and at the DGEDC exhibit booth at trade shows such as the International Council of Shopping Centers Deal Making Show.

The DGEDC Business Plan discussed potential partnership opportunities with other organizations, such as the DMC. The Business Plan states that “The DGEDC and the DMC should consider partnering on operations. DGEDC/DMC could operate from shared office space. Savings could be realized by sharing in the utility and other expenses. This opportunity should be discussed with the DMC.

Key Performance Indicators:

The DGEDC will report on progress on collaboration with the DMC.

Action Item:

High Priority: The DGEDC will prepare a report by October 2021 on potential partnering opportunities with the DMC. [Completed in 3 Months]

3. Key Issue:

What is the impact of unit diversity and high density multi-family projects on the future of the downtown economy?

Background:

Downtown Downers Grove has seen several transit-oriented multi-family projects in the last four years. This includes (1) Maple and Main, developed by Trammell Crow, on the northeast corner of Main and Maple. The project features 115 apartments and a restaurant space; (2) Burlington Station, developed by Holladay Properties, on the southwest corner of Forest and Gilbert. The project features 89 apartments; (3) Marquis on Maple, located on Maple, just east of Main Street. The project features 55 condominiums; and (4) the Opus Development project, to be built on the northwest corner of Maple and Washington. The project will have 167 units. In addition to these, other recent multi-family developments include the apartments at 922 Warren, next to the Tivoli Theatre, and 5001 Prospect, on the southeast corner of Rogers and Prospect. These six projects have been very successful, with very high occupancy rates. One economic benefit for the downtown is that these multi-family residents have become customers, especially for the restaurants.

Strategies and Solutions:

There has been public discussion about the unit diversity and density of some of these projects. This was certainly the case for the Opus project. One of the issues raised by residents of the adjacent Marquis on Maple was the issue of unit diversity and density. The Downtown section of the Comprehensive Plan states that the Village should “encourage greater residential density in the Downtown Edge to help facilitate a vibrant and energetic downtown.” The Opus project is located in the Downtown Edge district. (See the Downtown Zoning Map that is attached to this section.) Several members of the DGEDC Executive Committee have expressed interest in discussing this issue and providing feedback to the Village.

Key Performance Indicators:

The DGEDC will track downtown multi-family occupancy and lease rates.

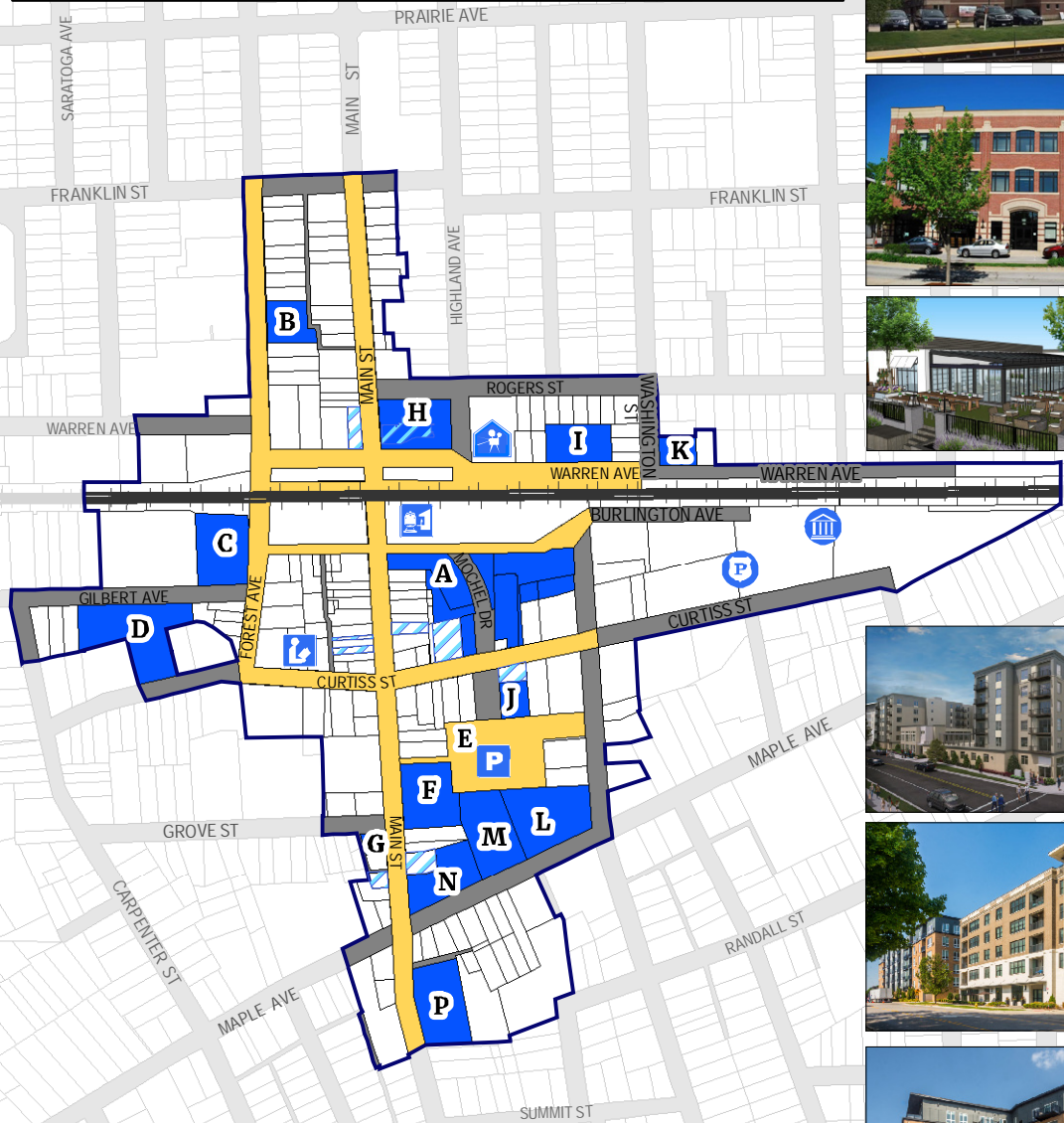
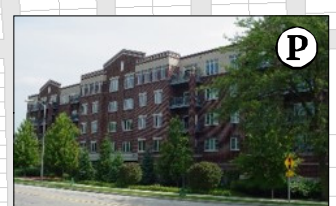
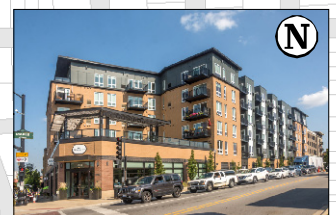
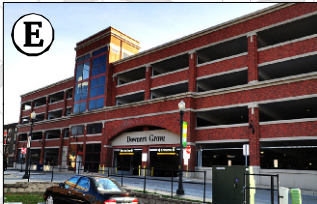
Action Item:

High Priority: The DGEDC Executive Committee will discuss the issue of unit diversity and density for future downtown multi-family projects, and provide feedback to the Village. [Completed in Year 1]



Downtown Downers Grove Redevelopment / Public Improvements

- Property Listing -----
- | | |
|-----------------------------|-------------------------------|
| A - Acadia on the Green | H - Station Crossing |
| B - 4929 Forest Ave | I - 922-930 Warren Twnhms |
| C - Burlington Station Apts | J - Charles Place Office Bldg |
| D - Georgian Courts Twnhms | K - 844 Warren Ave |
| E - Parking Deck | L - Maple & Washington Apts |
| F - DuPage Medical Bldg | M - Marquis on Maple Condos |
| G - Oakley/Spenga Bldg | N - Maple & Main Apts |
| | P - Morningside Condos |



- Library
- Parking Deck
- Police Station
- Train Station
- Tivoli Theater
- Village Hall

- TIF District
- Railroad
- Facade Improvements
- Public Development
- Private Development

Downtown Zoning Map

Zoning Districts

- Downtown Core
- Downtown Business
- Downtown Transition

Summary Table

	Districts		
	Downtown Core (DC)	Downtown Business (DB)	Downtown Transition (DT)
Height			
Maximum Height	40 feet / 3 stories	70 feet	36 feet / 3 stories
Minimum Height	24 feet / 2 stories	32 feet	No minimum
Setback			
Front	0 feet	0 feet (2)	10 feet (3)
Side	0 feet	0 feet (4)	5 feet
Rear	0 feet	0 feet (5)	20 feet
Density	48 per acre	54 per acre	25 per acre
Parking - Residential	1.4 per apartment	1.4 per apartment	2 per apartment
Parking - Non-Residential	0	0	Varies based on tenant

(1) When the extension of a front or street side lot line coincides with a front or street side lot line of an existing adjacent lot, a street setback must be provided on the DB-zoned lot. The street setback in such cases must extend at least 35 feet from the existing adjacent lot and be at least 10 feet from the street side lot line. A street setback of less than 10 feet must be provided along the remainder of the front or street side lot line. See Figure 4-2.

(2) The street setback required for a street lot line must be at least 28 feet.

(3) A side setback is required when abutting the side or rear lot line of an adjacent lot. The setback must be at least as deep as the side setback required on the existing adjacent lot, plus one foot of additional setback for each foot of building height in excess of 20 feet. See Figure 4-2.

(4) A rear setback is required when abutting the side or rear lot line of an adjacent lot. When abutting the rear lot line of an adjacent lot, the setback must be at least as deep as the rear setback required on the existing adjacent lot, plus one foot of additional setback for each foot of building height in excess of 20 feet. See Figure 4-2.

