Village of Northbrook
Industrial & Commercial Development Commission Remote Meeting

Tuesday, May 26, 2020 at 7:30 AM

Important Notice:
Pursuant to Governor Pritzker’s Executive Order 2020-07, this meeting of the Northbrook ICDC will not be held at Village Hall. Instead, the meeting will be conducted remotely via a WebEx video conference call. The meeting is open to the public. If you wish to hear the discussion or watch the meeting remotely, please contact Tom Poupard, Director of DPS, at tom.poupard@northbrook.il.us for call-in or viewing instructions.

Agenda
1) Call to Order
2) Review of Minutes: February 25, 2020
3) Public Comments – Items Not on the Agenda
4) Community Planning & Development Report
5) General Update/Discussion on Business Activity and the Pandemic
6) Proposed “Northbrook Strong Business Grant Program”
7) Business Community Outreach Efforts
8) Old Business
9) New Business
10) Adjourn

Patrick Lederer, Chairman of ICDC

Questions? Call Tom Poupard at 847-664-4051 or send an e-mail to tom.poupard@northbrook.il.us

The Village of Northbrook is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding accessibility of this meeting or the facilities, are requested to contact Greg Van Dahm (847-664-4014) or Debbie Ford (847/664-4013) promptly to allow the Village of Northbrook to make reasonable accommodations for those persons. Hearing impaired individuals may call the TDD number, 847-564-8645, for more information.
How are Consumers Spending Differently During COVID-19?

It’s no surprise that COVID-19 has consumers cutting back on most of their purchases—but a few categories are winning out.

1010Data examined the credit and debit card spending of 5 million U.S. consumers over the past few months, across 18 categories covering five major themes.

SPENDING CATEGORIES

General commerce
- Big Box
- Grocery
- Pharmacy
- Wholesale Club

Retail
- Apparel
- Office Supplies
- Pet Supplies

Restaurant
- Casual Dining
- Fast Casual
- Fast Food
- Fine Dining

Food Delivery
- Takeout
- Grocery Delivery
- Meal/Snack Kit

Travel
- Airline
- Car Rental
- Cruise
- Hotel

U.S. CONSUMER SPENDING DURING COVID-19

1️⃣ First reported U.S. case
2️⃣ U.S. Public Health Emergency declared
3️⃣ First reported U.S. death
4️⃣ Travel to Europe banned
This category saw a sharp spike in spending as Americans scrambled to stockpile non-perishable food, hand sanitizer, and toilet paper before lockdown.

**OFFICE SUPPLIES**
Sales of office supplies rose as many people started working from home, and homeschooling their children.

**APPAREL**
With less foot traffic in malls and entire stores forced to close, apparel sales plummeted too.

**FINE DINING**
While many restaurants turned to delivery services to stay afloat, those in fine dining were unable to rely on such a shift.
GROCERY DELIVERY

As many consumers shifted from eating out to home cooking, or were unable to leave their home for essentials, grocery delivery services jumped by over five-fold.
While all travel categories experienced a consistent downward trend, cruises suffered the worst blow.

Not adjusted for cash transactions/store credit spend.
Combined spending shows the year-on-year difference (YoY), aggregated per sector and shown on a 7-day moving average.
Source: 1010Data, powered by AI platform Exabel
Combined consumer spending data as of May 12, 2020. All other data as of May 5, 2020.
Agenda

• Economy and Retail Trends
• Retail Fundamentals and Rents
• Capital Markets
• Final Thoughts
• Questions
Economy and Retail Trends
The End of a Cycle…

Real GDP Growth Contribution

Source: Oxford Economics/Haver Analytics
Oxford Economics Q2 Forecast

Source: Oxford Economics/Haver Analytics
Historically Bad April Jobs Report
Sector Breakout of April Job Losses

Source: Oxford Economics/Haver Analytics
Unfathomable Rise In Jobless Claims

33 mm in just seven weeks

Source: Department of Labor, Haver Analytics
As of May-20
Illinois Initial Unemployment Claims

Weekly Initial Jobless Claims

- April 6, 2019
- May 4, 2019
- June 1, 2019
- June 29, 2019
- July 27, 2019
- August 24, 2019
- September 21, 2019
- October 19, 2019
- November 16, 2019
- December 14, 2019
- January 11, 2020
- February 8, 2020
- March 7, 2020
- April 4, 2020
- May 2, 2020
Illinois WARN Notice Layoffs By Job Sector - April

Sources: IL Department of Commerce & Economic Opportunity, CoStar
Monthly Retail Trade – Percent Change

