



## **DOWNTOWN DISTRICTS**

### **A PROPOSAL TO THE VILLAGE OF OAK PARK FOR A CONSTRUCTION MITIGATION PROGRAM DURING THE 2019 Lake St. Streetscape project**

**OBJECTIVE:** Encourage retail shopping, dining and residents' visits to the commercial shopping districts as well as maintain a healthy tax base during the 2019 Lake St. Streetscape Project. During construction, we hope to partially offset the immediate negative impacts on small business during this important and unavoidable improvement period, which may include: a decline in sales tax revenue, a rerouting of shopping patterns to nearby suburbs, severe hardship that could lead to businesses closing and inconvenience for our residents.

Construction mitigation is an important tool needed to ensure small, local businesses can thrive as improvements are made to the infrastructure around them and assist in lessening the impact on the tax base. We suggest that the Village of Oak Park include funding in the 2019 budget to assist the commercial districts as part of the overall budget for this large streetscape project.

#### **Construction Mitigation Program Components: March 2019-end of project (to be determined)**

- Signage
- Parking Assistance
- Marketing Funds
- Project Liaison
- Village Fee Payment Plan Option
- Small Business Subsidized Loans

**Signage:**

- Business districts are allowed to work with and have input into placement and verbiage of directional and construction signage
- Banners, signs and placards to promote the affected business community and encourage access to businesses impacted by the project

**Parking Assistance:**

- 3 hour free validation window that businesses to offer their customers in the Holley Court, Oak Park Ave, and Forest garages
- Reduced regulations on outlying streets for overflow customer parking
- Designated spaces for curb-side service
- Arranged designated loading zones per block and to move as the project moves

**Marketing Funds:**

- We are requesting \$200,000 to fund a Summer Rewards Program: This model is projected for a one year construction timeline and would include all three districts, Pleasant, Hemingway, and Downtown Oak Park.
- Modeled after Downtown Oak Park's successful "Shoppers Rewards" program, the Summer Rewards Program is a retail loyalty program designed to incentivize residents to shop and dine in our downtown districts during a challenging construction season.
- Shoppers will earn a \$20 rewards certificate for every \$200 spent in participating merchants located in the three business districts. The \$200 in receipts must be from five or more different merchants and there will be a limit of two rewards certificates per family (address). Receipts can be collected anytime between May 1 and July 30 (while supplies last) but the certificates can be redeemed only between August 1 and October 31.
- Merchants are reimbursed dollar for dollar for every certificate they accept as payment.
- Certificates cannot be used for medical or contractual services (such as membership fees).
- We plan to set up a redemption site in a centralized easy accessible location.

**Timing :** Coincide with the primary construction period for the geographic scope. We understand this to be spring through late fall, 2019. We propose a program that stretches from March 1 to October 31.

- March and April - Marketing and promotion period
- May, June and July - Shop and earn rewards (while supplies last)
- August, September and October - Redeem rewards

**Project Plan and Budget:** Detailed budget still under development. However, we expect that the key aspects will be:

● **\$40,000 for Media, Promotion and Printing** - significant branding, advertising and promotion will be needed to entice shoppers and remind residents that it is worth the inconvenience to shop and dine locally. Media and promotion could include traditional print and branding to coupons printed on the back of parking garage tickets to art on construction plywood. We expect this to cost about 20% of the full budget.

● **\$150,000 for the Summer Rewards Certificates** - this represents 7,500 rewards certificates at \$20 each. The 7,500 compares to roughly 3,000-3,300 that DTOP gives out as part of Shoppers Rewards. We believe that this program will result in more certificates earned because of the (1) wider geographic scope, (2) longer time frame and (3) lower earnings hurdle (\$200 vs \$400).

○ If we do not use all \$150,000 and less than 7,500 certificates are earned and redeemed, we will return the unused portion to the Village.

○ We will market the program as “while supplies last” so that if certificates are earned more quickly than expected, we will be able to inform residents.

● **\$10,000 for Project Administration** - we will need to hire an entity to manage the program. The administrative budget will be allocated to program management and administrative expenses including headcount.

#### **Project Liaison:**

-The Village assigns a project liaison a defined contact person who will handle all inquiries related to the construction project and has the ability to influence the construction process and incorporate stakeholder needs.

#### **Village Fee Payment Plan Option:**

-The Village offer businesses within the impacted areas reduced or extended payment plans of 2019 fees. (ex; liquor license) Many small business fees are due in the 1<sup>st</sup> quarter of the year just as the project is slated to start. Offering businesses in the immediate areas payment plans on the fees would help them in a time where their sales will be most impacted.

#### **Small Business Subsidized Loans:**

-The Village offer subsidized loans or work with community based banks to offer small private business loans with “hardship interest rates” to support the businesses affected in the immediate construction area.