October 15, 2019

LIGHT INDUSTRIAL SECTION

1. Key Issue:

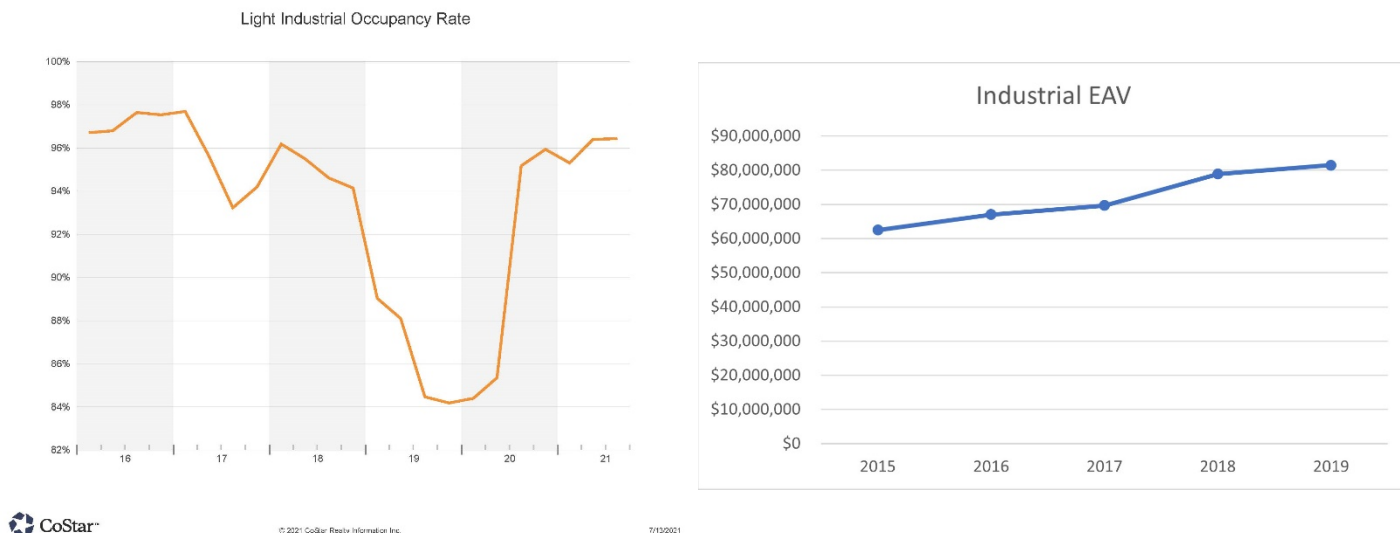
What are the opportunities for industrial redevelopment projects in Downers Grove?

Background:

The diverse economy of Downers Grove includes a light industrial sector, with the largest concentration of facilities in three areas: the Ellsworth Business Park, the Oak Grove Commons Business Park, and Bridge Point. In addition, other industrial businesses, many of which are owner occupied or single tenant buildings, are located on Warren Avenue and on Rogers Street. This sector includes the following uses: light manufacturing, warehouse/distribution, industrial offices, vehicular customization, and a craft brewery. These companies are a strong source of customers for our hotels and restaurants.

There are 543 industrial firms in Downers Grove, taking 5,655,897 sq. ft. of industrial space. This is a substantial increase from 2017, when the total was 4,524,333 sq. ft. The increase of over one million square feet is primarily due to the large 800,000 sq. ft. Bridge Point project on Finley Road. The main tenant is Amazon, which leases more than 500,000 sq. ft. The Bridge Point project led to a substantial jump in EAV for the industrial sector. In addition to Bridge Point, there are two large business parks. The 351-acre Ellsworth Business Park ("Ellsworth") is generally located west of Belmont Road, south of the Burlington Northern Santa Fe tracks, north of Inverness, and east of I-355. It has 3,126,408 sq. ft. of space. The park has many location advantages: it is adjacent to the BNSF tracks, and it is very close to both I-355, I-88, and the Belmont Metra Station. Two recent significant projects in Ellsworth are (1) Rexnord, which built a new manufacturing facility and division headquarters on Curtiss; and (2) Bridge Industrial, which is building a new warehouse/distribution facility at 5300 Belmont. (A map of the park is attached). The 61-acre Oak Grove Commons is generally located north of Butterfield Road, east of Finley Road, and behind the retail centers on Butterfield. The park has 982,194 sq. ft. of space. Oak Grove is an attractive park that features modern industrial buildings. Flavorchem recently opened their new innovation center at Oak Grove Commons. The center is one of several facilities that will be located within Flavorchem's future corporate campus. (A map of the park is attached.)

Downers Grove is in the I-88 Corridor submarket. The occupancy rates for industrial buildings have increased as the demand for ecommerce warehouse and distribution has increased. That is also true in Downers Grove, where the industrial sector occupancy rate is over 96%. Given the increased activity in this sector, it is imperative that Downers Grove pursue opportunities to attract new light industrial projects to our community.



Strategies and Solutions:

The Village’s Comprehensive Plan identifies several redevelopment catalyst sites in Ellsworth. These include the Chase Court site and the unincorporated area south of Inverness and north of Maple. However, given the age and functional obsolescence of many of the buildings in the park, there are several properties that have redevelopment potential. The DGEDC should conduct an inventory of businesses and buildings in Ellsworth to determine the size and condition of the facilities, number of employees, parking and opportunities for expansion. This inventory of will determine which of the buildings have potential for reuse or redevelopment. The DGEDC should make recommendations to the Village on tools and incentives for redevelopment projects in the park. These may include tax increment financing, special service areas and business improvement districts.

In addition to Ellsworth, the Comprehensive Plan discusses redevelopment of the Rogers Street Corridor. The Comprehensive Plan calls for industrial uses to be replaced by office or residential uses. The best opportunity is for the redevelopment of the properties on Rogers are those between Goldfinger Brewing and Maple. (A map of the Rogers Street corridor is attached.) Finally, the DGEDC should assist Flavorchem with its long-term plan to create a corporate campus in Oak Grove Commons.

The DGEDC should identify the comparative advantages between business parks in Downers Grove and those in other communities in the I-88 corridor. Research should be conducted to determine which types of industrial uses, including those that can generate sales tax revenue, are well suited to locate in our business parks.

Key Performance Indicators:

The DGEDC shall track the number of businesses in the light industrial sector, occupancy rates, employment and EAV.

Action Items:

High Priority: Conduct a comprehensive inventory of businesses and buildings in the Ellsworth Business Park. [Completed in Year 1]

High Priority: Identify future industrial uses for the Ellsworth Business Park and Oak Grove Commons, including sales tax generating businesses. [Completed in Year 1]

Medium Priority: Identify opportunities for redevelopment of catalyst sites and functionally obsolete buildings in the Ellsworth Business Park and on Rogers Street. [Completed in Year 3]

Medium Priority: Make recommendations to the Village of Downers Grove on tools and incentives for the attraction of industrial redevelopment projects, including tax increment financing, special service areas and business improvement districts. [Completed in Year 3]

2. Key Issue:

What are the obstacles for redevelopment in the Ellsworth Business Park?

Background:

Although there are deficiencies in Ellsworth, the Rexnord and Bridge Industrial projects bode well for the park's future potential. There are several infrastructure and environmental issues at Ellsworth that, if resolved, can substantially enhance redevelopment and expansion opportunities. These includes: (1) properties that still require environmental remediation; and (2) the need for upgraded utility and information/communications technology service. Although many of the facilities in the park are functionally obsolete, and/or do not have industry standard building heights, redevelopment of these properties, as in the Rexnord and Bridge examples, represents the best outcome.

Strategies and Solutions:

Although the environmental issue directly impacts 14 properties, it is still a cloud that hangs over the entire park. The U.S. Environmental Protection Agency has recently concluded remediation agreements with two of the Potentially Responsible Parties (PRP): Rexnord and Magnetrol (now owned by Bridge Industrial). The DGEDC has helped facilitate discussions with the EPA and Precision Arrow Gear, which is now concluding an agreement with the EPA. The DGEDC has offered to facilitate meetings with the EPA and other PRPs. Another issue that has been raised by several businesses in Ellsworth is parking. As stated above, the DGEDC should conduct an inventory of the facilities in Ellsworth, which will include the number of employees and the number of parking spaces at each property. This will determine if there is a parking deficiency for a few facilities, or if it is a common problems throughout the park. Ellsworth is an older park with old infrastructure. In particular, many of the businesses have cited issues with utility service capacity, and information and communication technology service. The DGEDC should discuss these issues with the Village and the utility companies to identify opportunities for enhanced service.

Village requirements for these upgrades should be discussed. Finally, the DGEDC should create an Industrial Development Committee that will review issues and opportunities in the industrial districts in Downers Grove. DGEDC and Village of Downers Grove officials, stakeholders, and a representative group of property owners and tenants, should be invited to serve on the committee.

Key Performance Indicators:

Track the status of potential remediation agreements between the Potentially Responsible Parties and the U.S. Environmental Protection Agency.

