

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, NOVEMBER 20, 2018 – 1:30 P.M.
MEETING ROOM A
FAIRVIEW HEIGHTS CITY HALL
10025 BUNKUM ROAD**

AGENDA

1. CALL TO ORDER
2. CITIZENS' COMMENTS
3. APPROVAL OF MINUTES
4. ECONOMIC DEVELOPMENT DIRECTOR'S REPORT
 - a. US CHRISTMAS SALES PREDICTED TO SURPASS \$1 TRILLION
 - b. WHO ARE YOUR ENTREPRENEURS
5. MONTHLY REVENUE REPORTS
 - a. 1% MUNICIPAL
6. NEXT MEETING – TBD
7. ADJOURN

**THE CITY OF FAIRVIEW HEIGHTS
BUSINESS ALLIANCE COMMISSION (BAC)
Tuesday, October 16, 2018 – 1:30 p.m.
Meeting Room A
10025 Bunkum Road, Fairview Heights, IL**

Committee Members in attendance – Chuck Daily, Robert Triplett, Don Barkley, Charles Kassly, Richard Avdoian, Michael Hagen, Samantha Carter, & Van Johnson

Committee Members absent – Bill Poletti

Other Aldermen and Elected Officials in attendance –

Staff in attendance – Paul Ellis

Recorder – Becky Thompson

Public Participation

None

Approval of Minutes

No minutes to approve at this time.

Economic Development Director's Report

Director Ellis presented his report. He went over the Toys "R" Us feature which discussed relaunching the store as Geoffrey's Toy Box. Since the closing of those stores, KB Toys have been looking to do pop up stores, especially during the holiday season. Ellis discussed the Metro East Business Incubator, supporting encore entrepreneurs, announced the Metro East Franchise Fair being held in the Recreation Room on October 30th at 4:00 p.m., and discussed reinventing malls for what you can't get online.

Director Ellis announced several projects:

- Received 8 responses from professional firms to the Request for Proposals (RFP) for development of an Economic Strategy. Director Ellis, Director Riganti, and Chairman Daily will be serve on the selection Committee.
- Online auction for former Fairfield Inn, now branded as the Wingate by Wyndham St. Louis, has been extended to October 22-24.
- Shoe Carnival will be moving into old Famous Footwear location
- Aldi's is expected to open in January or February of next year
- Bobcat will be moving from their current location in French Village

Commission discussed the franchise fair and how to get the word out to attract those who are interested in franchises of every price.

Monthly Revenue Reports

Director Ellis presented the sales tax report. The City is up 1.6%, or \$9,613.06 for September, but year to date is down 7.92%, or \$46,443.54. Part of the reason for the decline is because of Toys “R” Us and Babies “R” Us closing. Aldi’s opening next year will positively affect sales tax.

The next meeting is on November 20, 2018 at 1:30 p.m.

Adjournment 2:40 p.m.

Submitted By:

Recorder

DRAFT

MEMORANDUM

TO: Business Alliance Commission

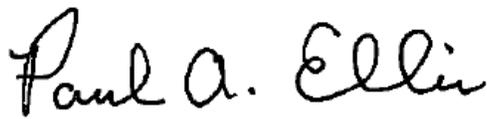
FROM: Paul A. Ellis, Director of Economic Development

DATE: November 15, 2018

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

1. Following review of responses to the City's RFP and interviews with the three top-rated consulting firms, the Director has recommended selection of a vendor to provide professional services for development of aN Economic Development Strategy.
2. Cloud 9 Hospitality, LLC is working with the current owners of the Four Points by Sheraton Hotel to purchase the hotel and conference center, and the City's approval of the group's Assignment & Assumption of Lease has been requested.
3. 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).
4. La Senza, a new underwear and a lingerie shop, has opened in St. Clair Square on the second floor near Dillard's.
5. All Star Kutz, a basketball-themed barbershop with custom bleachers, wood floors and eight flat screen televisions, has opened near LensCrafters and Dillard's.
6. While Sears Holdings earlier this month announced it will shutter 40 more stores beyond the 142 closures announced in October, the store at St. Clair Square is not on the list..
7. The Director has been in touch with both the Special Servicing Group for Wells Fargo Bank and its local agent, Newmark Grubb Zimmer, regarding ongoing property maintenance and marketing for the two sites owned by the bankrupt Toys 'R' Us.
8. The former Fairfield Inn, now branded as the Wingate by Wyndham St. Louis, was sold via online auction with the sale set to close by Dec. 5.
9. The Director is working with the Land Use & Development Dept. 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.
10. The Director is also working with both the Land Use & Development and the Public Services departments to pursue competitive funding for a Great Streets initiative through the East West Council of Governments.
11. Further departmental coordination brings directors together with The Fource to prepare applications to the St. Louis Business Journal's Building St. Louis Awards 2019 for The REC and the Market Place Streetscape Project.

