

Committee Members:

Charles Daily
Bill Poletti
Don Barkley
Robert Triplett
Charles Kassly
Michael Hagen
Samantha Carter
Richard Avdoian
Van Johnson

**CITY OF FAIRVIEW HEIGHTS
BUSINESS ALLIANCE COMMISSION
TUESDAY, OCTOBER 16, 2018 – 1:30 P.M.
MEETING ROOM A
FAIRVIEW HEIGHTS CITY HALL
10025 BUNKUM ROAD**

AGENDA

1. CALL TO ORDER
2. CITIZENS' COMMENTS
3. **ECONOMIC DEVELOPMENT DIRECTOR'S REPORT**
 - a. [Feature – Toys 'R' Us Relaunching As Geoffrey's Toy Box \[comicbook\]](#)
 - b. [Mission, Vision and Values – Metro East Business Incubator](#)
 - c. [Recommendations – Supporting Encore Entrepreneurs](#)
 - d. [Flyer – Metro East Franchise Fair](#)
 - e. [Feature – Reinventing Malls for What You Can't Get Online \[ED Now Feature - IEDC\]](#)
4. MONTHLY REVENUE REPORTS
 - a. [1% Municipal](#)
5. NEXT MEETING – NOVEMBER 20 2018 AT 1:30 P.M.
6. ADJOURN

MEMORANDUM

TO: Elected Officials

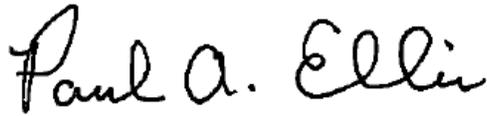
FROM: Paul A. Ellis, Director of Economic Development

DATE: October 12, 2018

SUBJECT: Economic Dev. Dept. - Director's Report

1. By the deadline (September 27), the Director had received 8 responses from professional firms to the Request for Proposals (RFP) for development of an Economic Development Strategy, and these have been reviewed and evaluated by him, the Director of Land Use & Development, and the Chair of the Economic Development Committee.
2. Three firms have been selected for interviews as the second part of the selection process, which is anticipated for completion early next month.
3. ALDI has announced the leasing of 25,000 SF in the Lincoln Place center for a new grocery store that is expected to open in January or February of next year.
4. Reinvestment in Fairview Heights Plaza continues with the leasing of the former Sports Authority space by a 40,000 SF user (yet to be announced).
5. Toys "R" Us' current lenders decided not to auction off certain parts of the intellectual property and brand, opting instead to relaunch the toy chain in a new way (see attached feature); it is as yet unclear whether one or both local properties here will be included in the proposed new enterprise.
6. The online auction for the former Fairfield Inn, now branded as the Wingate by Wyndham St. Louis, has been extended to October 22-24.
7. St. Clair County recently approved the sale of about 20 acres near Exit 21 of I-64 (Rieder Rd.) to Bobcat of St. Louis for the company's future construction of a new facility replacing the store in French Village; the Director will work with Bobcat to begin marketing that property as soon as the construction schedule is confirmed.
8. The Director is working with the Director of Land Use & Development to craft a predevelopment process to best serve new businesses entering the local market; the program established by the City of O'Fallon (MO) has provided one "best practice" example.
9. Meetings to create a Metro East Business Incubator with a variety of partner agencies have produced a statement of Mission, Vision and Values (attached); next, the steering group for this initiative will develop a business plan from which to seek funding.
10. The Director is following efforts of Inland Green Capital, working with DuPage and Kane counties, to establish the first Property Assessed Clean Energy (PACE) financing programs in Illinois; these programs will provide guidance for similar programs elsewhere in the state.

11. The Director moderated a panel at the Annual Conference of the International Economic Development Council (IEDC) reporting on national efforts to support older entrepreneurs, including the Encore Entrepreneur Roundtable here; as part of the presentation, recommendations (attached) were issued for next steps.
12. For the Metro East Franchise Fair on October 30, the Director has been working to attract both potential investors (franchisees) and franchisers (the businesses offering franchise opportunities); response to date from both types of participants has been encouraging, but more potential investors are always welcome.