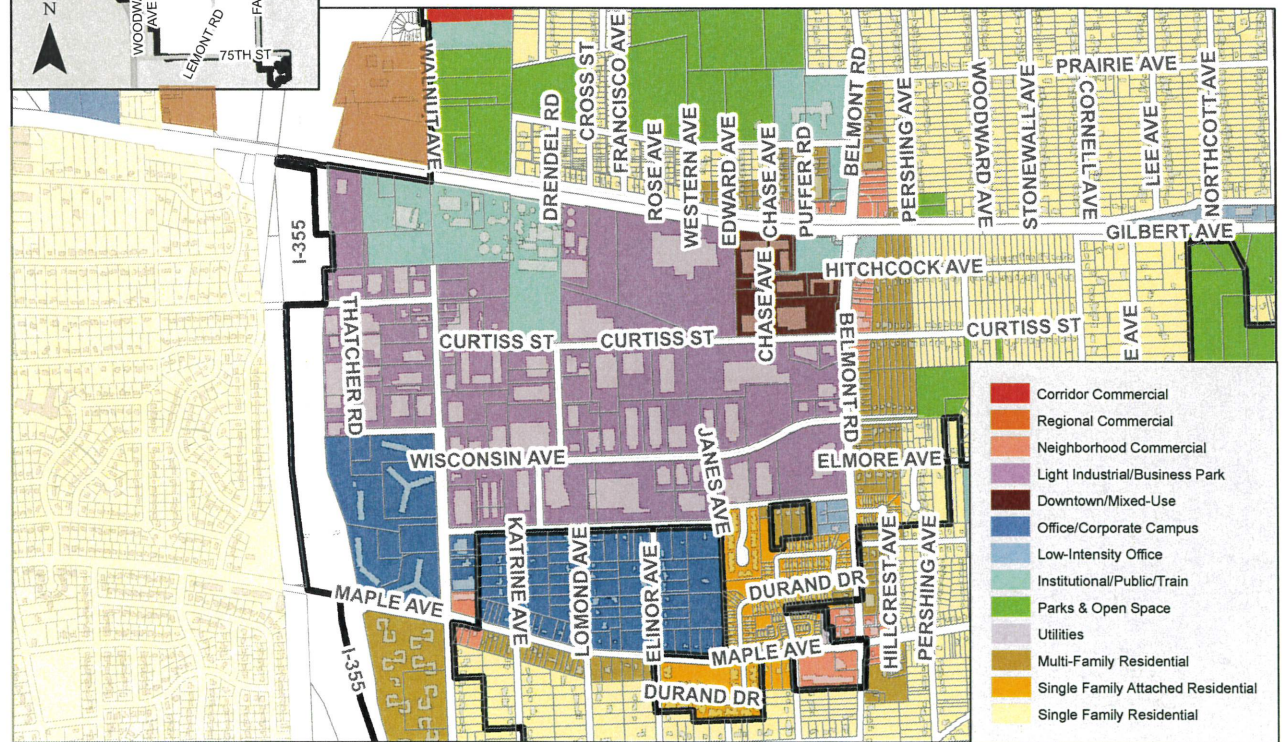
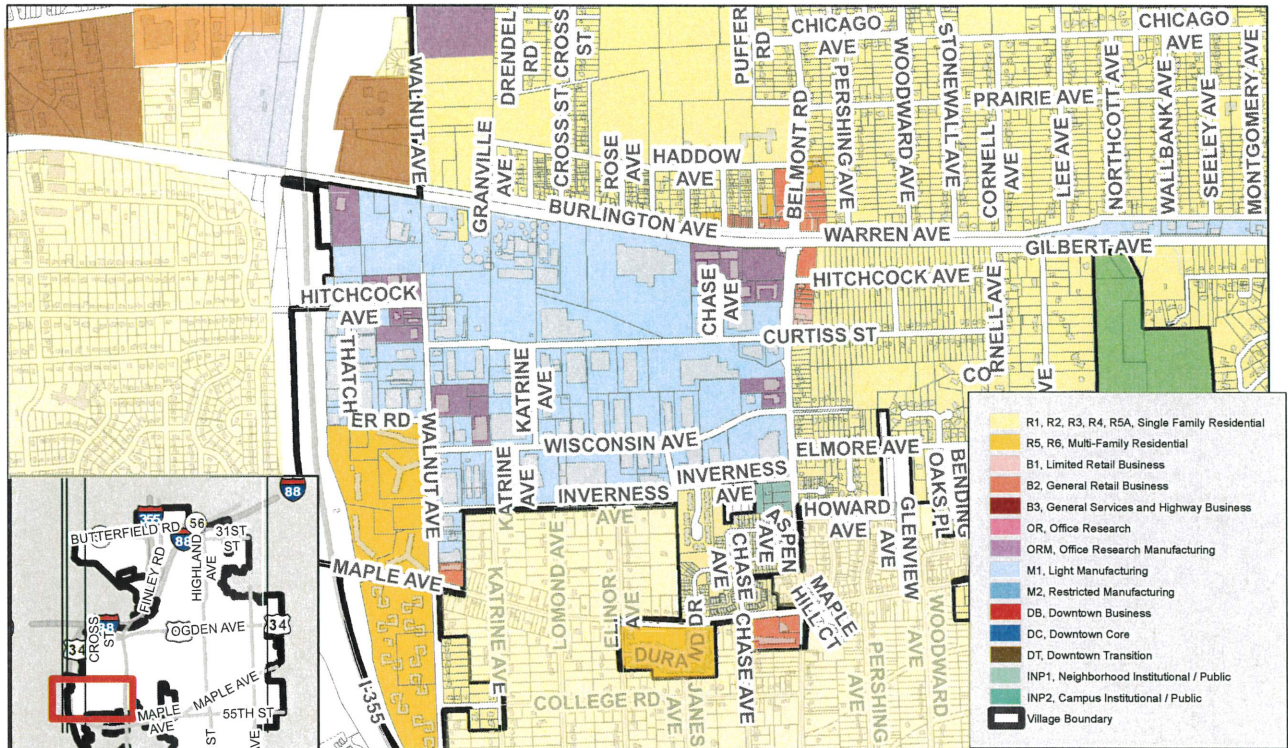
Action Items:

High Priority: Create an Industrial Development Committee that will review issues and opportunities in the Ellsworth Business Park, Oak Grove Commons, and other industrial districts. [Completed in Year 1]

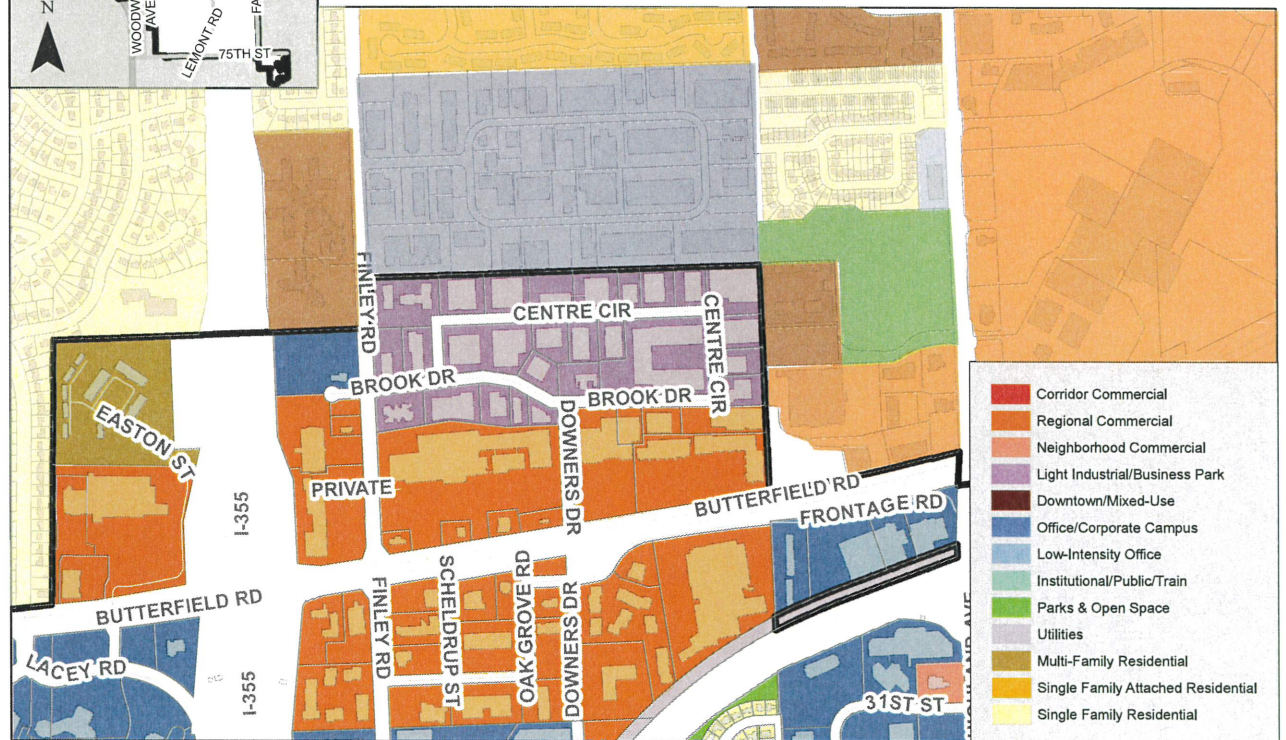
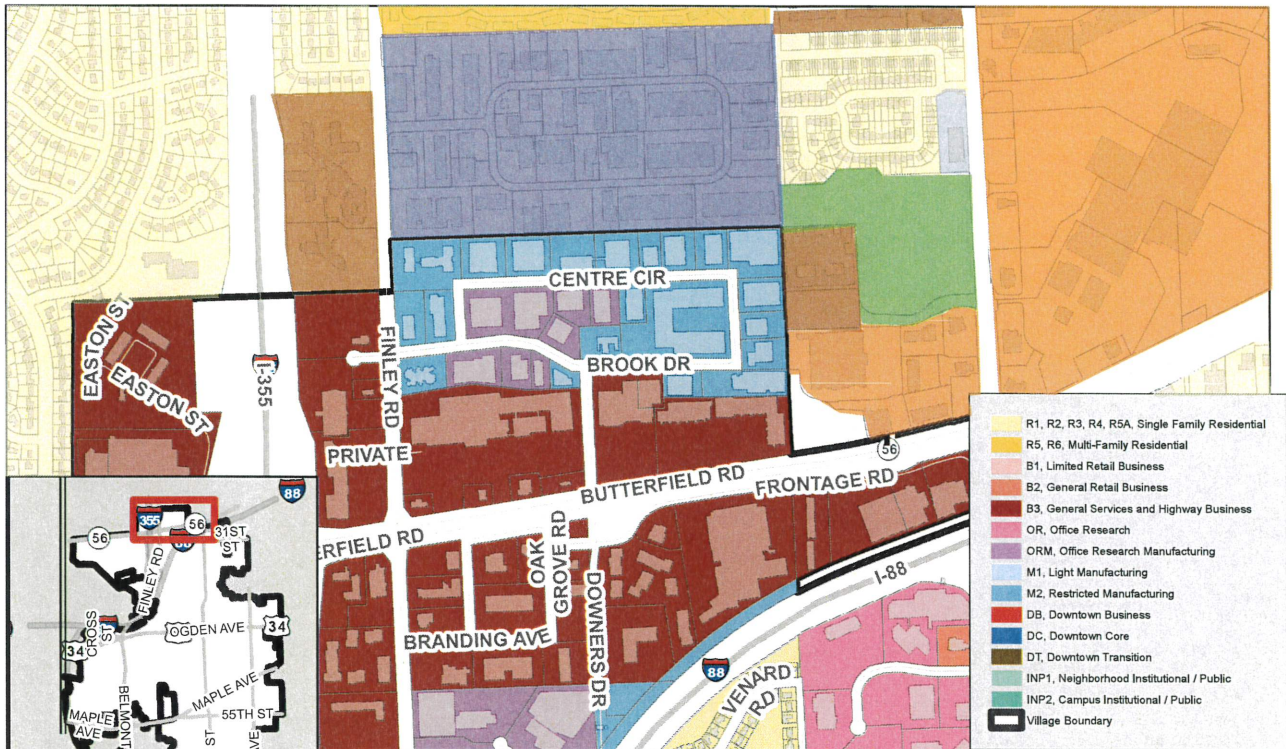
Medium Priority: Facilitate discussions between the U.S. Environmental Protection Agency and the Potentially Responsible Parties for the purpose of concluding settlement agreements for the remediation of the PRP sites. [Completed in Year 5]

