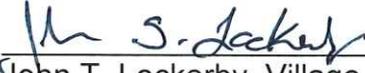


Memorandum
Manager's Office

TO: The Honorable Mayor and
Board of Trustees
Village Clerk
Corporation Counsel

FROM: 
John T. Lockerby, Village Manager

DATE: February 3, 2022

SUBJECT: **MANAGER'S REPORT**
BOARD MEETING OF MONDAY, FEBRUARY 7, 2022

A. Old Orchard Center Business District Designation and Approvals.

The Village staff and ownership from Old Orchard Limited Partnership (Westfield) have been working collaboratively to strategize ways to facilitate additional investment at the Westfield Old Orchard Mall. The mall is one of the most significant economic drivers in Skokie and the future viability of the mall is critical to the community, applicable school districts as well as other units of government.

A Business District designates an area as a special district to facilitate development and redevelopment by imposing an additional tax. After many discussions regarding Westfield's plans and requirements for further investment into the mall, the Village began the process of reviewing the requirements for a proposed Business District.

- In April 2005, the Village created the East Industrial Business Redevelopment District.
- On December 6, 2021, the Village Board approved the Resolution proposing the designation of the Old Orchard Center Business District.
- A presentation regarding the proposed Business District and a Public Hearing were conducted at the January 18th Village Board Meeting.

This proposed Business District is a proactive action by the Village and Westfield and will ensure the continued and future success of the mall with the goal of achieving the "Best in Class" status. This initiative will overcome the lack of capital investment and will be instrumental in enhancing the mall, increasing offerings to shoppers, reducing the current vacancy rate, overcoming the property tax burden and ultimately increase the number of shoppers and the sales at the center. With the changing retail environment in general and within the metropolitan area now is the ideal time to facilitate this investment and ensure the relevance of the mall for the future as the choice destination for the north shore and beyond.

Economic Development staff recommends approval of designating the Old Orchard Center Business District, approving the Plan, making a determination and finding of a blighted area, and authorizing the imposition of a 1% Retailer's

Occupation and Service Occupation Tax in connection with the proposed Old Orchard Center Business District. I concur with staff's recommendations and respectfully request the Mayor and Board to authorize Corporation Counsel to draft the necessary code amendments and ordinances which would then be presented to the Board at the March 7, 2022 meeting.

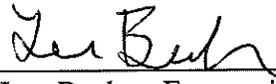
* B. **FY2022 Purchase of One Public Works Administration Hybrid Vehicle – Currie Motors, Inc., Frankfort, Illinois - \$36,186.**

The Public Works administration needs to replace a Public Works vehicle that is a 2014 model with 135,000 miles. The new vehicle will be a Ford Explorer hybrid, which offers a combined fuel economy rating of 24 miles per gallon. The current vehicle averaged 14.8 mpg and as such, we expect approximate fuel savings of 492 gallons per year. The FY2022 Capital Improvement Program (CIP) budget contains funding for this replacement. The retired vehicle will be sold at the Northwest Municipal Conference Auction. I concur with staff's recommendation and respectfully request Mayor and Board approval of this purchase from Currie Motors in the amount of \$36,186.

Memorandum

Community Development Department, Economic Development Division

TO: John T. Lockerby, Village Manager

FROM: 
Len Becker, Economic Development Manager


Leslie Murphy, Economic Development Specialist

DATE: February 2, 2022

SUBJECT: **BOARD OF TRUSTEES AGENDA: RECOMMENDATION FOR DESIGNATING THE OLD ORCHARD CENTER BUSINESS DISTRICT, APPROVING THE BUSINESS DISTRICT PLAN AND MAKING A DETERMINATION OF A BLIGHTED AREA FINDING AND RECOMMENDATION FOR A VILLAGE CODE AMENDMENT AUTHORIZING THE IMPOSITION OF A BUSINESS DISTRICT RETAILER’S AND SERVICE OCCUPATION TAX WITHIN THE BOUNDARIES OF THE OLD ORCHARD CENTER BUSINESS DISTRICT**