Paul A. Ellis
Director of Economic Development

Attachments:

- a. Feature – Toys 'R' Us Relaunching As Geoffrey's Toy Box [comicbook]
- b. Mission, Vision and Values – Metro East Business Incubator
- c. Recommendations – Supporting Encore Entrepreneurs
- d. Flyer – Metro East Franchise Fair
- e. Feature – Reinventing Malls for What You Can't Get Online [ED Now Feature - IEDC]

Toys 'R' Us Relaunching As Geoffrey's Toy Box

By MATTHEW MUELLER - October 9, 2018

It was previously reported that Toys "R" Us' current lenders decided not to auction off certain parts of the IP and brand, like the Toys "R" Us and Babies "R" Us names as well as Geoffrey himself, opting instead to relaunch the toy chain in a new way. Now we know what that looks like, as Toys "R" Us mascot Geoffrey turned up at the Dallas Toy Preview donning a cape that had a new logo and store name on it. The logo on the cape reads Geoffrey's Toy Box, and you can find the description of it from the Dallas Toy Preview website (via Toy News International):

"Wholesale toy distributor and intellectual property company whose focus is on popular play patterns across trusted brands that kids and parents love. Geoffrey's Toy Box is a fully outfitted organization with design, development and global sourcing expertise. Portfolio includes popular brands like Journey Girls, Fastlane, True Heroes, You & Me, Imaginarium, Just like Home and more!"

There were also reps from the company at the event, and they said that the plan is to open several locations under the Geoffrey's Toy Box name by November of this year. The early launch was described as a "shop-within-a-shop" concept, where they will set up within other larger stores. Which stores that would include were not mentioned....

The transition of the business to its new owners is pending approval of the United States Bankruptcy Court and all major creditor constituencies are supportive.



(Photo: Geoffrey Inc)



Metro East Business Incubator

Our Mission Vision and Values

Our Mission:

To provide an environment that fosters business development and sustainability through education, mentorship, networking and support services.

Our Vision:

Through the successful development of emerging businesses the Metro East Region will facilitate economic growth and revenue potential through the generation of income, creation of jobs and ensuring opportunities are inclusive of disadvantaged groups and individuals.

Our Values:

- Entrepreneurship
 - The drive to develop a product or service to meet a need requires motivation, determination and willingness to assume risk. Our intent is to facilitate the entrepreneurial spirit and help to mitigate risk through educational support and mentorship.
- Innovation
 - Business relies on the ability to develop new ideas. Our goal is to develop new ideas with purpose and to help provide the associated resources necessary to achieve innovative ideas successfully.
- Community
 - The community will benefit from business development through new revenue streams, jobs and activity. The MEBI will serve to match emerging businesses with existing community resources to foster success and sustainability.
- Opportunity
 - Opportunities for advancement should be available to all, and will be focused to ensure participation from marginalized and underrepresented populations for a holistic approach to success in the region.
- Structure
 - Appropriate structure must be in place for a sustainable business endeavor. The MEBI will work to educate business owners to develop the most appropriate business structure and understand operational and quality rigor to facilitate business growth and success.



Recommendations: Supporting Encore Entrepreneurs

Make older adults part of the community's entrepreneurship agenda. Each community's economic development agency(s) should launch at least one new initiative focused on helping aspiring encore entrepreneurs get their businesses off the ground; in pursuing this goal, the community ought to seek input from agencies and organizations that have more expertise in working with older adults. In addition to creating new resources to support older adults interested in entrepreneurship, local economic development agency(s) should do more to market their entrepreneurship programs to older adults, who are often unaware of the range of services available to them. Public library systems, which are already highly effective at reaching a broad audience of older adults, could also seize the opportunity to better involve older adults in existing entrepreneurship programs.

