



MEMORANDUM

Date: November 15, 2020
To: Mayor and Village Board of Trustees
From: Cara Pavlicek, Village Manager
Re: Proposals for Business Community Support
CC: Tammie Grossman, Development Customer Services Director

At the November 9, 2020 Village Board meeting the Village Manager was directed to accepted proposals for various business community support efforts including but not limited to marketing shop local, grants, promotions, etc. in an effort to create economic opportunities for local retailers and restaurants impacted by the COVID-19 mitigation measures.

The Village Board acknowledged at the meeting that the agenda item would not be posted until Friday, November 13, 2020 (which was done) and yesterday I received a total of two proposals from local service providers. This memo and the proposals are being added to the agenda packet materials today as well.

I have reviewed the proposals from Prescott Group LLC and a5. These are both companies which have strong Oak Park connections and each has worked with, or for, the Village of Oak Park in various capacities.

Attached are both proposals in their entirety and below are links to each company's respective website.

<http://www.prescottgroupllc.com/>

<https://a5inc.com/>

Key Issue

The ongoing COVID-19 pandemic has been significantly more restrictive in regards to social contact and longer in duration than I believe anyone comprehended in early 2020 when it first became a reality in Oak Park and Illinois.

Decision making at a State level in regards to mitigating the community spread of the disease often has been imposed quickly. The Village of Oak Park, with a Certified Public Health Department has been a leader in acknowledging the legitimacy of the State's mitigation efforts and as a local unit of government, Village staff has worked tirelessly to limit spread of the virus in the public, ensure essential businesses comply with safety precautions and support non-essential businesses in operating within State mandates. Oak Park has rejected efforts to disregard the science of the pandemic and ignore State and Local public health orders.

It is recognized that the impact on many of our local retailers and restaurants has been financially devastating as online retail has gained popularity and restaurant dining capacity has

been either reduced or essentially eliminated. As December approaches we are experiencing growing cases in Oak Park and this combined with the cold winter climate that will be here for the coming months, the situation is more daunting. Yet, as local government we need to work on a message that is consistent about safety in the pandemic, and support for our local retail/restaurant industry.

Revenue in 2019 from the first six months of 2019, as compared to the first six months of 2020 shown below identifies the significant sales tax revenue received from Restaurants – the largest sales tax generating category in Oak Park. It is noted, that for the first eleven weeks of 2020, there were no COVID restrictions in restaurants.

Sales Tax Analysis- 2019 to 2020

First Six Months of Each Year

Category	First Half			First Half		
	1Q 2019	2Q 2019	2019	1Q 2020	2Q 2020	2020
Agriculture & All Others	96,121	103,589	199,709	84,651	51,475	136,126
Apparel	39,449	53,964	93,413	34,752	21,051	55,803
Auto and Filling Stations	78,275	246,860	325,135	189,236	182,564	371,799
Drugs and Misc. Retail	375,574	261,598	637,172	358,783	367,151	725,934
Food/Groceries	337,932	368,122	706,054	362,934	344,083	707,018
Furniture and Household	26,301	32,275	58,577	21,773	16,999	38,772
General Merchandise	56,215	63,202	119,417	63,311	64,567	127,878
Lumber, Building, Hardware	22,885	38,457	61,341	24,144	37,710	61,854
Manufacturers	9,441	12,213	21,655	8,307	12,222	20,529
Restaurants	459,463	507,251	966,714	393,696	393,143	786,839
TOTAL	1,501,657	1,687,530	3,189,187	1,541,588	1,490,965	3,032,553

Fiscal Impact

The Village will need to look to existing fund balance to support Professional Services Agreement to contract for various business community support efforts including but not limited to marketing shop local, grants, promotions, etc. in an effort to create economic opportunities for local retailers and restaurants impacted by the COVID-19 mitigation measures. Both proposals detailed fees are contained in the attachments.