12. Efforts to create a Metro East Business Incubator continue this month with distribution of a needs assessment survey, results from which will help the steering group for this initiative to develop a business plan.
13. The director is reviewing sales tax receipts from local retailers in comparison to average sales per store nationwide, using a list of the top 100 retailers from the National Retail Federation and a list of the top 50 restaurants from QSR magazine.
14. The Metro East Franchise Fair on October 30 attracted both potential investors (franchisees) and franchisers (businesses like Famous Brands and Save-A-Lot Foods offering franchise opportunities) and both groups were happy enough with the results that the Director is already planning for another such event for 2019.



Paul A. Ellis
Director of Economic Development

Attachments:

- a. Feature – US Christmas sales predicted to surpass \$1 trillion for the first time this year [CNBC]
- b. Feature – Who Are Your Entrepreneurs? [ED Now Feature - IEDC]

US Christmas sales predicted to surpass \$1 trillion for the first time this year

Ryan Browne | @Ryan Browne_

Published 7:38 AM ET Tue, 6 Nov 2018 Updated 2:09 PM ET Tue, 6 Nov 2018

CNBC.com



Getty Images

A man carrying a shopping bag walks past holiday decorations along Fifth Avenue in Midtown Manhattan.

Christmas holiday retail sales in the U.S. are expected to climb above the \$1 trillion mark for the first time this year, on the back of low unemployment, solid income growth and higher consumer confidence, according to a study released Tuesday.

Total retail sales in the U.S. will hit \$1.002 trillion during the holiday period — which it defines as spanning November 1 and December 31 this year — an increase of almost 6 percent from the previous year, marking the "strongest growth since 2011," data from market research firm eMarketer showed.

The report comes amid concerns over the future of brick-and-mortar retailers, with the likes of [Sears](#) and Toys 'R' Us facing bankruptcy — although the latter's lenders recently [cancelled a bankruptcy auction](#) and plans to revive the brand.

Not to mention the fact that several retailers are closing hundreds of stores across the country as the threat of increased competition from e-commerce firms like [Amazon](#) and [eBay](#) continues to put pressure on the industry. On Monday, home improvement chain Lowe's said it would [shutter 51 underperforming stores](#) across the U.S. and Canada.

The research said the sector would see a 4.4 percent gain year-on-year in in-store sales, rising to \$878.38 billion, and that brick-and-mortar would be a "bright spot" for the retail industry as a whole for the 2018 Christmas holiday period.

"While e-commerce will continue to see strong double-digit gains, brick-and-mortar retail should be a particular bright spot this holiday season," Andrew Lipsman, principal analyst at eMarketer, said in a statement Tuesday.

"Not every brick-and-mortar retailer is thriving, and several have shut their doors this year, but others are really capitalizing on the strong consumer economy. Retailers are luring in shoppers with remodeled stores, streamlined checkout and options to buy online, pick up in-store."

E-commerce continues to grow in market share, however, and will capture 12.3 percent of the total sales figure this year, according to eMarketer. Online retail sales are predicted to rise 16.6 percent from the previous year, to \$123.73 billion, the study said.

Cindy Liu, forecasting analyst at eMarketer, said the main "battle" for U.S. retailers would be gaining market share in the e-tail space. "We should expect more promotions and perks like free and fast shipping, as retailers compete against Amazon," she said in a statement.

Indeed, on Monday, Amazon made an early move to up the pressure on the industry for this year's holiday season, dropping minimum purchase requirements on all orders, which means all of its customers will [qualify for free shipping](#) for a limited period.

ED Now Feature: Who Are Your Entrepreneurs?

tags: [entrepreneurship](#)

Eli Dile on Monday, November 5, 2018 at 9:04:00 am

By Maria Meyers, Founder, SourceLink; Vice Provost of Economic Development, University of Missouri–Kansas City

Before you read any further, draw an entrepreneur. Go ahead. Grab a pencil and piece of paper and draw what an entrepreneur looks like.