Source: U.S. Census Bureau
Y-on-Y Change in Retail Trade April 2020

- Clothing & clothing accessories: -93.3%
- Furniture & home stores: -66.5%
- Electronics & appliance store: -64.8%
- Sporting goods, hobby, musical instrument, & book stores: -48.9%
- Food services & drinking place: -48.7%
- Department stores: -47.0%
- Gasoline stations: -42.8%
- Motor vehicle & parts dealers: -32.9%
- Miscellaneous store retailers: -30.6%
- Total retail & food services: -21.6%
- General merchandise stores: -14.9%
- Health & personal care stores: -10.4%
- Food & beverage stores: 12.0%
- Grocery stores: 13.2%
- Nonstore retailers: 21.6%

Source: U.S. Census Bureau
### Post-Pandemic Retail Themes

The pandemic will create new trends as well as accelerate or reverse prior trends:

**Acceleration in Trends**
- E-commerce adoption
- Downsizing to smaller boxes / more efficient space
- Iconic apparel brands face bankruptcy
- Essential retailers best positioned for growth, stability, resiliency
- Repurposing of mall space
- Retailers utilize back space for micro fulfillment or coffee bars/services to maximize

**Reversal in Trends**
- Fitness centers face challenge to open and adjust operations
- Suburban retail possibly gains traction
- Migration patterns pause
- Fitness centers, restaurants and experiential retailers no longer primary drivers of new demand
- People spending more on bars/restaurants than on groceries...short term reverses, possibly longer-term too

**New Trends**
- Activate outdoor areas
- Changes layouts to drive future sales
- Embrace new omni-channel technologies such as curbside pickup
- Perception of cleanliness critical to make consumers feel comfortable
- BOPIS and curbside may be answer to last-mile
E-commerce Already Growing before COVID-19

**U.S. E-COMMERCE VS. TOTAL RETAIL* SALES**

In $billions, 2017-2019

- **2017**: $3,464 B
- **2018**: $3,626 B
- **2019**: $3,763 B

**Online and in-store sales as a % of total retail* spend, 2010-2019**

- **2010**: 6.4%
- **2011**: 7.2%
- **2012**: 8.0%
- **2013**: 8.8%
- **2014**: 9.7%
- **2015**: 10.7%
- **2016**: 11.8%
- **2017**: 13.2%
- **2018**: 14.4%
- **2019**: 16.0%

Source: Digital Commerce 360 (formerly Internet Retailer) analysis of U.S. Department of Commerce data
*Total retail figures exclude sales of items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers

CoStar
Retailers Filing for Bankruptcy

- **Papyrus** – Shut down after filing in January
- **Lucky’s Market** – filed Chapter 11 in January
- **Earth Fare** – 50 stores, some acquired by new owners
- **Pier 1 Imports** – Filed in February, seeking buyers, shutting 450 stores
- **Art Van Furniture** – Filed for Chapter 11 in March
- **Modell’s Sporting Goods** – Filed for Chapter 11 in March and liquidating
- **J Crew** – Filed for Chapter 11 in May, seeking restructuring
- **Neiman Marcus** – Filed for Chapter 11 in May, seeking restructuring
- **Stage Stores (Gordmans, Bealls, Goodys, Palais Royal)** – Filed in May, winding down while looking for a buyer
- **Garden Fresh Restaurants** – Filed Chapter 7 in May, closing all locations
- **JC Penney** – Filed in May – planning to close 240 stores as part of restructuring plan
## Largest Store Closing Announcements of 2020

<table>
<thead>
<tr>
<th>Store Name</th>
<th>Number of Closures</th>
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<th>Number of Closures</th>
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<tbody>
<tr>
<td>Pier 1 Imports</td>
<td>450</td>
<td>Macys</td>
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<td>Game Stop</td>
<td>320</td>
<td>Art Van</td>
<td>125</td>
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<td>Papyrus</td>
<td>254</td>
<td>Bose</td>
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<td>JC Penney</td>
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<td>A.C. Moore</td>
<td>145</td>
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<td>Gap</td>
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<td>Olympia Sports</td>
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<td>Walgreens</td>
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<td>Sears</td>
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<td>Chico’s</td>
<td>200</td>
<td>Earth Fare</td>
<td>50</td>
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<tr>
<td>Destination Maternity</td>
<td>183</td>
<td>Kmart</td>
<td>45</td>
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<td>Forever 21</td>
<td>178</td>
<td>BB&amp;B</td>
<td>44</td>
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<tr>
<td>Modell’s</td>
<td>153</td>
<td>Lucky’s</td>
<td>32</td>
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</tbody>
</table>

