

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
JULY 24, 2007 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Business Registration Certificate Ordinance	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">✓</div> <div> Resolution Ordinance Motion Discussion Only </div> </div>	Michael Baker Assistant Village Manager

SYNOPSIS

An ordinance has been prepared to establish a Business Registration Certificate Program for the Village of Downers Grove.

STRATEGIC PLAN ALIGNMENT

The Council Adopted Strategic Plan references and supports this item directly and indirectly in the following manner:

- The Village Council's Policy Agenda for 2006-2007 identified *Business License Ordinance and Implementation* as a Top Priority.
- The Five Year Plan and Goals for 2006-2011 identified *Strong, Diverse Local Economy*. A supporting objective of this goal is *Maintained, Expanded and Balanced Local Economy and Tax Base*.
- *Corporations and Businesses of Downers Grove* were identified as Primary Customers of the Village.
- *Enforce Laws, Codes, and Ordinances* was identified as a Primary Business of the Village

FISCAL IMPACT

The FY07 General Fund budget provided revenues from a business license program in the amount of \$100,000 at the direction of the Village Council. Staff projects the program as proposed will generate approximately \$160,000 annually in revenue by FY09 (when it is scheduled for full implementation). Although no additional staff is being recommended at this time, additional staffing resources will be evaluated in conjunction with the FY08 budget process and requested, if necessary. Actual revenues for this fiscal year will depend on the timing of ordinance adoption and program implementation.

RECOMMENDATION

Staff recommends that the Village Council table consideration of this ordinance for at least 24 months until such time as the Village is more fully equipped to effectively implement and administer this program. Alternatively, the Village Council could vote to adopt the ordinance, in which case the Village will appropriately allocate resources necessary to conduct its effective implementation.

BACKGROUND

The Village's Municipal Code currently contains provisions for business licensing. However, these provisions are narrowly tailored to the following types of specific business activities: massage establishments, electricians, taxi companies and drivers, solid waste scavengers, tree removal companies, adult use establishment, and liquor establishments. As a part of the Strategic Planning process, the Village Council directed staff to prepare an ordinance amendment that will significantly expand upon the businesses to be included as part of this program. The term "registration" was chose instead of "license" to reflect a less regulatory manner for gathering information and administering the program, which is described in greater detail below.

The following represents a timeline of activities that have occurred within the past nine months regarding the business license/registration:

November 28, 2006	Initial workshop presentation of business license concept presented to Village Council
March 13, 2007	Presentation of draft business registration ordinance at Council Workshop with recommendation to present to Economic Development Corporation (EDC) and Chamber of Commerce (Chamber) for formal comment
April 11, 2007	Meeting with EDC and Chamber officials to discuss Business Registration Ordinance
April 23, 2007	Presentation of draft business registration ordinance (with no changes) to Council Workshop under Village Manager's Report

Subsequent to the April 23, 2007 Workshop, the Board of Directors of the EDC and the Chamber took formal action regarding the business registration ordinance. In both cases, the boards voted to oppose the ordinance, citing various reasons in the formal response letters.

The ordinance is being presented to the Village Council for consideration based on the significance of this item as reflected in the Strategic Plan. Staff believes that the draft ordinance does address the concerns expressed by the Village Council in earlier meetings and offers a program that allows the Village to ensure that business activity in the Village is being properly enforced without exercising an overly burdensome approach in working with the business community.

Summary of Business Registration Ordinance and Plan for Implementation

Based on the Council Workshop discussion and meeting with Chamber and EDC officials, staff determined that the recommended ordinance and program design should:

- First and foremost, seek to establish better awareness of and more effective communication with the business community, and assist in promoting economic development within the Village
- Be relatively modest and easy to administer
- Require a flat, nominal fee that will allow the Village to recoup the costs of administering the program
- Improve coordination and use of resources among several departments that currently interact with the business community
- Provide an effective and achievable, but not burdensome, mechanism to facilitate compliance with Municipal Code requirements

With these objectives in mind, staff, representing several departments (including the Manager's Office, Clerk's Office, Legal, Finance, Community Development, Police and Fire Departments), met to address various aspects of the ordinance and its implementation. The draft ordinance, which proposes to establish a Business Registration Certificate, includes the following elements:

- Takes effect September 1, 2007
- Applies to all businesses (approximately 2,500) that maintain a physical presence in Downers Grove (does not apply to governmental, non-profit organizations or home occupations)

- Establishes an annual flat fee of \$75 for both newly issued certificates and annual renewals to pay for the costs of administering the program. It is noteworthy that the annual fee will be implemented on a sliding scale to reflect the level of services in the program, specifically:
 - Existing businesses must submit applications as early as September 2007 and no later than December 31, 2008, for a \$75 flat fee. This fee would be applied as \$25 for 2007 and \$50 for 2008. After December 31, 2008, all fees would be \$75 and cover a single calendar year.
- Designates the initial business registration certificate as a *Provisional Business Registration Certificate*, which is distinguished from the *Annual Business Registration Certificate* (to go into effect no earlier than January 1, 2009) in the following manner:
 - The Provisional Registration Certificate would be issued upon internal review of the application with no physical site inspections required prior to issuance (existing inspections that currently take place as required by other sections of the Municipal Code will continue).
 - This strategy will allow the Village to expeditiously develop and maintain a set of active records on existing businesses that can be used to achieve the highest priority objectives as stated above. More accurate information about and ability to communicate with the business community will allow the Village to more effectively assess and work with businesses that may have zoning issues under the existing Municipal Code (e.g. non-conformity, lack of approval of a special use) and allow for the staff to work with businesses and propose effective solutions to the Village Council.
 - Beginning in 2009, staff will begin issuing annual Business Registration Certificates, after completing inspections for zoning, building and life safety prior to issuance. The ordinance allows for Provisional Registrations to be extended beyond 2008 for certain businesses.
- Annual Business Registration Certificates will be issued on an annual basis and expire on December 31 of each year.

ATTACHMENTS

Draft Ordinance

Letters from EDC and Chamber

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ORDINANCE NO. _____

**AN ORDINANCE ESTABLISHING
A BUSINESS REGISTRATION CERTIFICATE**

BE IT ORDAINED by the Village Council of the Village of Downers Grove in DuPage County, Illinois, as follows: (Additions are indicated by shading/underline; deletions by ~~strikeout~~):

Section 1. That Section 8.2200ART. is hereby added to read as follows:

8.2200ART. Article XXII. Business Registration Certificate

Section 2. That Section 8.2201. is hereby added to read as follows:

8.2201. Findings.

The registration of businesses within the Village of Downers Grove pursuant to Illinois law and the home rule authority of the Village will promote the general health, safety and welfare and economic development of the Village and will aid in the prevention and suppression of fires and the prevention of and response to crime with in the Village. Furthermore, the information required to be provided by such businesses will enable a more effective means of communication between the Village and business owners.

Section 3. That Section 8.2202. is hereby added to read as follows:

8.2202. Business Registration Certificate Required.

All persons, firms, associations, partnerships, corporations or other legal entities engaged in businesses or occupations within buildings or on premises located within the Village shall be required to apply for and obtain a provisional business registration certificate or business registration certificate from the Village prior to operating such business within the Village. Such provisional business registration certificate or business registration certificate shall be in addition to any other specialty license required under this Code, including but not limited to: liquor licenses, massage licenses, scavenger licenses, tree removal licenses, electrical contractor licenses and taxi licenses.

Section 4. That Section 8.2203. is hereby added to read as follows:

8.2203. Site.

A provisional business registration certificate or business registration certificate shall be required for each place of business. For purposes of this Article, a "place of business" shall be defined as a building or series of connected buildings located on one lot or parcel of ground , which are owned or operated by one person or entity and upon which the same business activity is conducted. When two or more businesses separately owned or operated share floor space in the same building or on the same parcel of ground, then each shall be deemed a separate business and shall be required to obtain a separate business registration certificate for each use.

Section 5. That Section 8.2204. is hereby added to read as follows:

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8.2204. Term of Certificate.

(a)Provisional Business Registration Certificate.