Encourage older adults to turn to entrepreneurship. Even though encore entrepreneurship is on the rise, the vast majority of older individuals do not see themselves as potential entrepreneurs—not surprising since many have been in the workforce for decades and never needed to consider a path that involved starting their own businesses. Many older adults now face different realities—including thousands who struggle to get or keep jobs, in some cases due to age discrimination, and others who are looking for opportunities to add to their earnings after retirement—providing an opportunity to increase the number of encore entrepreneurs.

Develop start-up competitions for aspiring encore entrepreneurs. The benefit of such competitions to the emergence of new businesses is well documented and contests are almost ubiquitous in many regions. Focusing on older entrepreneurs can be beneficial, whether through a stand alone competition or through adding a separate new category for awards.

Launch a public incubator for encore entrepreneurs. Older entrepreneurs can benefit from a stimulating living environment appropriate to their health & wellbeing needs, as well as from an incubator setting to help “hatch” new enterprises; best practices are still emerging. New York City is considering creation of an incubator for businesses started by encore entrepreneurs, using the Dare to Dream initiative in Israel as a model. In Fairview Heights, Illinois a consortium has begun work on a new incubator focusing on service to encore entrepreneurs, women and minorities. The Aged Living Innovation Campus in Australia offers a unique example of how to structure an entirely new kind of living environment for older citizens.

Increase business-focused tech training for older adults. Although a handful of organizations provide tech training to older adults, there are few opportunities to learn more advanced tech skills that are increasingly essential for entrepreneurship. Small business development organizations could also develop partnerships with colleges and universities to pair undergraduate tech, marketing, and design students with aspiring older entrepreneurs, providing a valuable learning experience on both sides.

Develop and expand mentorship opportunities, including intergenerational mentorship and peer mentors. A successful leap into entrepreneurship often requires a wealth of good advice, whether it's from lawyers, business experts, accountants, marketers, or fellow entrepreneurs. While communities offer programs designed to connect entrepreneurs with mentors and advisors, very few of the individuals running these programs can speak from experience about the process of starting a business

after age 50. Many encore entrepreneurs say that they wish they knew someone their own age who had gone through a similar experience and could help them navigate the unique challenges of starting a first business later in life. At the same time, some encore entrepreneurs say that what they want most in an advisor is someone with a fresh perspective, ideally a younger person who can help them catch up on new technology and think strategically about the future.

Promote networking opportunities for aspiring encore entrepreneurs. While there are numerous networking groups and events for entrepreneurs, few cater to older entrepreneurs facing life-changing decisions or to entrepreneurs who are building the kind of small, low-tech, neighborhood-based businesses typical of older founders. Networking programs directed specifically at older entrepreneurs can provide the learning, interaction, feedback and support that all entrepreneurs, whatever their age, need. As important, they allow encore entrepreneurs, many of them already short on confidence for the road ahead, to interact with like-minded people of their own generation who have had similar experiences and share the same concerns and aspirations.

Launch a program focused on supporting—and scaling up—home-based businesses. For many older entrepreneurs, the first step is a home-based business. Whether providing childcare, baking pastries, selling products online, or offering consulting services, many of these small-scale enterprises begin out of the home. New Mexico’s Community Economics Lab, (CELab) a not-for-profit think tank focused on developing new approaches to economic and workforce development, has developed training and other support services for “solo entrepreneurs” working remotely from other offices.

Develop better data on older entrepreneurs. Building upon the Kauffman Foundation’s Index of Growth Entrepreneurship and the Global Entrepreneurship Monitor’s study of senior entrepreneurship worldwide, data on the extent and character of encore entrepreneurship is still emerging. As more local communities broaden support for encore entrepreneurs, more data will be revealed.

Help older adults transition to self-employment after leaving the workforce. Rather than waiting until people retire or leave a job to introduce the possibility of entrepreneurship, small business development organizations should partner with employers to develop in-house entrepreneurship training programs for soon-to-be retirees, helping them identify skills and market opportunities. “We need more companies bringing entrepreneurship programs into their corporations,” says Elizabeth Isele of Senior Entrepreneurship Works.