* Others include Express (31) Neiman Marcus (20), Nordstrom (16), Hallmark (16), Office Depot (90)
# High Risk Retailers:

<table>
<thead>
<tr>
<th>24 Hour Fitness</th>
<th>Circle K</th>
<th>J. Crew</th>
<th>PetSmart</th>
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<tbody>
<tr>
<td>Academy Sports</td>
<td>Container Store</td>
<td>J. Jill</td>
<td>Pier 1</td>
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<tr>
<td>Advance Auto</td>
<td>Cracker Barrel</td>
<td>Jack In The Box</td>
<td>Regal Cinemas</td>
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<tr>
<td>Ascena Retail Group</td>
<td>Denny's</td>
<td>JCPenney</td>
<td>Restaurant Bands International</td>
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<td>At Home</td>
<td>Destination Maternity</td>
<td>Kirklands</td>
<td>Rite Aid</td>
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<td>AutoNation</td>
<td>Dillard's</td>
<td>Kmart</td>
<td>Sears</td>
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<tr>
<td>Best Buy</td>
<td>DineEquity</td>
<td>Landry's Restaurant</td>
<td>Serta</td>
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<td>Big Lots</td>
<td>Express</td>
<td>Mattress Firm</td>
<td>Signet Jewelers</td>
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<tr>
<td>Bloomin' Brands</td>
<td>Foot Locker</td>
<td>Neiman Marcus</td>
<td>Sprint</td>
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<tr>
<td>Bluestem Brands</td>
<td>Francesca's</td>
<td>NYDJ Apparel</td>
<td>Stein Mart</td>
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<tr>
<td>Brinker International</td>
<td>Fresenius Medical Care</td>
<td>Office Depot</td>
<td>Tailored Brands</td>
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<tr>
<td>Build-A-Bear</td>
<td>Gamestop</td>
<td>Overstock</td>
<td>The Vitamin Shoppe</td>
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<td>Camping World</td>
<td>GNC</td>
<td>Owen's Corning</td>
<td>Trans World</td>
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<td>Christopher &amp; Banks</td>
<td>Goodyear</td>
<td>Payless ShoeSource</td>
<td>VCA</td>
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<td>Church's Chicken</td>
<td>HHGregg</td>
<td>Pecto</td>
<td>Wendy's</td>
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<td>Cineworld</td>
<td>Iconix Brand Group</td>
<td>Pep Boys</td>
<td>Yum! Brands</td>
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</tbody>
</table>
% of Retail RBA Occupied By High Risk Retailers

Source: CoStar; top 50 markets by inventory SF.
% of Retail RBA Occupied By High Risk Retailers

Source: CoStar; top 50 markets by inventory SF.
But We Know…

- Not all retail is the same. Overgeneralizations miss nuance and opportunity.
- COVID-19’s impact on retail will be bifurcated across tenants, subtypes, markets and owners.
- Intrinsic value of brick and mortar retail remains.
- Digital sales account for no more than 20% of retailer sales on average.
- Physical stores still drive customer attachment and engagement.
- Humanity is about community, entertainment, enjoyment, and freedom. Retail plays a role in this.
- Socialization has always been a part of the U.S. shopping culture. Building community, attachment and lifestyle link is key.
Retail Fundamentals and Rents
National Quarterly Retail Leasing Volume

Leasing Volume in SF

0M 10M 20M 30M 40M 50M 60M 70M 80M 90M 100M

07 08 09 10 11 12 13 14 15 16 17 18 19 20

- Before Quarter End
- After Quarter End
- Estimated Additional Volume

CoStar™
Retail Top Net Absorption

- Houston: 4.3M
- Miami: 2.1M
- Seattle: 1.6M
- Dallas-Fort Worth: 1.5M
- Atlanta: 1.5M
- Austin: 1.3M
- Tampa: 1.1M
- Oklahoma City: 1.1M
- Saint Louis: 1.0M
- Cincinnati: 1.0M
- Orlando: 1.0M
- Chicago: 0.9M
- Phoenix: 0.9M
- New York: 0.9M
- Tulsa: 0.8M
- Jackson: 0.8M
- Jacksonville: 0.8M
- Raleigh: 0.8M
- Minneapolis: 0.8M
- San Jose: 0.7M

