
VILLAGE OF SUGAR GROVE

BOARD REPORT

TO: VILLAGE PRESIDENT AND BOARD OF TRUSTEES
FROM: MICHAEL CASSA, ECONOMIC DEVELOPMENT DIRECTOR
SUBJECT: DISCUSSION: RESTRUCTURING OF THE ECONOMIC DEVELOPMENT CORPORATION
AGENDA: September 20, 2022 REGULAR BOARD MEETING
DATE: September 14, 2022

ISSUE

Should the Village Board of Trustees provide input on the restructuring of the Economic Development Corporation (EDC)?

DISCUSSION

As part of the FY2022-2023 Initiatives, the Village Economic Development Department was tasked with evaluating the current state and structure of the EDC. The evaluation has been completed and a report was presented to the EDC Board of Directors, with recommendations on the future of the EDC. The EDC Board approved the recommendations. The report is attached. The recommendations are being presented to the Village Board for their input. No formal action is required.

Highlights of the report include:

- Increasing the number of EDC members, who will now be called “Investors.”
- Adding additional members to the EDC Board of Directors
- Updating the EDC Bylaws, which have not been updated since 2008.
- Holding a minimum of two major events per year.
- Creating a new EDC website.
- Adopting an annual EDC Budget.

COST

The FY2022-2023 Budget includes \$2,000 for the Village’s annual EDC dues.

RECOMMENDATION

That the Village Board of Trustees provide input on the restructuring of the EDC.

REPORT ON THE FUTURE OF THE SUGAR GROVE ECONOMIC DEVELOPMENT CORPORATION

Submitted by Michael Cassa, Economic Development Director

August 24, 2022

Soon after I started as Economic Development Director for the Village of Sugar Grove, Village President Jen Konen and Village Administrator Brent Eichelberger asked me to review the status of the Sugar Grove Economic Development Corporation. I was also charged with making recommendations on the future of the EDC. In the past few months, I have spoken to the EDC board members, the Village President and Trustees, and the Village Administrator and members of the Community Development staff. I reviewed documents and records, and learned about the history of the EDC.

I have concluded that the EDC is an economic development resource and has the potential to be an important tool in the retention and attraction of business in the Village. I would like to utilize my experience in leading economic development corporations, as well as best practices, to enhance and expand the EDC, and therefore making it more effective.

Here are my recommendations:

Membership

Any membership-based organization is only as strong as its membership. Currently, there are only five members at the \$2,000 level: EEI, FNBO, Rich Harvest Farms, the Village, and Waubensee Community College. There are only two members at the \$400 level: Fox Metro and Sugar Grove Township. These members are sent renewal invoices at the beginning of the year.

The EDC should launch a membership campaign in early 2023 to secure more members. Here are some recommended features of the campaign:

- Members should be called “Investors”. This term is used by EDCs nationwide.
- Investor levels should be renamed and adjusted as follows:
 - Gold Level- \$2,500
 - Silver Level- \$1,000
 - Bronze Level- \$500
- Existing members would have their annual dues “grandfathered” in, so that they would not be asked to increase the amount they currently pay.
- “Investor Perks” will be created so that prospective Investors would know what the benefits are for each level.
- A brochure will be designed to promote membership in the EDC.
- A list of prospective Investors will be developed.

Board of Directors

The EDC is fortunate to have seven excellent board members (five voting and two ex-officio). Just as the membership base should be expanded, so should the number of board members. Gold Level members would continue to have a seat on the board. The current officers should be asked to continue in their positions through 2023. Officer positions would be elected at the end of 2023.

Board Meetings

I recommend that the board meets on a quarterly basis. In addition, it will be up to the board to decide if and when the meetings be in-person rather than virtually.

Bylaws

The bylaws have not been amended since 2008. They must be updated. By the time of the next board meeting, I will review the bylaws and recommend changes. These amendments would have to be approved by the board.

Directors and Officers Liability Insurance

It is standard practice for non-profit organizations to carry Directors and Officers Liability insurance coverage (D&O). This protects board members, both voting and ex-officio members, and staff from liability and lawsuits. If the EDC is ever sued, the D&O coverage will shield the board members and staff from the lawsuit. The EDC does not currently carry D&O insurance, so it is important to do so. Melissa Pendergrast, our Economic Development Assistant, will reach out to local insurance companies for quotes.

Events

I am proposing that the EDC hold two events in 2023:

The first is the State of the Village event in May. The EDC has traditionally hosted this event at Waubensee Community College. The staff will meet with WCC officials to discuss holding the event there in May 2023. Village President Jen Konen would give her State of the Village Address at this event.

The second event is an annual upscale reception for real estate brokers and developers. This type of event is very common for EDCs. I have organized these events many times. Brokers and developers from the Chicago area would be invited to a reception in Sugar Grove. In addition, local “ambassadors” would be invited to meet and mingle with the brokers and developers. Ambassadors would include EDC board members, Village officials, and other key community and business leaders. I am pleased to say that Jerry Rich from Rich Harvest Farms has offered to host this event, starting in 2023. I am recommending that this reception replace the annual Holiday Social event.

Website

Melissa and I have spent a considerable amount of time reviewing options for a website. There are two questions we have researched:

- *Should the economic development website be incorporated into the Village’s website, or should the website be hosted by the EDC?*

Village President Jen Konen and Village Administrator Brent Eichelberger indicated that they would leave this decision to me. My recommendation is that the economic development website be hosted by the EDC. Given that the EDC has no paid staff, or a separate office, the website is the only thing that shows businesses, brokers, developers, and the community that the EDC even exists. I am not aware of an EDC anywhere in the country that does not have a website. The credibility and viability of the EDC is dependent on having a well-designed and updated website. The current site is badly in need of updating. In addition to having an EDC-based website, we will of course maintain our presence on the Village website, with a link to the EDC website.

- *Should the current EDC website be redesigned with new features, or should a new website be developed?*

The staff is reviewing this issue, taking costs, design features, and capabilities into account. Melissa has discussed these issues with many web-design companies, including Pesola Media Group, which designed the current website. Pesola will be submitting a proposal to redesign and reformat the current website; the other companies will be asked to submit proposals to build a new website. A decision will be made no later than by the end of September. Other marketing platforms, such as collateral materials, and social media, will be designed to mirror the look and content of the website. I will be requesting that the EDC board approve funds for website development.

Budget

The EDC has not adopted an annual budget in recent years. I am proposing that a FY2023 EDC Budget be adopted at the next board meeting. The staff will work on a draft, in consultation with the board. The budget will be adopted prior to the beginning of the EDC fiscal year, which is January 1st. An annual budget will give the board a clear picture of actual vs. budgeted revenues and expenditures. A monthly Profit and Loss Statement, based on the budget, will be prepared by Melissa.