Medium Priority: Identify opportunities to provide upgraded utility and technology service to the Ellsworth Business Park. [Completed in Year 5]

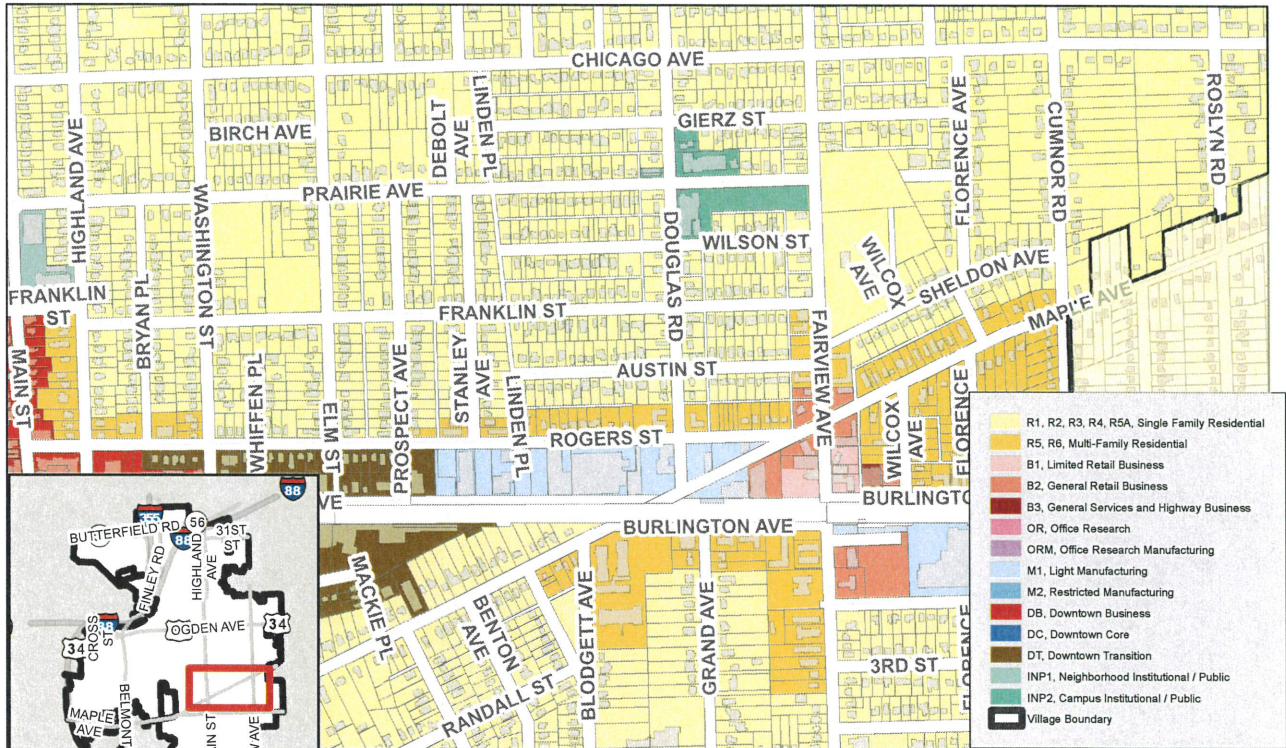
Village of Downers Grove - Ellsworth Business Park



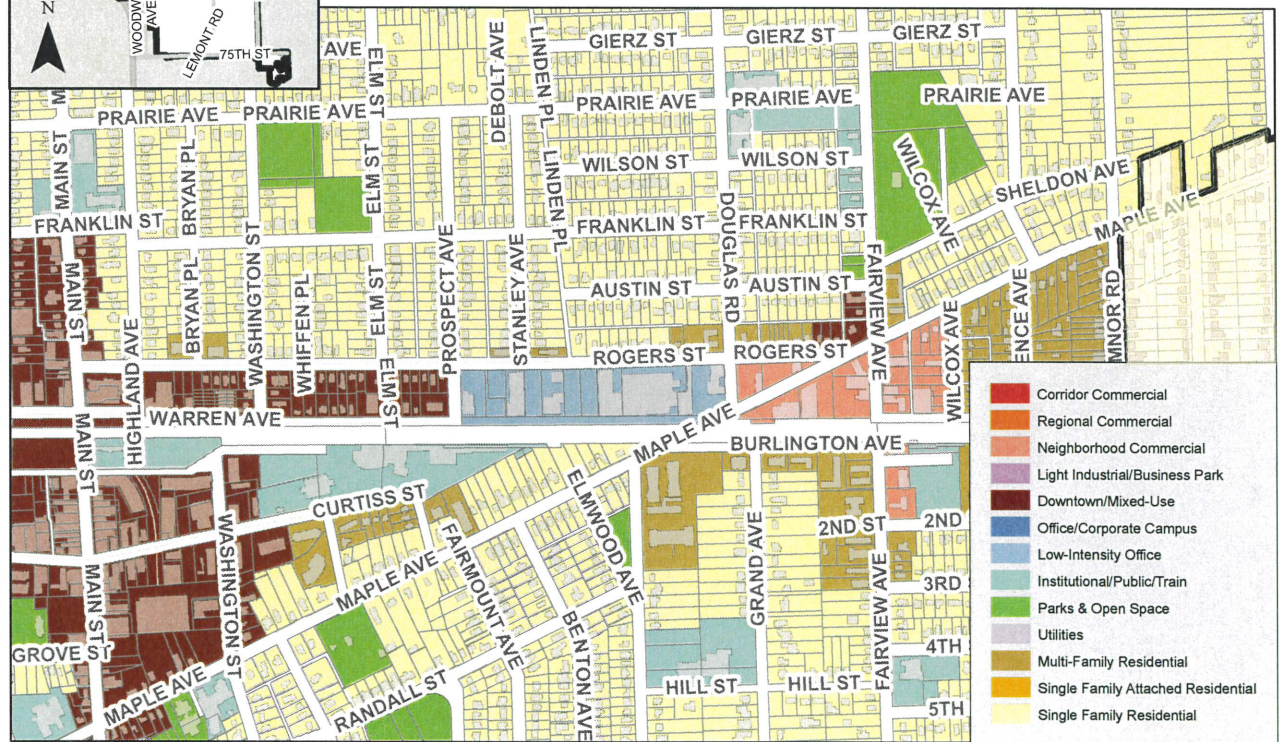
Village of Downers Grove - Oak Grove Business Park



Village of Downers Grove - Rogers/Fairview Business Park



Zoning Map



Future Land Use Map

OFFICE SECTOR

1. Key Issue:

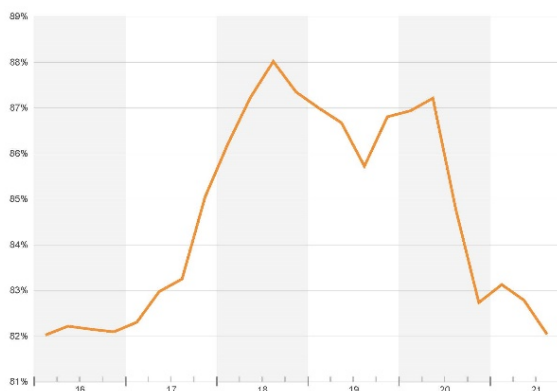
What are the implications of the pandemic on the office market in Downers Grove?

Background:

Downers Grove has established itself as one of the premier locations for corporate headquarters and other large office projects in the region. There are several large Class A office parks that offer tenants an attractive location for their business. Downers Grove has tremendous locational and transportation advantages. The Village is served by I-88, I-355, and three Metra Stations, and is close to O'Hare and Midway airports. The Class A office parks in Downers Grove offer the latest amenities, including structured parking, great views, technology enhancements and health club facilities. Many other office buildings in the I-88 corridor are older and have become functionally obsolete.

The Class A office sector in Downers Grove is primarily centered in the Butterfield Road and Warrenville Road corridors. There are also Class B and Class C office buildings in the Village. Downers Grove has 7,554,942 sq. ft. of office space. Class A space accounts for 4,676,423 sq. ft., followed by 2,110,180 sq. ft. (Class B) and 768,339 sq. ft. (Class C). 2,411 businesses occupy these buildings and office parks. Overall occupancy rates are lower as tenants reduced their leased space (see charts below), but leasing activity is starting to bounce back after 2020. The impact of the office sector on our local economy cannot be overstated. These employers generate customers for local suppliers, as well as customers for our hotels, restaurants and retailers. In particular, offices generate significant business for restaurants in the Butterfield corridor. This has a direct impact on sales tax revenue. In addition, the office buildings generate real estate taxes for local government.