Net Absorption (Last 4 Quarters)
Chicago Retail Fundamentals
Chicago Vacancy by Retail Subtype
Chicago Weekly Leasing Volume

As of Week Ending on May 17, 2020

Weekly Leasing Volume in SF

- Entered During
- Entered After
Chicago Retail Space Under Construction Over Time
Chicago Retail Fundamentals: Base Case Forecast

- Net Absorption & Net Deliveries in SF
- Forecast
- 7 million SF
- Vacancy Rate

CoStar
REIT Rent Collections Vary by Retail Sub-Type

% of Rents Collected by Type of REIT

Max % Collected  Min % Collected  ▲ Avg % Collected

Source: CoStar
As of May 20
National Retail Rent Growth

Rent Per SF

Market Rent

Year-Over-Year Rent Change

Annual Rent Growth

Forecast

(10.0%)

(7.5%)

(5.0%)

(2.5%)

0.0%

2.5%

5.0%

7.5%

10.0%
Chicago Retail Rent Growth
Retail Rent Growth, by Market

<table>
<thead>
<tr>
<th>Market</th>
<th>Rent Growth, YOY</th>
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<tbody>
<tr>
<td>Orlando</td>
<td>6.4%</td>
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<tr>
<td>Charlotte</td>
<td>6.1%</td>
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<td>Tampa</td>
<td>6.1%</td>
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<tr>
<td>Nashville</td>
<td>6.0%</td>
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<td>Phoenix</td>
<td>5.6%</td>
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<td>Atlanta</td>
<td>5.0%</td>
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<td>Seattle</td>
<td>4.8%</td>
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<td>Indianapolis</td>
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<td>Las Vegas</td>
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<td>San Diego</td>
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<td>Fort Lauderdale</td>
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<td>Chicago</td>
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<td>Northern New Jersey</td>
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Note: Includes markets with 100M+ SF inventory.
Chicago Retail Rent Growth Forecast
### Base Case Rent Growth Forecast, by Market

<table>
<thead>
<tr>
<th>Market</th>
<th>Four-Year Average Forecast</th>
<th>Rent Growth, YOY</th>
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<tr>
<td>Charlotte</td>
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Note: Includes markets with 100M+ SF inventory.
Subway and Panera Bread are among chains that have added grocery delivery and pickup to meet growing demand.

**CORONAVIRUS > RESTAURANTS READY**

**How the restaurant consumer will change in a post COVID-19 world**

*Financial pressures and fears around health and safety are predicted to shape purchasing behavior for years to come*

Joanna Fantozzi | May 18, 2020

It’s a bustling Saturday night at your local neighborhood restaurant. The dining room is only half full, but you know it’s a busy night because in-house delivery drivers — formerly bussers and dishwashers — are whisking dozens of orders in and out of the store, delivering family meals and wine flights to regulars. While barstools are mostly empty, patrons wait for their tables dutifully six feet apart, most wearing face masks. Someone coughs and customers shift nervously — several even get up and leave.

It’s a restaurant scene experts say is likely to become familiar over the next six months to a year as businesses reopen to modified operations and a consumer sentiment is marked by apprehension or fear.
“The restaurant industry will never go back to ‘normal’ again,” said Gary Stibel, an analyst at New England Consulting Group. “Memories are short; people will come back. But it will take a couple of years for traffic to get back [to the way it was before]. You’ll see a spike when we reopen the country — people are landlocked right now and want to get out — but that will soon level out.”

As America climbs out of the coronavirus crisis and businesses begin to reopen, albeit with radically different operational tactics, one big questions looms: Will the customer be back, and how quickly? And how will they be changed by the financial, social and health stresses they’ve endured?

"Memories are short; people will come back. But it will take a couple of years for traffic to get back [to the way it was before]."
— Gary Stibel, The New England Consulting Group

The full evolution of the restaurant patron psyche is yet to unfold, but early clues already paint a picture of a cautious consumption. Researchers behind the Index of Consumer Sentiment from the University of Michigan predict that once the country reopens it will see a “short burst of spending” quickly followed by slower traffic as people will be cautious to go out in public particularly to crowded places like popular restaurants.

“It will take some time for the majority of consumers to again become comfortable enough to resume their normal spending patterns,” the researchers said in their April Consumer Sentiment Index report.

Besides fear, the other major consumer inhibitor is economic distress. According to the latest data from the U.S. Department of Labor, 3.8 million people filed for unemployment the week of April 25, pushing the unemployment numbers past 30 million over the past six weeks, or 20.6%, a number that has surpassed the economic recession of 2008.