Beginning September 1, 2007, or prior to commencing business within the Village, all persons, firms, associations, partnerships, corporations or other legal entities currently engaged in or contemplating engagement in businesses or occupations within buildings or on premises located within the Village shall be required to apply for and obtain a provisional business registration certificate. Such provisional business registration certificate shall permit the operation of a business or occupation within the Village until December 31, 2008. Applications for provisional business registration certificates from existing businesses must be submitted prior to December 31, 2007.

(b) Business Registration Certificate.

Upon expiration of the provisional business registration certificate, or, after January 1, 2009, prior to commencing business within the Village, all persons, firms, associations, partnerships, corporations or other legal entities engaged in or contemplating engagement in businesses or occupations within buildings or on premises located within the Village shall be required to apply for and obtain an annual business registration certificate, subject to such inspections as required by the Village. The status of such license shall be deemed conditional until such required inspections have been satisfactorily completed. Such business registration certificate shall permit the operation of a business or occupation within the Village for a period of one year which shall begin on January 1 of the year for which the certificate is issued and shall terminate on December 31 of the same year.

Section 6. That Section 8.2205. is hereby added to read as follows:

8.2205. Fee.

The required fee for each provisional business registration certificate or business registration certificate shall be \$75.00 which shall be due upon application and annually thereafter upon renewal of such certificate. Such fee shall not be prorated. In no event shall any rebate or refund be made of such fee, or part thereof, by reason of death or by any reason of nonuse of the certificate or discontinuance of the operation of the business. Late registration fees shall be as provided by administrative regulation.

Section 7. That Section 8.2206. is hereby added to read as follows:

8.2206. Application.

All applications for a provisional business registration certificate or a business registration certificate and for renewal thereof shall be made in writing on a form provided by the Village and shall be submitted to the Village Manager or his/her designee on or before the date set by the Village Manager. Each application shall contain, at a minimum, the name, residence address and phone number of the person requesting the certificate. In addition, each application shall require a description of the type of business to be conducted and the proposed location of such business in addition to any other information as may be required by the Village.

Section 8. That Section 8.2207. is hereby added to read as follows:

8.2207. Approval/Disapproval.

(a) Provisional Business Registration Certificate

If, after review of the application, the Village Manager or his/her designee shall find such application

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satisfactory, the Village Manager or his/her designee shall issue such provisional business registration certificate, which shall be signed by the Village Manager. If the application is found unsatisfactory, the Village Manager or his/her designee shall serve written notice upon the applicant specifically stating the reasons for the non-issuance of the provisional business certificate. The applicant shall be given a reasonable opportunity to remedy any defects or deficiencies in their application. Applicants who are denied a provisional business registration certificate shall be provided with the appeals process set forth in Section 8.8 of this Chapter. Appeals of zoning-based denials shall be as provided in Chapter 28.

(b) Business Registration Certificate

If, after review of the application, the Village Manager or his/her designee shall find such application satisfactory, the Village Manager or his/her designee shall issue such business registration certificate, which shall be signed by the Village Manager.

The status of such business registration certificate shall be deemed conditional. The Village Manager or his/her designee shall not issue a business registration certificate or remove the conditional status of a business registration certificate if the building or premises upon which the business is to be conducted does not comply with the provisions and terms of the building code, zoning code, fire safety regulations, health regulations or other ordinances and regulations of the Village. If the application is found unsatisfactory for any reason, the Village Manager or his/her designee shall serve written notice upon the applicant specifically stating the reasons for the non-issuance of the certificate. The applicant shall be given a reasonable opportunity to remedy any defects or deficiencies in their application. Applicants who are denied a business registration certificate shall be provided with the appeals process set forth in Section 8.8 of this Chapter. Appeals of zoning-based denials shall be as provided in Chapter 28.

Section 9. That Section 8.2208. is hereby added to read as follows:

8.2208. Posting.

Every provisional business registration certificate and business registration certificate issued hereunder shall be posted in a conspicuous place within the building or premises to which it pertains and shall be removed upon its expiration.

Section 10. That Section 8.2209. is hereby added to read as follows:

8.2209. Alteration/Removal of Certificate.

No person shall add to, alter, deface, forge or counterfeit any provisional business registration certificate or business registration certificate which has been or is being issued by the Village. No person shall destroy, obliterate, take, remove or carry away without the consent of the owner any provisional business registration certificate or business registration certificate which has been issued by the Village, except that the certificate may be removed after the business has been discontinued or the premises to which it pertains have been abandoned.