Help older entrepreneurs make the transition from part-time to full-time self-employment. Although some older entrepreneurs are content to view their businesses as a part-time commitment, others express a desire to transition to full-time self-employment. In some cases, the challenge is finding enough clients to make freelance consulting a sustainable source of income. Others wonder if they will be able to turn a side business selling baked goods at local markets or clothing on Etsy into a full-time enterprise.

Create a succession planning system to match business owners looking to retire with aspiring entrepreneurs. For successful older entrepreneurs, succession planning can pose a challenge. Without a trusted employee or family member interested in taking over the business, the prospect of choosing between closing a business or working in perpetuity can be a major source of stress. At the same time, many aspiring entrepreneurs over 50 are interested in taking over an existing business rather than starting one from scratch.

Sources

These recommendations are drawn from the Center for an Urban Future’s recent report: *Starting Later: Realizing the Promise of Older Entrepreneurs in New York City* (<https://nycfuture.org>); used by permission with descriptions modified for this session.

Metro East Franchise Fair

TUESDAY, OCTOBER 30, 2018

4-7 P.M.

FAIRVIEW HEIGHTS CITY HALL

- RECREATION ROOM

10025 BUNKUM RD, FAIRVIEW
HEIGHTS, IL 62208

If being the owner of a successful business, consumer service, retail, auto or food franchise in the Metro East appeals to you, don't miss out on this event. Meet the franchisers! This workshop will connect you with franchise specialists, national franchises expanding in the area, local agency representatives and funding experts.

KEY TAKEAWAYS WILL INCLUDE:

- * WHAT FRANCHISE OWNERSHIP ENTAILS--IS RIGHT FOR YOU?
- * HOW TO QUANTIFY AND MAXIMIZE YOUR FINANCIAL RETURNS IN A FRANCHISE BUSINESS.
- * HOW TO SELECT AND RESEARCH FRANCHISE OPPORTUNITIES THAT WILL THRIVE.
- * WHAT FRANCHISE REGULATIONS ARE UNIQUE TO ILLINOIS AND THE METRO EAST?
- * HOW CAN THE SBA, CITY GOVERNMENT, SBDC AND SCORE HELP?
- * WHAT ARE THE VARIOUS FINANCING OPTIONS AVAILABLE?

To Register Please Visit, <https://conta.cc/2oYTqge>

FOR MORE INFORMATION, CALL SBDC 618-650-2929



The Illinois SBDC is funded in part through a Cooperative Agreement with the U.S. SBA, the Illinois Department of Commerce & Economic Opportunity and the SIUE School of Business.

ED Now Feature: Reinventing Malls for What You Can't Get Online

Eli Dile on Monday, September 17, 2018 at 9:01:00 am

By Aaron N. Gruen, Gruen Gruen + Associates

In 1979, Joan Didion wrote in [The White Album: Essays](#), malls are “toy garden cities in which no one lives but everyone consumes...”

Malls as the preferred sources of retail consumption were first disrupted by the advent and expansion of power centers, beginning in the 1980s. Power centers, generally of 250,000 to 600,000 square feet – containing big-box category killers and discount mass merchandisers, with few small retail tenants – typically were built near regional malls and other high-traffic commercial corridors.

Beginning in the late 1990s and early 2000s, the growth of e-tailing began to negatively impact poorly located and configured Class B and Class C malls with weak anchor tenants, and commodity-like power centers. In addition, the expansion of off-price retailers (such as TJX Companies, Ross, Burlington, and Nordstrom Rack) have lured shoppers away from mid-line, department-anchored malls. While department stores such as Sears and JC Penney, Macys, and Bon-Ton continue to experience declining foot traffic, slash store counts, or go out of business completely, off-price retail continues to expand.