In mid-2019, Village staff and ownership from the Old Orchard Limited Partnership (e.g., Westfield) began working collaboratively to determine the most efficient methods to facilitate additional investment within the Westfield Old Orchard Shopping Center. After many discussions regarding Westfield’s plans and requirements for further investment into the mall during the pandemic of 2020 and into early 2021, the Village began the process of reviewing the requirements for a proposed Business District, encompassing the entire Old Orchard Shopping Center. Site surveys and detailed analyses of the conditions present and growing within the area were completed by Westfield and their advisors and the formal boundaries of the proposed Old Orchard Shopping Center were confirmed. The proposed Old Orchard Center Business District can be generally described as bounded by Old Orchard Road to the north, Golf Road to the south, Lawler Avenue to the west, and Skokie Boulevard to the east.

In September, 2021, Westfield representatives formally requested that the Village consider the establishment of a Business District. The Village, along with its public finance consultant, Kane, McKenna and Associates, Inc. reviewed and accepted the findings made in the proposed Old Orchard Center Business District Plan prepared by Grant Thornton in November, 2021. Following a detailed presentation by Village staff and members of the Westfield organization regarding enhancement plans and need for the redevelopment of the Center, a resolution was adopted by the Village Board on December 6, 2021 proposing the designation of the Old Orchard Center Business District. The Resolution also scheduled a public hearing to review the basis for and qualification of the proposed Business District.

Following the placement of the draft Old Orchard Center Business District Plan in the Skokie Village Clerk's office on December 15, 2021, the required public notice was published on December 23, 2021 and on January 6, 2022 in the Chicago Tribune (Suburban – Skokie Review). The public notice contained the legal description for the area and a summary of the components of the Plan, including the goals, objectives, potential projects and policy criteria which will guide development activities within the Business District. The notice also provided a summary of the intention by the Village to propose a one percent (1%) Retailer's Occupation Tax and a one percent (1%) Service Occupation Tax, as permitted by law, in the proposed Business District for the planning, execution and implementation of the Plan and to pay for proposed costs as set forth in the Plan. The Plan includes a Project budget and the term of the Business District, along with the proposed sales tax, is scheduled to be in effect for 23 years.

The Village Board convened the public hearing on Tuesday, January 18, 2022 to consider whether to designate the proposed Old Orchard Center Business District with a finding and determination that the Business District is a blighted area as set forth in the Illinois Business District and Redevelopment Law, 65 ILCS 5/11-74.3-1, et seq. and whether to approve the proposed Plan for the area. Statements of support for the proposed Business District were provided by members of the Skokie Chamber of Commerce, the Skokie Economic Development Commission, and the owner of property with the Illinois Science + Technology Park. Questions from the public were addressed by Westfield and Village staff.

The Illinois Business District Development and Redevelopment Law stipulates that the Village must introduce enabling ordinances for the proposed Business District within 90 days following the public hearing. At this time, staff is recommending that an ordinance establishing the Old Orchard Center Business District, approval of the Plan and making a determination and finding of a blighted area, pursuant to State statute, be drafted by the Corporation Counsel's office and presented to the Board at its March 7, 2022 meeting. Also being recommended is an ordinance amending the Village Code to impose the aforementioned sales tax, which is separate from the Business District establishment ordinance and can only be adopted following the designation of the proposed Business District. Following ordinance adoption, staff will file the ordinances with the State of Illinois Legal Division for approval prior to April 1, 2022 in order to become effective July 1 of this year. Currently, Village staff is drafting a proposed Redevelopment Agreement between Westfield and the Village and will bring said agreement back to the Board at a later date prior to any distribution of sales tax funds received from the new Old Orchard Center Business District properties.

The Economic Development staff supports the request of the Old Orchard Urban Limited Partnership for the formation of a Business District for the Center. We respectfully recommend Board approval of the outlying recommendations designating the proposed Old Orchard Center Business District, approving the Plan, making a determination and finding of a blighted area in relation thereto, and authorizing the imposition of a 1% Retailer's Occupation and Service Occupation Tax in connection with the proposed Old Orchard Center Business District to be drafted by the Corporation Counsel's Office. Thank you.

Cc Michael Lorge
Julian Prendi