Section 11. That Section 8.2210. is hereby added to read as follows:

8.2210. Non-Transferability

No such provisional business registration certificate or business registration certificate shall be assigned, sold or transferred to any other person or entity even if such person or entity intends to conduct the same business, occupation or activity at the location or premises used by the original certificate holder. Such other person or entity must apply and pay the fee for a new certificate as required herein. Furthermore, a

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new certificate shall be required upon relocation of existing businesses.

Section 12. That **Section 8.2211.** is hereby added to read as follows:

8.2211. Exclusions.

The terms and provisions of this Article shall not be made applicable to any activity carried on by a governmental institution, non-profit institution or organization, or home occupation as defined in this Code.

Section 13. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 14. That this ordinance shall be in full force and effect from and after its passage and publication in the manner provided by law.

Mayor

Passed:

Published:

Attest: _____
Village Clerk



Downers Grove Economic Development Corporation

June 26, 2007

The Honorable Mayor Ronald Sandack and Village Council

Dear Mayor Sandack and Council

On behalf of the Board of Directors of the Downers Grove Economic Development Corporation, I am pleased to provide you with the formal position of the EDC regarding the proposed business registration ordinance.

While the EDC supports the notion of gathering data to support business attraction and retention efforts within the Village, at this time, in its current format, the EDC does not support the ordinance. The Board of Directors feels that the proposed legislation will be perceived by the business community as a burden in that it contains the potential for excessive inspections and interruptions to businesses. The Board of Directors also feels that any fees associated with the ordinance will be perceived as an additional tax on the business community. With the challenges that the business community faces from a state perspective, additional burdens will not be welcomed at the local level.

The Downers Grove Economic Development Corporation would like to thank the Village Council and Village staff for the courtesies and inclusive efforts extended to the EDC with regard to the consideration of a business registration ordinance.

Sincerely,

Greg Bedalov
President
Downers Grove Economic Development Corporation



John Randall
Hickory Ridge Marriott
Chairman of the Board

June 1, 2007

Lisa Rasin
Business Machine Agents
Past Chairwoman

Joe Leo
Scanlan & Leo, Ltd
Treasurer
Executive Vice Chairman

Marc Hausmann
ScotPress/The Maclyn Group

Tim McJoynt
Law Offices of Timothy J. McJoynt

Laura Neiberg
Advocate Good Samaritan Hospital

Steve Wilkey
Downers Grove National Bank

Mark Baresel

Valerie Bruggeman
AT & T

Alison Clemens
Clemens Mailing Service

Barbara Gilleece
Barbara's Elegant Touch Staffing

Stephen Harap, PhD
Partners for Productivity

Keith Hoffman
1st Advantage Mortgage

Karen Johnson
Midwestern University

Tom Sisul
Law Office of Thomas J. Sisul

Jim Russ, Jr
James F Russ, Jr, PC
Legal Counsel

The Honorable Mayor Sandack and Village Council
Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

Dear Mayor Sandack and Councilmen:

After much discussion, review and upon the request of Council members and Village staff, I am writing to inform you that on behalf of the Downers Grove Area Chamber of Commerce & Industry Board of Directors and its 700 business members, we oppose the pending business registration ordinance.

This ordinance seems to have gone through many phases and channels, developing into something very different from the initial intent, which we thought was to be a simple database. We feel the Village is well provided with internal data from utility bills, building permits, life/safety inspections, fire alarm inspections, transfer of ownership inspections and zoning compliance to achieve the outcome sought in the proposal.

Although with bona-fide intentions, further burdening business with a registration fee that merely adds another layer of bureaucracy will not be well received. Everyday business owners are struggling with current events in Springfield; the State of Illinois is now the 45th worse in the U.S. in job growth. At the local level however, the Village of Downers Grove, has displayed great foresight in economic development and sustaining businesses. We recognize your efforts and applaud your success.

We hope we can look forward to your continued support of businesses, the revenue and the jobs they bring to this community.

Sincerely,

Laura Crawford
President & CEO