Done? Save that and we'll talk about it in a bit. Let's focus on that word first: *Entrepreneur*.

The word is problematic—and not just because it's difficult to pronounce and spell. Even more critically, the word historically has been exclusive and limiting. But it grabs headlines and attracts resources and funding: the word, today, gets our attention.

As well it should, because entrepreneurs matter. According to *The Review of Economics and Statistics*, “new businesses account for nearly all net new job creation and almost [20 percent of gross job creation](#).”

So first, let's talk about who an “entrepreneur” is. When you hear that word, when you use that word, whom do you picture? Pull out that drawing. Who did you draw? Who didn't you draw?

Does your definition only include the [innovation-led](#) entrepreneur? Those who disrupt a market with a breakthrough technology or service. Those who scale fast, fund fast and exit fast. Does it also allow for other types of entrepreneurs: [microenterprises](#) whose business often spin out of a hobby or passion or [Main Streeters](#) who define a city's character with their brick-and-mortar storefronts? Is your definition willing to include anyone who wants to start a business?

Maybe it should.

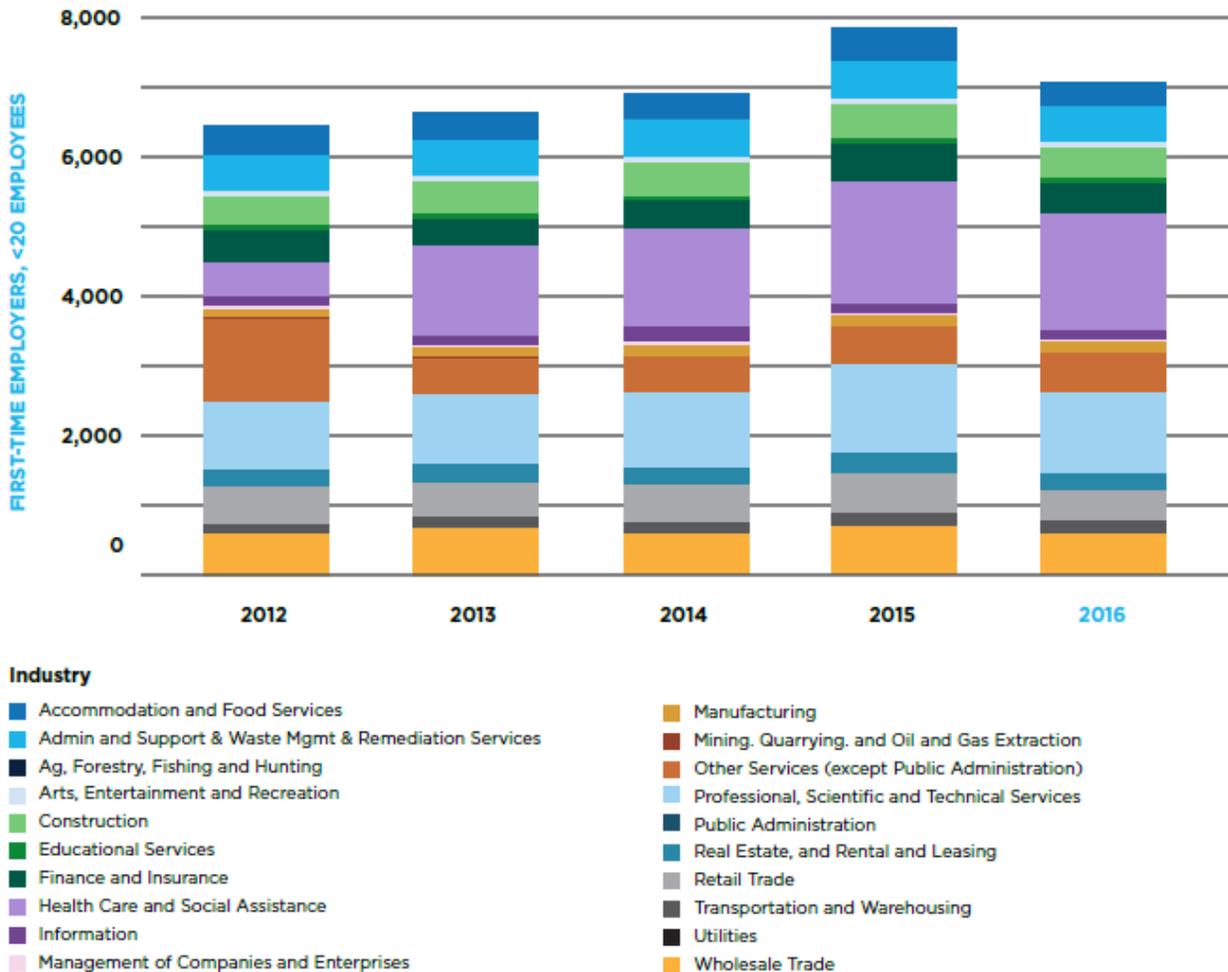
Because entrepreneurs matter--locally.