Office Sector Occupancy Rate

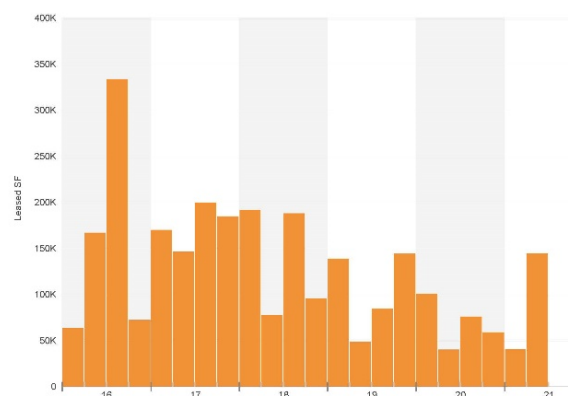


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Office Sector Leasing Activity



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7/13/2021

The office market was greatly impacted by the pandemic. Employers had their employees work from home. Economists and office market analysts are unsure when most employees will return to the workplace. The U.S. Chamber of Commerce has projected that employees will not be returning to the same office they left behind. Hybrid work schedules are likely to continue well into 2022. Companies have reduced their office footprints, creating a tremendous supply of available sub-lease space, both in

the suburbs and in Chicago. Another factor is commuter travel. Many employees are still reluctant to ride a Metra train. Because of this factor, and others such as public safety, companies that had plans to relocate their office space from the suburbs into Chicago, which had been commonplace prior to the pandemic, are rethinking those plans. Some companies will keep their existing space, or only open a satellite office in Chicago. The reverse may also be true, with Chicago companies establishing a satellite office in the suburbs. In the past few years, Downers Grove has been aggressive in recruiting large professional office tenants, especially Class A headquarters projects. Given the increase in vacancies, including sub-lease space, the competition for new office tenants will intensify.

Strategies and Solutions:

The DGEDC must closely monitor post-pandemic trends in the office market. The future of the U.S. office market is very difficult to predict. The issues include (1) the reduction of office space footprints, resulting in increased sub-lease space availability; and (2) how long before companies have their employees return to the office, either full time or with a hybrid work schedule. As the competition for office tenants intensifies, the DGEDC must identify comparative advantages in the office market between Downers Grove and competing communities. These competing communities are principally Oak Brook, Naperville, Lisle, and Chicago. That competition may also increase the need to consider incentives for office projects. In 2013-2014, the DGEDC and the Village created an incentive program that reduced building permit costs for qualifying Class A tenants. The DGEDC should make recommendations to the Village on tools and incentives. In addition, there are state incentive programs that should also be pursued. The increased competition between communities and office parks will require the DGEDC to increase its marketing efforts. The DGEDC should increase participation in targeted trade shows and conferences that focus on the Class A office market, such the National Association of Industrial and Office Properties, and the Society of Industrial and Office Realtors. The DGEDC must communicate regularly with leasing agents and property managers in Class A office buildings to: (1) attract new tenants; and (2) anticipate tenants that may be thinking of reducing their space or relocating. This is particularly important for Esplanade, the largest office park in Downers Grove. The DGEDC should begin discussions with Hamilton Partners on a long-term strategy for the development of the remaining vacant land in the park. In addition to office development, the Village's Comprehensive Plan identifies restaurants as a potential use for Esplanade. (A map of Esplanade is attached to this section.)

Key Performance Indicators:

The DGEDC shall track the number of companies in the local office sector, occupancy rates, leasing activity, employment and EAV.

Action Items:

High Priority: Make recommendations to the Village of Downers Grove on tools and incentives for the attraction of large Class A office tenants, such as a reduction of building permit fees for large office tenants. [Completed by Year 1]

Medium Priority: Monitor post-pandemic trends in the office market on issues such as sub-leasing, trends on work-from-home or hybrid models, and relocation of office tenants to and from Chicago. [Completed by Year 3]

2. Key Issue:

What are the opportunities to attract foreign direct investment office tenants to Downers Grove?

Background:

Several foreign-owned firms such as SAP, have established their North American headquarters or their Chicago regional offices in Downers Grove. The number of foreign-owned firms in Downers Grove is not known at this time. The Department of Commerce and Economic Opportunity used to track this information on a regular basis. The Village offers several locational advantages that may be attractive to foreign-owned firms, including: (1) access to I-355 and I-88; (2) three Metra stations; (3) the attractiveness of our Class A office buildings; and (4) most importantly of all, the proximity to O'Hare Airport. Foreign-owned firms generate international travel, which will benefit our full-service hotels and restaurants, generating hotel and Food & Beverage tax revenues.

Strategies and Solutions:

The DGEDC should work with the international business attraction staff at the Illinois Department of Commerce and Economic Opportunity (DCEO). In addition, Chicago is home to many foreign consulates. The Consul Generals and other consuls are a great source of information on companies in their countries that may be looking to open a North American headquarters in the region. The DGEDC should begin meeting with consular staff at some of the major consulates in Chicago.

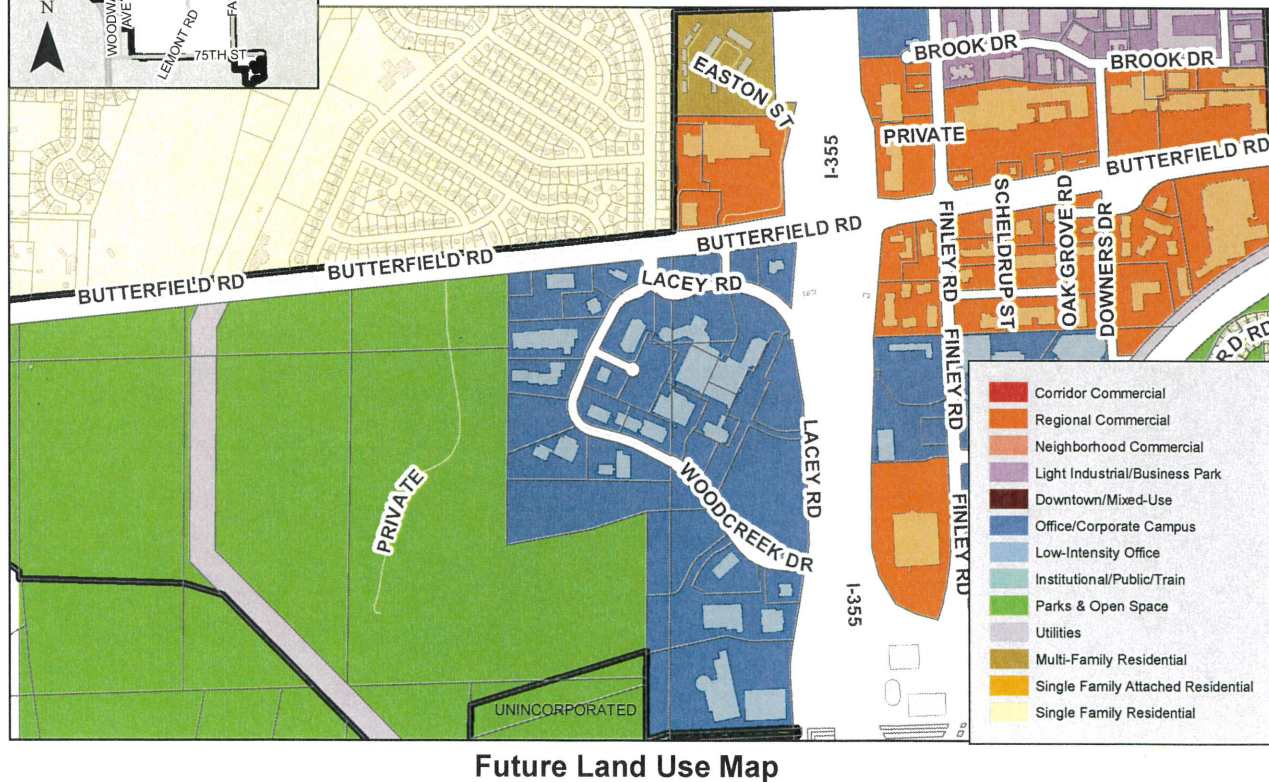
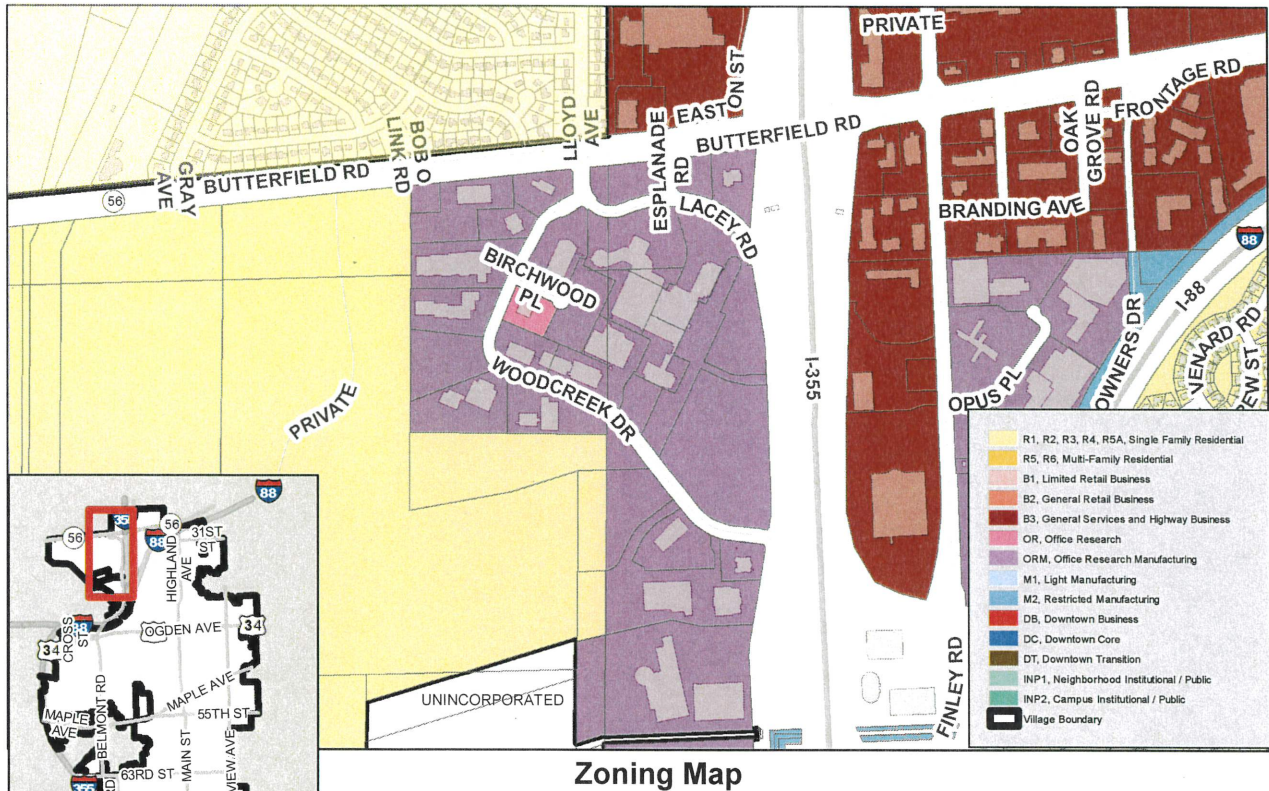
Key Performance Indicators:

