



**Community Development Authority**  
**Special Meeting Minutes**  
**Friday, May 8, 2020 at 8:00 a.m.**  
via Tele/Video-Conference

Present: Chair Peter Hammond, Tr. Davida Amenta, Tr. Kathy Stokebrand, Michal Dawson, Jon Krouse and Desty Lorino

Also present: Village Manager, Rebecca Ewald, Finance Director Mark Emanuelson, BID Director Steph Salvia, and Planning and Development Director Bart Griepentrog.

**1. Call to order.**

The meeting was called to order at 8:03 am.

**2. Consider February 7, 2020 meeting minutes.**

**3. Consider April 2, 2020 Special Meeting minutes.**

**4. Consider April 15, 2020 Special Meeting minutes.**

**5. Consider April 21, 2020 Special Meeting minutes.**

Items 2, 3, 4 and 5 were discussed and considered together.

Ms. Dawson motioned to approve the minutes as drafted; seconded by Mr. Lorino. Vote 5-0. (Tr. Stokebrand abstained.)

**6. Consider additional guidance on program criteria elements related to the Emergency Business Assistance grant.**

Chair Hammond summarized that there were five topics up for discussion that would help staff finalize their review of the over 100 applications. Those applications represented over \$500,000 in requests for Emergency Business Assistance grants. He also noted that he wanted to discuss the possibility of transferring money from the CDA's loan program to help fully fund requests. Village Manager Ewald confirmed that he could bring up that discussion.

The first topic up for discussion was the interpretation of "all applicants must have been operating businesses in a commercial space as of April 1, 2020." It was noted that staff's interpretation included that a business must not have been previously closed to the State order and that it must have been open for regular operations to the public prior to April 1, 2020.

Chair Hammond started the discussion by noting that he agreed with staff's interpretation. Mr. Krouse also stated that agreed. Tr. Amenta disagreed and wanted the program to include those businesses that had occupancy permits. She noted that those businesses were already obligated in their leases and wanted to avoid empty storefronts. Ms. Dawson agreed with the staff interpretation, noting that the deadline seemed reasonable. Mr. Lorino wanted the program to take as broad of a look as possible and stated a desire to include the businesses who had made a significant investment to get started. He wanted the program to fund those businesses that were "active" even though not yet opened.

Tr. Stokebrand questioned what other guidelines would be used. Chair Hammond noted that the CDA would need to consider these businesses as an exception. Mr. Emanuelson noted that it was possible that some businesses did not apply because they were not opened. He suggested that a supplemental round of applications could need to be solicited to be more inclusive. Mr. Krouse stated that the CDA

knew the program was not going to be perfect and that it was too late to change the rules now. Ms. Dawson agreed. Chair Hammond noted that he wanted the program to be more inclusive than not and was no longer as definite on his position. Tr. Amenta suggested that having an occupancy permit should be enough.

A roll call vote was taken on whether or not members agreed with the staff interpretation. Tr. Amenta – Nay, Ms. Dawson – Aye, Mr. LeSage – Absent, Mr. Krouse – Aye, Chair Hammond – Nay, Mr. Lorino – Nay, Ms. Stokebrand – Aye. Vote 3-3. The motion failed.

Chair Hammond introduced the second topic by stating that this question related to businesses that have had customers who have been closed. It was noted that staff's interpretation was to not include those types of businesses, since operations was believed to relate to on-site operations.

Tr. Amenta requested an example to help clarify the question. Mr. Emanuelson offered that a cleaning business might have an office in Shorewood, but that their customers may be located outside of the village. Those locations may be closed, which affects the cleaning business's ability to operate. He noted that the "face-to-face" aspect of their business was not in Shorewood.

Tr. Amenta noted that her preference would be to benefit retail and street-level businesses, but felt that these businesses should be included. Mr. Krouse said that these businesses should be included and noted that the program did not require the interactions to be in Shorewood. Ms. Dawson agreed. Mr. Lorino noted that he agreed to a point, but did not want to expand this to residential businesses. Tr. Stokebrand questioned how an application from a musician would be handled. Chair Hammond reminded the Authority that applicants needed to have a valid commercial occupancy permit, so home businesses would not qualify.

There was consensus to include these businesses, so no vote was taken.

Chair Hammond noted that the third question generally related to "take out" businesses whose primary revenue was not derived from on-site service provision. Staff's interpretation was to exclude sales related to carryout, delivery or other offsite operations from the "face-to-face sales or services" criteria.

Mr. Krouse agreed that businesses whose majority of revenue was generated from "take out" should not be eligible. Tr. Amenta stated that she did not want to be making distinctions. She noted that all businesses could be down in revenue. Chair Hammond noted that some applicants had not disclosed how they were impacted. If the Authority agreed that these businesses were not eligible, he questioned if we would be able to reach back out to them to confirm their impacts. Mr. Emanuelson noted that follow-up had already been requested from all food and beverage applicants. Ms. Dawson stated that we should not be changing the criteria now. She requested that the program focus on the stated 50% loss in revenue criteria. If they cannot prove that, she agreed with the staff interpretation. Mr. Lorino noted that some of the smallest businesses, such as Goody Gourmet, have been impacted and should be allowed to qualify. Tr. Stokebrand questioned if this criteria would penalize businesses with an on-line presence. She also stated that the CDA should stick with the original language. Chair Hammond restated that these businesses would then not be eligible, even if their revenue was down. He agreed with staff.

There was a consensus to exclude these businesses, so no vote was taken.