We know (see stat above) that entrepreneurs create all net new jobs—but what's their impact in your community? According to *We Create Jobs*, a pilot report out of Kansas City that quantifies jobs created by startups at the metro level, KC startups with fewer than 20 employees created 84,011 jobs between 2012 and 2016 (taking into consideration the number of employees hired as well as job losses). That accounts for 65 percent of jobs added to the Kansas City area between 2012 and 2016 – more than half of all new jobs.

We Create Jobs was also able to report on the average salaries of the jobs created by startups and dispel myths that startups pay less than average. By year three, startups pay above average wages in the Kansas City region.

And here's something that may surprise you: those jobs are created by a variety of industries, not just the tech sector, not just the traditional "innovation-led" entrepreneur.

FIGURE 6: NUMBER OF KC STARTUPS BY INDUSTRY

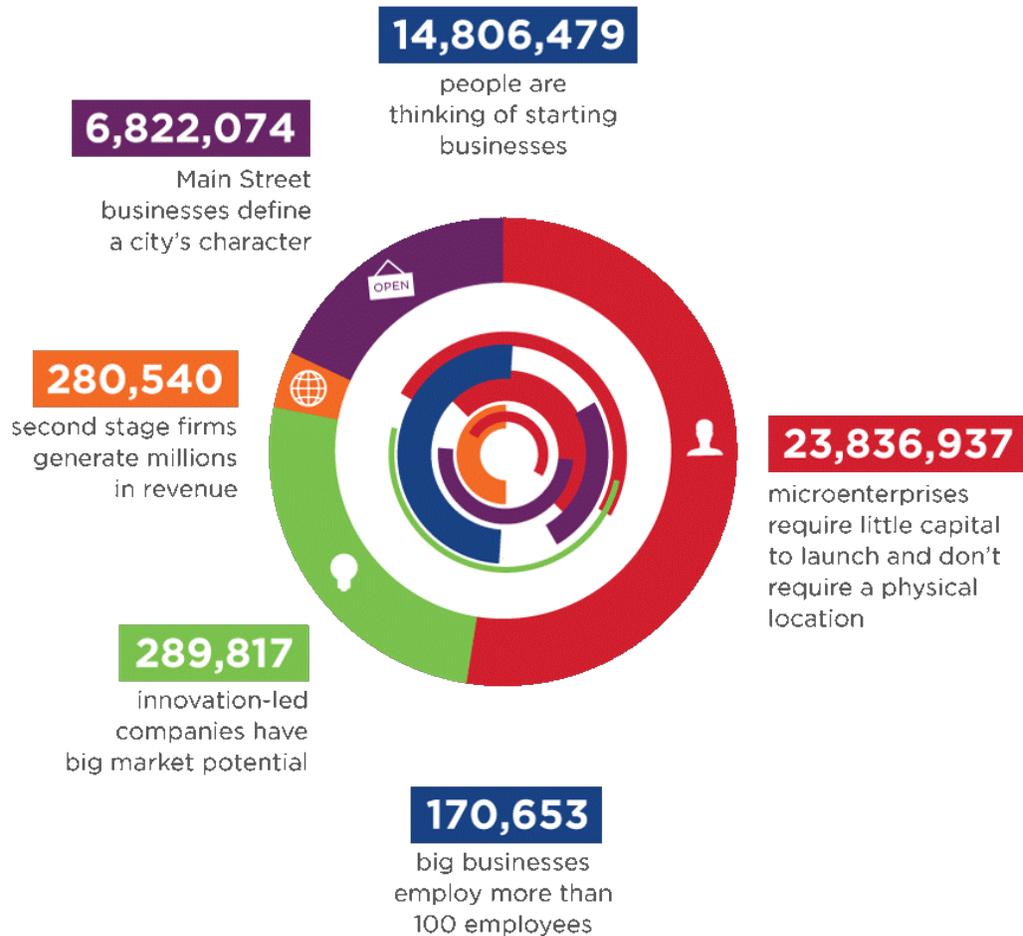


Source: We Create Jobs Report for Kansas City

Who are your entrepreneurs?