The DGEDC will identify and track the foreign-owned firms in Downers Grove.

Action Items:

Medium Priority: Work with the DCEO international business team, as well as members of the consular corps to identify companies that may be looking to open a North American headquarters office in the Chicago area. [Completed by Year 3]

Village of Downers Grove - Esplanade



BUSINESS RETENTION AND EXPANSION

1. Key Issue:

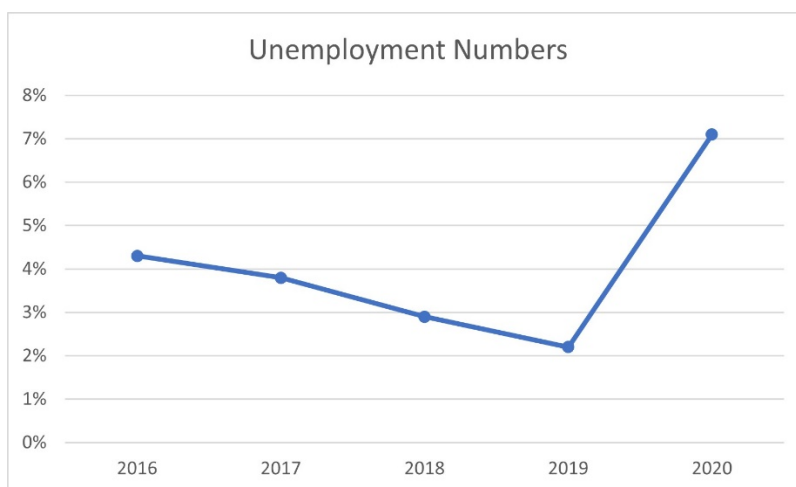
What are the steps the DGEDC can take to influence the retention and expansion of existing businesses in Downers Grove?

Background:

Retaining existing employers is one of the core objectives of any economic development organization. There is no better outcome than when a local company expands their operations. There are instances, however, in which the DGEDC can't influence a business decision: when the company is going out of business, or is consolidating facilities. These decisions are made at the headquarters level, and almost always are driven by factors that cannot be influenced by a local EDC. Identifying those companies that may be looking to expand their operations, as well as those that may be looking to relocate to another city, is a difficult but important economic development objective.

During the pandemic, the DGEDC pivoted and made business retention our top priority. The DGEDC reached out to hundreds of businesses in Downers Grove, including landlords and property managers. The DGEDC shared information on the application process for federal, state and county pandemic-related grant programs. Local businesses were encouraged to apply in a timely manner, especially given that much of the grant funding was awarded on a first come first serve basis. The DGEDC certainly can't claim all the credit for the relatively small number of local businesses that went out of business in 2020, or for the large number of businesses that received grant funds. But we did play an important role in the process, working closely with the Village of Downers Grove and the Downtown Management Corporation.

According to References Solutions, there are 4,099 businesses in Downers Grove. Of those, 2,411 are offices, 543 are industrial firms, and the remaining 1,145 are commercial and other types of businesses. The unemployment rate in Downers Grove increased, of course, during the pandemic in 2020. The local UI rate is dropping in 2021. It was 5.0% in May 2021. The rate had been falling consistently since 2010.



Strategies and Solutions:

In order for the DGEDC to reach out to local businesses, especially on an issue that is time-sensitive, we must have the ability to compile and maintain the contact information. The DGEDC should utilize new Customer Relationship Manager software. In addition, the software program can be used to record notes and follow up information on meetings with company officials. The DGEDC should continue to make local businesses aware of grants and other financial programs that are available. Meetings with local businesses should be prioritized. These meetings can include both DGEDC and Village officials. Companies that may be considering moving their business out of Downers Grove, or expanding their local facilities, should be given top priority. Site and facility concerns can be identified at these meetings.

Key Performance Indicator:

The DGEDC shall track the rate of retention for businesses in Downers Grove. This is the percentage of businesses that have been retained, and have not moved to another community.

Action Item:

High Priority: Utilize new customer relationship management software to maintain information, and schedule meetings with businesses in Downers Grove. (Completed in Year 1).

ECONOMIC DRIVERS

1. Key Issue:

How can the DGEDC address the labor shortage facing existing or prospective employers in Downers Grove?

Background:

For the past several years, surveys of CEOs in the United States have named the shortage of skilled labor as the top issue facing their companies. It is also an economic development issue. Each year, *Area Development Magazine*, one of the leading site selection publications in the country, conducts an annual survey of CEOs, and other senior officials, who made facility location decisions in the past year. By far, the leading site selection factor was the availability of skilled labor. The pandemic did not alter the results. The DGEDC often hears from local companies, and those that are considering a Downers Grove location, on the difficulty in recruiting talent. In recent years, the City of Chicago has touted its attractiveness to millennials as part of its business attraction strategy. Many millennials don't own cars, or prefer not to drive to work. Chicago's transit system is able to get employees from the Metra station to the front door of their home or office. "Talent-driven economic development" has become a critical issue in the competition to attract and retain employers.

The data supports the existence of a labor shortage. It is impacting several economic sectors. There were 9.3 million available positions in the United States at the end of April 2021. That is up from 7.1 million available jobs in January 2021. The increase in available jobs is most apparent in the hospitality (restaurants and hotels) and retail sectors. But it also impacting the industrial sector (manufacturing, warehousing and transportation) where there is now a 30% increase in open positions from the pre-pandemic period. As of May 2021, there have been about 0.73 workers hired each month per posted job opening, compared to 0.81 workers each month for the pre-pandemic period. Overall, as of May 2021, there are about 3.5 million fewer people in the workforce compared to February 2020.

Strategies and Solutions:

The DGEDC should serve as a one-stop shop for employers to access information on workforce development resources, and to post available jobs. This can be done by creating a section on the DGEDC website. Links to public and private resources, including job training grants and training programs would be included. There are two primary government partners that provide these resources, including the Illinois Department of Commerce and Economic Opportunity, and Worknet DuPage. In addition, the DGEDC should develop a strategic partnership with the College of DuPage (COD). Throughout the country, EDC/Community College partnerships are very common. COD provides many workforce development programs, including training and apprenticeship opportunities.

As to the issue of promoting Downers Grove as an attractive place to work, the DGEDC should work closely with Choose DuPage. This is not a municipal issue, it is a regional issue. Existing and prospective

employers often ask the DGEDC to run demographic reports for the county, since they draw employees from beyond the municipal boundaries. In recent years, the development of new transit-oriented multi-family projects, and many new restaurants in downtown Downers Grove, has made us more attractive to younger workers. The mobility issue remains a challenge. The DGEDC should work with PACE and large employers that have employees who use Metra, or would prefer to do so. Identifying opportunities for PACE to partner with these employers may be a solution for some large employers.

Key Performance Indicators:

The DGEDC shall track local employment and unemployment rates.

Action Items:

Medium Priority: The DGEDC shall create a comprehensive program to provide employers with information on state and county workforce development resources. [Completed by Year 3]

Medium Priority: Work with PACE to identify public/private employee mobility opportunities. [Completed by Year 5]

2. Key Issue:

How can the DGEDC promote entrepreneurship and innovation in Downers Grove?

Background:

Chicago has become one of the nation's top hubs for entrepreneurship and technology-driven innovation. This is due, in part, to a huge influx of federal, state and city dollars. In addition, private foundations and other groups have dedicated millions of dollars to creating this innovation environment. In 2020, KPMG ranked Chicago third on a list of "innovation hubs", trailing only Austin and Boston. The launch of 1871 several years ago was the catalyst for "early stage" corporate entrepreneurship and innovation. In recent years, 1871 has been acquiring smaller innovation groups in the Chicago suburbs. In the emerging technology-driven economy, it is important for communities such as Downers Grove to grow their own base of entrepreneurs.

Strategies and Solutions:

The DGEDC should develop a strategic partnership with Innovation DuPage, located in the College of DuPage (COD) building in downtown Glen Ellyn. Innovation DuPage unites entrepreneurs and small business owners with resources, expert advice, and programs to support their growth. In addition, the DGEDC should enhance its relationship with the Illinois Office of Entrepreneurship, Innovation and Technology, as well as the Small Business Development Center, which is housed on the main campus of COD. The SBDC is the primary government source for small business assistance. There are several

public/private partnerships that can be a source of grant funding, training and expertise. These include venture capital, private equity, angel investment groups, and the Discovery Partners Institute, which is the “innovation hub” of the University of Illinois. Finally, Downers Grove is fortunate to have several leading technology companies in our community. The DGEDC should engage these firms to identify site selection factors for technology-driven companies. Downers Grove should strive to become a “suburban hub” for entrepreneurship and innovation, within the Chicago region.