Demographic and employment center shifts also caused earlier malls to lose relevance. Later-generation malls and other retail formats with more desirable tenancies have located closer to where a greater density of higher spending shoppers now live and work. The growth of e-tailing is likely to continue pressuring mall retailing and mall real estate to evolve and respond to the loss of on-the-ground customer traffic and sales.

Experiences and services enter the mix

In places where the demographics and local real estate market conditions are supportive, mall owners and asset managers will be able to replace closed department stores by transforming the tenant mix to other retail, including non-traditional mall anchors such as Target and Dick's Sporting Goods.

In most other cases, however, Didion's characterization of malls will need to change. For example, closed or poorly performing retailers will need to be replaced with experiential tenants – those that cannot readily be replaced by the internet. Entertainment, food and beverage, and services will be potential replacement solutions. For example, tenants providing organic takeout meals, high-grade services like health spas, and facilities for pets such as dog hotels illustrate retailers not easily replaced online, and which benefit from (and contribute to) mall traffic.

In Brookfield, Wisconsin, a western suburb of Milwaukee, CBL Properties is demolishing a closed Sears store and constructing a Marcus Theatres' BistroPlex and WhirlyBall entertainment complex. The WhirlyBall complex will include WhirlyBall courts, eight bowling lanes with lane-side service, a four-lane "VIP" bowling suite, and a multi-level laser tag arena. The entertainment center will also offer a full-service restaurant and bar, private and semi-private event spaces and an outdoor patio and terrace. The city of Brookfield, through a public-private

partnership, will develop a new hotel and conference center on property south of the Sears store where a Sears Auto Center was located on a mall outlet.

In another example, Bohannon Development Co. has demolished a closed Sears store at the Hillsdale Shopping Center in San Mateo, California.^[1] Replacing the Sears store are a luxury cinema, Cinepolis, and Pinstripes, an upscale bowling alley with bocce courts, on-site bistro and meeting space; contemporary eating and drinking establishments; and communal gathering space and outdoor amenities.



Rendering by the architects for the Hillsdale Shopping Center's transformation: els Architecture + Urban Design, Berkeley, CA

Targeting local demographics

In trade areas which include more Hispanic and Asian households, Class B and Class C malls may be able to replace closed, mid-line department stores with Hispanic and Asian grocery chains, and a cluster of ethnic restaurants that appeal to all.

Boulevard Mall – a formerly dominant, 1.2 million-square-foot mall built two miles east of the Las Vegas Strip in 1968 – was buffeted by the development of the Fashion Square mall on the Strip in 1981, as well as the shift of household shoppers to fast-growing suburbs such as Summerlin and Green Valley. The residential demographics around Boulevard Mall became increasing Hispanic and Filipino; now the mall gears community events, services, and stores to serve these customers.

The current owner of Boulevard Mall has replaced a 200,000-square-foot closed Dillard's department store with non-traditional tenants that include a call center, a Goodwill store and

training center, and a 60,000-square-foot restaurant/ entertainment center. A former Circuit City store was replaced with a 99 Ranch Market, an Asian supermarket. A SeaQuest Interactive Aquarium has been added, as well as a 40,000-square-foot entertainment complex featuring go-karts, mini-golf, laser tag, and climbing walls. Anthem Blue Cross Blue Shield is opening a large office in the Macy's store that closed in 2017. Macy's sold the former store to an affiliate of the mall owner.

In places where the trade area contains a high share of family or elderly households, the tenant mix may be able to be shifted to professional office space for dentists, doctors, physical therapists, and other service providers who benefit from proximity to a dense household base and growing health-care needs.

Schools, churches, and other uses, such as apartments or assisted living facilities, could also occupy former retail mall space.

Market research and conditions are key

Which of the above types of tenancing and use options is best or most feasible depends upon local demographic and real estate demand and supply conditions. Frequently, demographic and behavioral research is required to identify what will respond best to the preferences of customers in the trade area, and what they will reward with their time and money. It also requires an analysis of the productivity and mix of the existing tenant base, given the identified customer demographics, preferences, and shopping patterns.