Chair Hammond provided an overview of the fourth topic, summarizing that it primarily related to businesses like salons who derive income from other sources, like chair rental fees. Staff's interpretation was that these businesses would not be eligible if they were still collecting that income. Mr. Emanuelson noted that all salons were followed-up with for confirmation. Chair Hammond noted that their response should be documented.

Mr. Krouse interpreted this question to be a lease/sub-lease situation. He suggested that each sub-leaser should be considered its own businesses. He was reminded that to be eligible the applicant

needed an occupancy permit. Chair Hammond restated that the occupancy permit holder would only be eligible if not taking in rent from other sub-lesers. Mr. Krouse agreed then stated that he agreed with staff. Tr. Amenta noted that if they were still taking in rent they would be double dipping. She agreed with the staff interpretation. She also reiterated that she has always had concerns with women and minority owned businesses, which she believed was relevant to this particular question. She noted that the CDA was not offering assistance to the individual stylist. Ms. Dawson, Mr. Lorino and Tr. Stokebrand all agreed with the staff interpretation.

There was consensus with the staff interpretation, so no vote was taken.

Chair Hammond noted that the fifth question involved what was to be defined as “rent.” He noted that staff’s interpretation would include base rent, CAM (common area maintenance) charges, taxes and maintenance, but not taxes. Mr. Emanuelson noted that the most common scenario is that the occupant does their own utilities and all other costs are imbedded.

Mr. Krouse agreed that rent should include CAM charges. Tr. Amenta confirmed that utilities would be excluded. She stated that she did not know enough about how leases were structured and would defer to those with more real estate knowledge. Ms. Dawson and Mr. Lorino agreed with the staff interpretation. Tr. Stokebrand stated that she would also defer to real estate experts on the matter. Chair Hammond noted that he agreed with staff.

There was consensus with staff interpretation, so no vote was taken.

Moving on from the discussion of eligibility interpretations, Chair Hammond introduced the topic of whether or not the CDA wanted to request that the Village Board allow the transfer of additional funding from the business loan program to fund the Emergency Business Assistance program requests. He noted that he would like to fund the requests at 100%. Mr. Emanuelson noted that if that was the desire, the request to the Village Board would be authorize the transfer of funds in an amount sufficient to meet requests.

Mr. Krouse confirmed that the request would generally amount to \$200,000 - \$220,000. He also confirmed that the program would not be accepting additional applications. He stated that he was in favor of the transfer request.

Tr. Amenta noted that she was not in favor of the request. She stated that not all businesses were impacted equally, particularly those operating with cash rather than debt in these times. She noted that no one knows where this is all going and that more needs will likely come up, so there should be a desire to maintain reserves. She summarized that the discussion should be about spending more money now or finding a way to prioritize requests. She noted that some businesses will likely not survive and it would be unwise to put more into them at this time. She would prefer that the CDA discuss prioritizing. She stated her preference would be to fund street level businesses at 100%. She wanted the businesses district’s storefronts to be occupied and filled with a variety of businesses.

Ms. Dawson stated that she would support the transfer to provide additional funding to make the requestors whole. She noted that the CDA couldn’t reprioritize the requests without stepping into issues. She also noted that the Village Board did not support the previous attempt to allocate 2/3 of the funding for food, beverage and retail businesses. She wanted the additional transfer of funds to send a message of support.

Mr. Lorino noted the original criteria of dividing the façade grant funds, but stated that the needs are greater than anticipated. He questioned the intention of the business loans and stated that having those funds available might be wise. Chair Hammond reminded him that the business loan program was currently suspended. Mr. Lorino ultimately agreed with the idea to fund 100% of the current requests.

Tr. Stokebrand noted that she did not support the additional transfer. She stated a desire to fund the current requests at their current 3/5 level because future needs were unknown. She noted that this program was always intended to be a band-aid and that reserving funds would maintain flexibility.

Tr. Amenta stated that the Village Board always has to make these types of decisions because there is never enough money to fund everything at 100%.

Mr. Krouse noted that he wanted to switch his position. He wanted the CDA to be able to make more decisions in the future and stated that there was value in holding back. He wanted to see the results of this program and come back in 60-120 days to review.

Chair Hammond noted that the Federal government was willing to put everything they had into their current efforts and wanted the CDA to consider the same. He stated that the urgency is now. Mr. Krouse noted that people are getting whole in various manners. Chair Hammond responded that rent is only one aspect of the problem right now and wanted to fully fund the requests since the CDA had the money. Mr. Krouse stated that the CDA could look at a different type of program to target specific needs. He noted that the current climate was more of a pause and that things might not fail. Tr. Amenta stated that she believed real change was coming and that not all retail may survive.

A roll call vote was taken to confirm if the CDA should request that the Village Board approve an additional transfer of funds from its loan program to fund requests for Emergency Business Assistance at 100%. Tr. Amenta – Nay, Ms. Dawson – Aye, Mr. LeSage – Absent, Mr. Krouse – Nay, Mr. Lorino – Aye, Tr. Stokebrand – Nay, Chair Hammond – Aye. Vote 3-3. The motion failed.

**7. Next CDA meeting: Tuesday, May 12, 2020 – 8 a.m.**

Tr. Amenta requested that the meeting be moved to 9:30 am. There were no objections.

**8. Adjournment.**

Mr. Krouse motioned to adjourn the meeting at 9:39 am; seconded by Ms. Dawson. Vote 6-0.

Respectfully submitted,



Bart Griepentrog, AICP  
Planning & Development Director