Since the start of the pandemic, the Village has through various legislative actions and amendments to the FY20 budget, endeavored to support the business community. For example, the following is a list of the many of these actions:

1. Waived outdoor dining permit fees (est. amount of waived fees \$7,500)
2. Village rented and installed safety barricade to convert on-street parking to outdoor dining (cost to Village \$60,000+)
3. Village issued temporary zoning waivers to eliminate off-street parking requirements to facilitate outdoor dining on private parking (any applicable fees waived)
4. Expedited license agreements/waived fees for creating on-street dining (any applicable fees waived)

5. Extended on-street dining and sidewalk dining licenses/permits (any applicable fees waived)
6. Business – waived license fees if closed during the pandemic (est. amount of waived fees \$50,000)
7. Liquor licenses – fees discounted by ½ except for package liquor (est. amount of waived fees \$62,000)
8. Temporarily Reducing Alarm Registration, Multi-Family Rental License, Small Rental License and Condominium Services and Inspection Fees (est. amount of waived fees \$72,000)
9. Issued PPE to 300+ businesses near 12,000 pieces of PPE free of charge

The Village distributed a total of \$162,107 in Community Development Block Grant - Corona Virus (CDBG-CV) funding which we were awarded to the following: Beyond Hunger (\$85,000), Hephzibah (\$10,000), New Moms (\$20,000), Oak Leyden (\$3,947), the Oak Park-River Forest Infant Welfare Society (\$6,000), Thrive (\$3,930), UCP-Seguin (\$15,974), the Way Back Inn (\$7,256), and the West Cook YMCA (\$10,000) to prevent, prepare for, and respond to COVID-19.

The Village distributed \$400,000 to Housing Forward in Community Development Block Grant - Corona Virus (CDBG-CV) funding which we were awarded for rental, mortgage and/or utility assistance

As of Friday, November 13, 2020, the Village has distributed \$187,485 of \$550,000 available to local businesses via a business assistance program under the Community Development Block Grant - Corona Virus (CDBG-CV) funding featuring forgivable loans for the retention of low- to moderate-income jobs. It is expected this full amount will be awarded prior to the end of the calendar year.

Recommendation

It is recommended that the Village Board authorize the engagement of the Prescott Group on Monday, November 16, 2020 to begin worked on November 17th on Campaign Rollout and add both the Spend Local Win Local weekly drawing program for January/December and the January Back-A-Business campaign. We recommended discussing further the February BOGO gift card on November 23 prior to committing to that campaign.

The recommendation is based upon the specificity of program that would start immediately, with a first phase of promoting Small Business Saturday, November 28, and the acknowledgement in the proposal that they can follow public health guidance to shop local, online and use curbside delivery options at Oak Park retailers and restaurants.

It is essential that the Village recognize the importance of a consistent public health message with any shop local messaging.

Additionally, the Prescott Group has been actively communicating with the business community since the start of the pandemic because of their work on Better Lake Street. Prescott group has personally visited each business on the corridor multiple times and is familiar with the challenges businesses are experiencing. Their *on the ground knowledge* is reflected in their proposal and this demonstrated approach during the pandemic was a significant consideration in this recommendation.

It is recognized that the a5 proposal contains a process to meet with stakeholders to develop consensus and design a campaign moving forward quickly noting in the proposal that “Within one week, we would work with the stakeholders to develop a strategic program that promotes short-term stimulus while keeping a long-term view in mind”. However, I have significant concerns that there are strong opinions that vary substantively about the means and the methods by which the Village should offer business community support. I do not believe that consensus would be obtained by further private dialogue and I believe the Village Board has been sufficiently engaged to date to make a decision on November 16, 2020. Like much of the decision making in the pandemic, we have more than enough information to move forward now. Any delay will not improve the quality of the decision. Therefore, I feel the proposal by Prescott which identifies specific work will be more successful in directing local spend as holiday shopping choices for many are already underway online.

In closing I want to express my significant appreciation to both a5 and Prescott Group. As mentioned above, these are two exceptional businesses, locally connected and their willingness to submit proposals in a very short time in support of our local businesses is noteworthy.

Please advise of any questions.