Whatever the tenancing or use option, the key is both to provide the type of experience and convenience that a shopper cannot get from sitting at home, and to eliminate the sameness that fails to differentiate the mall from the competition. To become and stay relevant, malls will become much more mixed and not just a place for retail consumption. Instead, the relevant mall will be where people go for entertainment and education (concerts, art shows, plays, movies, farmer markets, and classes), health, fitness, and beauty, and stay overnight at a hotel – or to work and/or live.

Retail operates under the law of creative destruction. It will continue to undergo revolutionary shifts, driven by continuous changes in demographics, attitudes and tastes of consumers, and technology. Formats will change and new concepts will arise and thrive. To remain or become relevant, many Class B and C malls will need to expand beyond the limited function described by Joan Didion nearly 40 years ago.

Aaron N. Gruen is a principal with the urban economics, market research, and land use policy and real estate consulting firm Gruen Gruen + Associates www.ggassoc.com.

¹ *The developer David D. Bohannon of the Hillsdale Shopping Center and the original development of Hillsdale itself is frequently referenced in the "On the Mall" essay of Didion's White Album. Id. at pages 181, 182, 183, and 185.*

**CITY OF FAIRVIEW HEIGHTS, IL
SALES TAX REPORT
State 1% Municipal Tax Portion**

DISTRIBUTION MONTH	MAY 2012 - APRIL 2013	MAY 2013 - APRIL 2014	MAY 2014 - APRIL 2015	MAY 2015 - APRIL 2016	MAY 2016 - APRIL 2017	MAY 2017 - APRIL 2018	MAY 2018 - APRIL 2019	% CHANGE	CHANGE IN DOLLARS
MAY	\$ 629,863.98	\$ 601,011.50	\$ 584,713.94	\$ 586,147.75	\$ 632,285.33	\$ 571,553.40	\$ 553,114.13	-3.2%	\$ (18,439.27)
JUN	692,902.50	655,667.46	647,401.33	708,268.15	696,077.63	677,065.69	676,704.83	-0.1%	\$ (360.86)
JUL	578,187.49	574,119.26	578,345.95	563,612.88	576,220.16	599,877.49	555,320.85	-7.4%	\$ (44,556.64)
AUG	602,449.00	586,795.92	593,876.18	607,839.70	608,444.47	600,057.37	607,357.54	1.2%	\$ 7,300.17
SEP	663,854.82	610,055.28	579,381.42	653,462.36	679,234.60	613,965.54	623,578.60	1.6%	\$ 9,613.06
OCT	572,075.75	554,178.50	550,782.54	573,059.41	572,368.09	476,801.05			
NOV	620,158.32	574,589.49	579,500.49	642,921.78	599,121.43	575,354.24			
DEC	631,306.50	468,313.25	588,998.17	626,164.49	612,305.99	581,474.30			
JAN	576,698.91	589,088.14	580,475.99	627,103.06	570,540.96	564,056.46			
FEB	710,629.96	687,960.48	680,833.91	695,015.32	678,820.57	672,397.54			
MAR	1,049,090.01	969,659.49	1,028,593.77	1,041,010.81	974,290.59	935,340.51			
APR	532,313.55	458,225.94	528,428.24	519,339.92	488,717.27	528,625.80			
YTD TOTAL	\$ 7,859,530.79	\$ 7,329,664.71	\$ 7,521,331.93	\$ 7,843,945.63	\$ 7,688,427.09	\$ 7,396,569.39	\$ 3,016,075.95	-7.92%	\$ (46,443.54)
YTD CHANGE	1.0%	-6.7%	2.6%	4.3%	-2.0%	-3.8%			
MONTHLY AVG	\$ 654,960.90	\$ 610,805.39	\$ 626,777.66	\$ 653,662.14	\$ 640,702.26	\$ 616,380.78			