There are signs those stresses are already driving more cautious behavior. Personal spending was down 7.5% in March, according to the Commerce Department. The Consumer Confidence Index fell nearly 27% from March to April as the crisis wore on, according to the Conference Board.

**Fear as a major driver**

Experts say fears around health, safety, and an economic recession will shape the restaurant industry for months and years to come. Even as state governments begin to give the go-ahead to reopen businesses and public spaces, people will likely be hesitant to dive back into their old lives.
Restaurant operators would be wise to take that into account, Stibel said. Any marketing research that restaurant companies might have gathered on what their customers want has to be “thrown out the window,” he said.

“From now on, you’ll have to be segmenting based on fear instead of demographics,” Stibel said. “Some people are scared because of their age, others because they have young children. When this is all over, there is a segment of the population that will jump for joy and get in their car and spend, but that will be a small section of the population.”

Many consumers will respond to visual signals that show customers health and safety are a priority. Extra sanitation protocols, contactless delivery options, masked and gloved employees and clear social distancing guidelines can all ease a nervous consumers mind.

Convenience reigns

Although delivery was already top of mind for the restaurant industry before COVID-19 hit, once dining rooms closed in March, it was sink-or-swim for restaurants that had not focused on off-premise before. But even as the effects of coronavirus begin to let up in the coming months, the push for convenience-focused service is likely to get stronger.

“Companies with strong digital properties — those with apps and rewards programs — are in demand more by consumers right now,” analyst Andy Barish, managing director at Jefferies said. “Demand shifting to off-premise would also necessitate smaller restaurants, less dine-in space, things the industry had already started thinking about with delivery becoming a larger factor.”

While restaurant dining rooms remained closed across much of the country, restaurants had to rely on third-party delivery apps, their own in-house apps, and social media to communicate with customers. The key takeaways from this entirely off-premise-focused, challenging period of the restaurant industry are
COMPANIES WITH STRONG DIGITAL PROPERTIES – THOSE WITH APPS AND REWARDS PROGRAMS – ARE IN DEMAND MORE BY CONSUMERS RIGHT NOW.”

– Andy Barish, Jefferies

personalized communication: If you had already heavily invested in digital delivery tools, you were one step ahead of the curve.

Growing demand for delivery might also loosen the hold third-party companies have on the delivery segment, as restaurants decide the revenue stream is worth additional in-house investment.

“Many restaurants have been forced in the past few weeks to do direct delivery and have found it’s doable,” Stibel said. “Figure out a way to insure your employee that has a car and make them a delivery person. Once they realize this is doable, the savings will be huge.”

**Old rules no longer apply**

The COVID-19 crisis has nudged restaurant brands to get creative with their menu and marketing offerings. From chains like Subway and Panera Bread launching grocery delivery and pickup, to family-friendly restaurants offering unique meal deals like fast-casual chain Fresh Brothers’ Jumanji movie bundle with pizza and a digital movie download, the line has blurred between e-commerce, groceries, and foodservice.

The result: Restaurants have free reign to get creative to stand out from the pack.

“It will be survival of the fittest for [the restaurant industry],” Stibel said. “Why not declare restaurant month instead of restaurant week when you reopen? Why not lean into subscription-based pricing or family meal deals?”

Consumers appear to be open to such broader offerings. According to Chicago-based research firm Datassential, 78% of consumers are interested in family meal deals like a buy-one take-one entrée deal. Additionally, 70% of consumers across all demographics are interested in restaurants as popup grocery stores selling bread/bakery items, fresh produce, and fresh meat/seafood.

“We can be a one-stop-shop and have variety for the whole family,” Kim McBee, senior vice president of take-and-bake pizza chain Papa Murphy’s said, noting that their Vancouver, Wash.-based chain with more than 1,500 locations is uniquely positioned to appeal to the food safety-conscious crowd, as customers make the pizza themselves. “You have a lot of different people who can eat from one family meal kit, maybe mom wants this, or the kids want that.”
struggle to get back up on their feet following a nationwide shutdown.

**Rewarding brands with social conscience**

Restaurant executives say consumers are rewarding restaurants that care about their employees and their communities, a sentiment they expect to continue long term. From being transparent about the treatment of their employees during a crisis to donating to people in need, customers won’t forget operators that prioritized transparency of policy and social consciousness during a time of crisis, they say.

“I think consumers will remember how you treated them and your employees during this crisis, and they will remember long after it’s over,” Eric Wyatt, CEO of Boston Market said.