So what if we gave as much spotlight and support to the microenterprise as we do the innovation-led entrepreneurs?

Consider these numbers. We know among U.S. businesses with fewer than 100 employees, just under 290,000 are classified as innovation-led, yet nearly 24 million are classified as microenterprises (sources: U.S. Census Bureau Data, 2013; Kauffman Foundation/ACS Survey, 2014; MERIC).



Sources: U.S. Census Bureau Data, 2013; Kauffman Foundation/ACS Survey 2014; MERIC

For those running the percentages, that means innovation-led entrepreneurs account for 1 percent of those companies with fewer than 100 employees while microenterprises account for 76 percent. ([Kansas City ran these numbers locally, too.](#))

Yet when you map the resources in your entrepreneurial community, ask yourself where they tend to cluster. When you follow the money, who does it tend to go to? Do you focus the majority of your efforts on that 1 percent of the entrepreneurs in your basket? What would happen if we could help those 23 million businesses create one job, two jobs?

An entrepreneur said to me the other day that it's like 2006 again. His sense was that venture capitalists will "throw money at anything. The entrepreneurs with good ideas and good valuations, they're going to be fine."

What if we let those entrepreneurs do what they do and we focused on helping others develop entrepreneurial mindset and skills? What if we invited more people into our economy? What would happen if we removed the barriers to entrepreneurship?

Entrepreneurs need infrastructure.

We don't know the answers to all those questions, but we know the answers lie in creating an infrastructure to support all entrepreneurs—the doers, dreams, makers, side-hustlers, inventors and innovators.

Companies that "grow up" in a community are more likely to stay and invest in that community. Endeavor Insight conducted surveys and interviews with 150 founders of fast-growing companies in the United States. This research, reported in *What Do the Best Entrepreneurs Want in a City?* (2015), found two things that founders valued above anything else: a pool of talented employees and access to customers and suppliers. The report also noted that entrepreneurs of fast-growing firms based decisions about where to live on personal connections and quality of life factors, and few cited business-friendly regulations as reasons to start a business in a specific city.

Jobs, investment, talent recruitment, civic vibrancy, economic survival and economic growth: those are reasons to keep entrepreneurs.

To do so requires building an entrepreneurial infrastructure. Identify resources. Connect entrepreneurs. Empower collaborations to move the community forward. Then measure what you've done, see what works, decide what's next. Help entrepreneurs find ideas and make them real.

Building an infrastructure helps you move from helping people one at a time to creating a system that moves the entire community forward. It levels the playing field, making resources and opportunities more visible and accessible.

As people who want to support entrepreneurs, we can make it easier for them to make connections. We can make it easier for people starting businesses to [find the right resources](#). We can simplify the process of getting permits or licenses. We can provide a continuum of programs to help entrepreneurs vet their ideas and grow their businesses. And we can help bring new pools of capital (case in point [here](#) and [here](#)) to the community.

The first step is to look around your community. Really look. Your community has organizations that are doing something to help people start and grow businesses. It may be a chapter of SCORE. It may be a business development center. It may be a university program. It may be a regional rural development center.

Think of those programs, those assets, as a bunch of Legos® blocks, without an assembly guide. If you start by attaching one Lego block to another, connecting one program to another in a deliberate continuum of services, you start to build something.

So back to that drawing . . .

(And thanks to [Norris Krueger](#) for the [exercise](#).)

Who did you draw? Who would the business owner on the corner shop draw? Who would your kid draw? Who do they see in that opportunity?

Do you see yourself in the hope and future of entrepreneurship?

Maria Meyers founded KCSOURCELINK, a network that connects entrepreneurs with hundreds of business-building organizations throughout the Kansas City region, and scaled that model nationally. You can contact her at <https://twitter.com/mariaemeyers>, mmeyers@joinsourcelink.com or 844-804-8775.

**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	540,557.44	13.4%	\$ 63,756.39
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	\$ 3,556,633.39	5.45%	\$ 17,312.85
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			