Key Performance Indicators:

The DGEDC shall track participation by Downers Grove start-up companies and residents in state, county and regional entrepreneurship and innovation programs.

Action Item:

Medium Priority: Develop partnerships with state, county and regional entrepreneurship and innovation agencies and public/private organizations. [Completed by Year 3]

DOWNERS GROVE VISITORS BUREAU

1. Key Issue:

What is the economic impact that visitors have on the local economy?

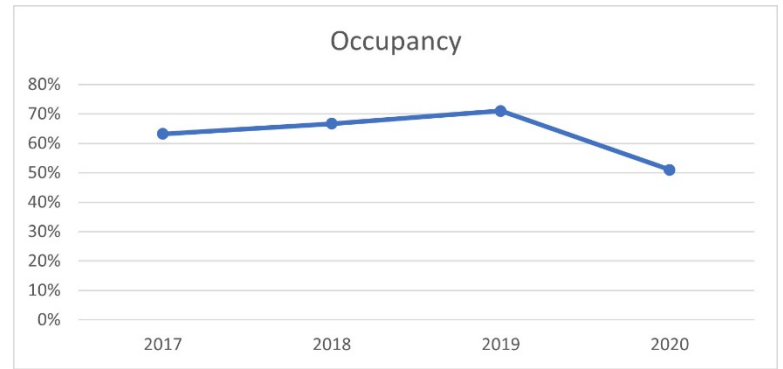
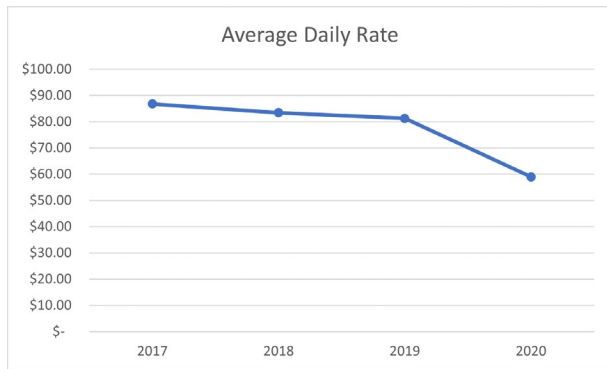
Background:

An important part of the local economy in the Village of Downers Grove is the tourism market. Visitors to our community contribute significantly to enhancing the customer base of several commercial segments, including lodging, dining and shopping. These non-resident customers generate sales tax revenues for the Village of Downers Grove. The Downers Grove Economic Development Corporation promotes tourism through the Downers Grove Visitors Bureau (DGVB).

No industry was hit harder during the pandemic than hotels. Throughout the United States, many hotels shut their doors in the spring of 2020. In Downers Grove, the hotel sector, which had one of its best years in 2019, had their worst year in 2020. The two full service hotels, the Marriott and the DoubleTree, closed on April 1, 2020, and did not reopen until around August 1st. The limited service hotels remained open, but saw occupancy and room rates fall dramatically. Unlike some other hotels in the Chicago area, our hotels did reopen and are doing relatively well considering the circumstances. The hotels are still well below the 2019 results. Business travel remains far below what it was prior to the pandemic. This has impacted not only hotel tax revenues, but occupancy rates and other metrics such as Average Daily Rates. Based on projections from the DuPage Convention and Visitors Bureau, we are projecting that total local hotel tax revenues for FY2022 will be between \$550,000 and \$700,000. This range is still substantially below the total hotel tax revenue of \$942,500 in FY2019. These projections were included in the DGEDC Business Plan.

The Village has projected \$550,000 in total hotel tax revenues in FY2021. Under the current model, the DGEDC would receive \$275,000. Projecting hotel performance beyond this year is difficult. The DGEDC projection is that total hotel tax revenues for FY2022 will be between \$550,000 and \$700,000. That translates to \$275,000-\$350,000 in revenue for the DGEDC. This range is still substantially below the total hotel tax revenue of \$942,500 in FY2019. The DGEDC received \$471,000 in FY2019.





The importance of overnight stays in our hotels cannot be overstated. Downers Grove has 7 hotels which have a 1,235 combined rooms. Hotel guests not only generate local hotel tax revenue, but they eat at local restaurants. The DCVB has provided information on Downers Grove restaurants to hotel front desk personnel, so it can be shared with hotel guests. The DuPage Convention and Visitors Bureau has published information on the economic impact of visitors. It is attached to this section.

Downers Grove has 160 restaurants, located throughout the community. These include upscale restaurants such as Cadence and Parker's, national chains as well as fast casual and quick service restaurants. There are also many unique restaurants, including several in the downtown. Visitors make up an important part of the customer base for these restaurants. In addition, there are several destinations that attract visitors, including the Downers Grove Golf Club and the Tivoli Theatre in downtown Downers Grove.

The restaurant sector is very important to the local economy. In addition, the Food & Beverage Tax is a critical source of revenue for the Village of Downers Grove. In 2019, the Village realized revenues of \$1.964 million from the F&B tax. That number dropped to \$1.635 million in 2020, due to the pandemic and the closure of indoor seating for many months.



Strategies and Solutions:

Hotel occupancy and room rates, as well as business travel and meetings, are likely not to return to 2019 levels until 2023. It will be more important than ever for the DGVB to maintain a strong working relationship with hotels in Downers Grove. This is especially true for the two full service hotels that depend on business travel and meetings. The DGVB staff should work with the hotels to promote

interconnectivity between hotel guests and Downers Grove restaurants and visitor destinations. Too often, local hotel guests choose to dine at restaurants in neighboring communities. That is just one reason why the DGVB should enhance and expand the Dine DG program, which was used for the successful “Dine DG Take Home for the Holidays” Facebook campaign during the pandemic. As for marketing, the DGVB plans to unveil a new website, and to maintain two Facebook pages-the DGVB page and the Dine DG page. The DGVB should focus on digital advertising and familiarization campaigns, while still maintaining updated collateral materials on hotels and other visitor destinations. Finally, the DGVB should launch a branding strategy to promote tourism in Downers Grove.

Key Performance Indicators:

Data on hotel performance, including hotel tax revenues, occupancy rates, and average daily rates shall be tracked, and compared to competing communities. In addition, the Village’s Food & Beverage tax shall be tracked, as well as the total number of restaurants in Downers Grove.

Action Items:

Medium Priority: Enhance the DGVB relationship with local hotels and restaurants through the creation of a Hotels Committee and a Dine DG Committee. [Completed in Year 3]

Medium Priority: Launch a process to develop a branding strategy to promote Downers Grove as a destination for visitors. [Completed in Year 3]

2. Key Issue:

What is the potential economic impact of sports tourism in Downers Grove?

Background:

In 2017, the DGEDC developed a strategic partnership with the DuPage Convention and Visitors Bureau (DCVB). Downers Grove had not been a paying municipal member of the DCVB since the 1990s. Under the terms of the partnership, the DCVB would represent the Village of Downers Grove as the paying municipal member. All hotels in Downers Grove would automatically become full members of the DCVB. In addition, leads generated by the DCVB would now be shared with our hotels. The DCVB would also include Downers Grove in all its digital platforms and marketing campaigns. Confidential data on the performance of area hotels is now shared with us. The DGVB was also given a seat on the DCVB Board of Directors. The DCVB will present a 2021 report to the DGEDC Board of Directors in early 2022.

In 2019, the DCVB retained consultants to develop a strategy for sports tourism in DuPage County. Sports tourism is the fastest growing tourism segment in the country. The report was titled “DuPage Game Plan: Sports Tourism.” Mr. Cassa served as a member of the DuPage Sports Advisory Committee. The consultants recommended (1) that the DCVB create a DuPage Sports Commission; (2) that the DCVB direct more of its efforts promoting sporting events in the county; and (3) that there be more coordination on the development of sports facilities in DuPage County. The DCVB reports that 30% of all group hotel bookings in DuPage County are from sports tourism. In 2019, sports tourism contributed

over \$100 billion to the U.S. economy, and \$6.8 billion in tax revenue to state and local governments. There are several potential sports facilities being considered in DuPage County, including the future facility being planned by the Downers Grove Park District at the corner of Ogden and Walnut.

Strategies and Solutions:

The Village of Downers Grove does not have a facility that is designed to host sports tournaments or serve as a home venue for sports teams. Given the growth of sports tourism, and the direct spending in overnight hotel stays and dining, it is a tourism segment worth pursuing. The DGVB should play a more active role with the DuPage Sports Commission, working together to capture more room nights for area sports events. For example, the DoubleTree will serve as the host hotel for a very large women's national bowling tournament that is coming to DuPage County in 2022.

The DGEDC should support the goal of developing a sports facility at Ogden and Walnut. The Downers Grove Park District has begun the planning process for the facility.

Key Performance Indicators:

The DGEDC will track sports and other group travel leads provided to Downers Grove hotels by the DCVB.

The DGEDC will monitor progress on the development of a future Park District sports facility.

Action Items:

High Priority: Become an active participant of the DuPage Sports Commission. [Completed in Year 1]

Medium Priority: Support the goal of the Downers Grove Park District in developing a facility at Ogden and Walnut that will serve as a venue for sports tournaments and leagues. [Completed in Year 3]

2019 By The Numbers: DuPage County Economic Impact of Visitors

DUPAGE COUNTY VISITOR OVERVIEW



TOURISM REVENUES
\$2.86 Billion
(+5.4%)



PAYROLL
\$797 Million
(+6.9%)



TOURISM RELATED JOBS
24,170
(+2.7%)



STATE TAX RECEIPTS
\$191 Million
(+10.3%)



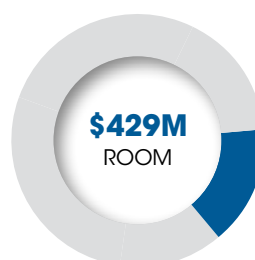
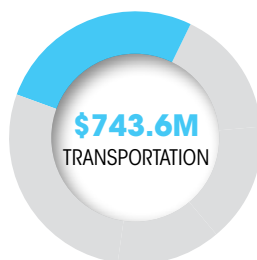
LOCAL TAX RECEIPTS
\$51 Million
(+6.5%)

THE COMMERCE & CONNECTIVITY OF DUPAGE TOURISM: One of the Largest Suburban Hotel Markets in the United States



4 MILLION GUESTS STAYED IN DUPAGE IN 2019

Far beyond their hotel stay, each person contributes significantly to the DuPage economy.



\$2.86B
TOURISM REVENUES

MARKETING AND PROJECT MANAGEMENT

1. Key Issue:

What measurable marketing programs should be implemented to promote Downers Grove as a premier location for business investment?

Background:

One of the primary responsibilities of the Downers Grove Economic Development Corporation is to facilitate the economic development process, from the initial contact with the client, to the day the project is completed. The facilitation process includes marketing and project management. The DGEDC devotes a significant amount of time to marketing Downers Grove. We utilize several marketing platforms to reach CEOs, corporate real estate executives, real estate brokers, developers and site consultants. These platforms include advertising, social media, collateral materials, trade shows, and the internet.

Strategies and Solutions:

The DGEDC is shifting its marketing strategies to primarily digital platforms. In some cases, an ad will run in a printed piece that also has a digital version. In other cases, an ad may be placed in conjunction with a story on Downers Grove. In addition to advertising, the two primary digital platforms are the DGEDC website and social media. The website is updated almost daily. The DGEDC will also be launching a LinkedIn page. LinkedIn has become the primary social media platform for economic development organizations. In addition to these digital resources, the DGEDC will expand the demographic and community information that is provided to clients. The DGEDC will resume participation in targeted trade shows and conferences, many of which were cancelled due to the pandemic. In addition, the DGEDC will resume holding an annual reception for brokers, developers and site consultants. Annual receptions were held between 2016-2019, but due to the pandemic, were not held in 2020-2021. Finally, there are two new initiatives: first, the DGEDC should facilitate a future Sister City agreement between the Village of Downers Grove and Bietigheim-Bissingen, Germany. And the DGEDC should launch a business attraction branding strategy for Downers Grove.

Key Performance Indicators:

The DGEDC shall track the effectiveness of its marketing programs. These include digital advertising, website and social media analytics, and leads generated at trade shows and the annual brokers reception.

Action Items:

Medium Priority: Launch a digital driven branding strategy to promote business investment in Downers Grove. [Completed in Year 3]

Medium Priority: Facilitate a Sister City agreement with Bietigheim-Bissingen, Germany. [Completed in Year 3]

2. Key Issue:

How can the DGEDC enhance the assistance and facilitation to business clients during the site selection, project approval and construction process?

Background:

The DGEDC provides information and assistance on a daily basis to companies that are considering investing in Downers Grove. This includes conducting site searches and scheduling site tours, and providing general information on zoning and permitted uses. CoStar is the primary tool for information on available sites. The DGEDC can also help facilitate the process for requests for incentives. Once the client has entered into an agreement to buy, build or lease a site, the DGEDC will monitor the status of the deal. In addition, the DGEDC can assist with press releases and, and ground breaking and grand opening events. However, given the intense competition between communities for business projects, the DGEDC should review the types of assistance and information provided to clients by other EDCs.

Strategies and Solutions:

First and foremost, the DGEDC must provide comprehensive assistance to businesses considering a Downers Grove location. This includes providing the client with all the site options that meet their specifications. To do so, in addition to CoStar, the DGEDC can utilize Parcel Navigator and real estate brokerage firm websites. Often, these websites will contain information such as floor plans, that are not available on commercial platforms such as CoStar. Once the client has selected one or more sites to consider, the DGEDC arranges the site visits with the listing agent. The DGEDC and the Village's Community Development Department should continue to increase the sharing of information on potential business projects. And, the DGEDC will continue to facilitate requests for business incentives. The DGEDC should resume scheduling ground breaking ceremonies, which were put on hold during the pandemic. Finally, the DGEDC should utilize new professional Customer Relationship Management software to replace the outdated ACT system. This will enable the DGEDC to record and track information on clients, as well as other contacts. The DGEDC must benchmark its project management assistance against other EDCs.

Key Performance Indicators:

The DGEDC shall track the assistance provided to each client through new customer relationship management software. This includes the number of site searches performed for clients. In addition, the DGEDC will enhance its annual "Wins List" to include economic information such jobs created and the amount of capital investment for each project.

Action Item:

Medium Priority: Conduct research into the types of assistance and information provided to business prospects by EDCs around the country. [Completed in Year 3]

PARTNERSHIP FOR PROSPERITY AND INVESTOR RELATIONS

1. Key Issue:

How can the DGEDC influence the decision by area companies to join or renew their annual investment in Partnership for Prosperity?

Background:

The DGEDC launched Partnership for Prosperity (PFP) to secure financial support from area companies and organizations. PFP welcomes local stakeholders to become “Investors”. This is the common term used by economic development organizations to describe their members. Prospective Investors are invited to join at one of four levels: Platinum (\$5,000), Gold (\$2,500), Silver (\$1,000) and Bronze (\$500). The level of their annual investment is based on the type of business. The DGEDC staff contacts local companies that have a stake in the economic growth of the community. While most Investors join to support our work, and to become part of the DGEDC team, there are some “perks” such as recognition on our website, invitation to DGEDC events, and referrals. The biggest challenge to securing new Investors is getting past the “gatekeeper” that screens calls to the decision maker.

Securing financial support from a new Investor is only the first step in sustaining that support. The Investor is asked to make an “annual investment”, which means that they will receive an invoice for their renewal in 12 months. The PFP has a high renewal rate. Even during the pandemic of 2020, the renewal rate stood at 92%. This is identical to the 2018-2019 rate. However, those Investors who do not renew, or who renew late, tend to do so in the first year. In most cases there are two reasons why an Investor does not renew: (1) the company is having financial challenges and is cutting expenses; or (2) there is a new main company contact who is unfamiliar with the DGEDC. As soon as we learn that there is a new contact, we need to reach out to them.

Strategies and Solutions:

The staff will make a presentation to the DGEDC Executive Committee on PFP. The presentation will include a review of the program and recommendations for the next phase (“Partnership for Prosperity 2.0”). The next phase will include a strategy to overcome the “gatekeeper.” Virtually all EDCs receive some form of assistance from members of their Board of Directors and other stakeholders. They help “open the door” to the decision maker. DGEDC Board members and local stakeholders, including other Investors, will be asked to help recruit one new Investor each year. In addition, the DGEDC will increase awareness of PFP by promoting it on our digital platforms. We will continue to use the “Prospectus” brochure to promote the PFP. As of July 2021, the DGEDC had 43 investors, generating \$43,500. Thus, the DGEDC is already only \$6,500 from the budgeted goal of \$50,000.

The DGEDC should ensure that all Investors value their investment in the organization. The best strategy to achieve that goal is to enhance communication with the top officials from that company. Most Investors join the DGEDC to support our work. Therefore we need to share the results of our work, especially when a new business has been opened in Downers Grove. Those results can best be shared with our Investors through an annual report and a quarterly newsletter. This quarterly report

would be in addition to the quarterly presentation made to the Village Council. It is also important that Investors have the opportunity to interact with each other. The DGEDC was unable to hold any events in 2020 due to the pandemic. Resuming these events, especially the Annual Luncheon, is very important. Events such as the luncheon fosters a sense of teamwork among our Investors. The DGEDC should also be more proactive in referring Investors to our clients. Finally, in order to ensure that we have the most updated information on Investor contacts, the DGEDC should utilize Customer Relationship Management software.

Key Performance Indicators:

The DGEDC shall track the number of Investors, levels of investment, and the rate of renewal.

Action Items:

High Priority: Make a presentation on the status of Partnership for Prosperity to the DGEDC Executive Committee by January 2022. [Completed in Year 1]

High Priority: Utilize new customer relationship management software to maintain updated information on Investor contacts to ensure proper billing and communication. [Year 1]

2. Key Issue:

What data driven reports should be provided to the Village of Downers Grove and other Investors?

Background:

The DGEDC tracks economic data, including Village sales tax revenue, hotel taxes and hotel performance, and food & beverage tax revenue. The data is received from the Village staff and the Illinois Department of Revenue website. In addition, national economic data is also compiled. This data is shared with the DGEDC Board of Directors and Executive Committee. It is also included in the quarterly presentations to the Village Council.

Strategies and Solutions:

The DGEDC should expand the economic data that is tracked, especially real estate data, including EAV, occupancy rates, leasing activity, and the number of businesses and employees in Downers Grove. The data should be presented in graph form. In addition to presenting this data to the DGEDC Board and Executive Committee, and at the quarterly presentations, it should also be posted on the DGEDC website, newsletters and the annual report. These platforms will also be shared with potential Investors.

The DGEDC and the Village should work together to set realistic measurable goals and key performance indicators for each of the sectors. Once established, these metrics should be the basis for periodic

DGEDC reporting to the Village Council, the Board of Directors, and included on the website and other platforms. Moreover, proposals that come before the Council with DGEDC endorsement should include a reference as to which measurable metrics a particularly proposal that the EDC has endorsed is aimed at further achieving.

Key Performance Indicators:

The DGEDC shall track economic data, including sales tax revenues, hotel taxes and hotel performance, and food & beverage tax revenue. In addition the DGEDC will track real estate data, including EAV, occupancy rates, leasing activity, and the number of businesses and employees in Downers Grove.

Action Item:

High Priority: Work with the Village to draft a report to set measurable goals and key performance indicators for each economic sector. This report shall be completed by January 2022. [Year 1]