Wyatt said that for example, managers used to get a free meal per shift while store-level employees would receive a 50% discount. During this coronavirus crisis, they quickly revised the policy to include free shift meals for all store-level employees.

“We’re learning along the way; it’s like building the plane while you’re flying it,” he said. “We want to make sure they appreciate that we’re trying to fulfill their needs,” he said.

Christine Specht, CEO of Wisconsin-based, 99-unit Cousins’ Subs sandwich chain agreed. She said that it all comes back to a brand’s attitude toward their customers and how they share that they care about their
local communities. For example, during the coronavirus crisis, the company has launched the Cousins Cares campaign, which allows guests to pay it forward and reward essential employees in Wisconsin.

“I think there’s a continuing emphasis on what the social edict is,” Specht said.

Right now, for example only manager-level store employees receive paid time off, but she said that they might reevaluate these policies for a post-COVID world.

“Guests want to know who the people are behind the brand, how they’re behaving and how they treat their employees. [...] guests will continue to choose brands that maintain a social conscience.”

Contact Joanna at joanna.fantozzi@informa.com

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MEMORANDUM
VILLAGE OF NORTHBROOK
DEVELOPMENT AND PLANNING SERVICES DEPARTMENT

TO: RICHARD A. NAHRSTADT, VILLAGE MANAGER
FROM: THOMAS R. POUPARD, DPS DIRECTOR
DATE: May 26, 2020
SUBJECT: A RESOLUTION APPROVING NORTHBROOK STRONG BUSINESS GRANT PROGRAM

On May 26, 2020, the Board of Trustees is scheduled to continue their review of a “Northbrook Strong” business grant program to assist local businesses to recover some of the costs associated with reopening after being closed due to the COVID-19 pandemic. The Budget for FY 20/21 was adopted with a line item allocating $250,000 for this purpose. The Board previously discussed the topic on April 28 and May 12 and, as a result, the major features of the grant program have taken shape.

Following the feedback we received from the Board on May 12, the staff has continued to refine the general scope of the program. We see the Northbrook Strong Business Grant program now having the following components:

1. The maximum amount of grant would be $2,000/business.
2. The grants would reimburse businesses for costs associated with a safe reopening, including, but not limited to: Plexiglas shields, facemasks, hand sanitizers, floor decals, and the purchase or rental outdoor tables, umbrellas, fencing or other equipment for outdoor dining areas.
3. Businesses would be able to submit receipts or orders that have been placed for reimbursement.
4. Smaller “non-essential” retailers that were forced closed during the first phase of the pandemic would be eligible. After reviewing more information on retailers, the recommended threshold for “small business” would be:
   o At least one store with a physical presence in Northbrook,
   o Not owned by a national corporation (the final criteria will spell this out more clearly so it is not subjective),
   o Fewer than four stores,
   o Fewer than 25 employees,
   o Located in a shopping area or commercial district in the Village (not a home occupation or simply an internet based business).
5. Some personal services, most notably hair salons, barber shops and nail salons would be eligible for a grant. The same criteria used for retailers would be applicable.
6. Smaller restaurants and eating establishments would be eligible for a grant. Criteria for the restaurants would be:
   o At least one restaurant or eatery with a physical presence in Northbrook,
   o No more than four restaurants owned and operated by the entity.
Located in a shopping area or commercial district in the Village (not simply a catering operation)

7. Businesses would have had to have been in operation on February 1, 2020.

8. Applicants must submit a statement of economic hardship concerning the loss of revenue attributed the pandemic.

9. Applicants must demonstrate that they have a valid Village business license and have no active violations of Village ordinances.

10. Applicants must provide a statement regarding what other types of county, state or federal aid they have applied for. Having applied for or received aid would not be a disqualifying factor.

11. Village would establish an online portal for submitting requests and making clear the applicant requirements and criteria for issuing grants.

12. A standard Village application form will be provided that can be submitted electronically. The grants would be available to those retailers, restaurants and salons that can show a significant drop in revenue since the pandemic - demonstrated hardship.

13. The grant money would be issued in up to two phases. The grant applications would be evaluated as a group at the closing of each grant period. They would not be approved on a first-come, first-served basis.

14. The applications would be screened by a Village staff team based on the pre-established criteria so the review is objective.

15. Applicants would have to submit a W-9 form.

16. The Village Attorney would establish a straightforward grant agreement that would have to be signed by the entity receiving the grant.

17. Applicants would have to attest that all information submitted was accurate. Providing false or erroneous information would be a violation of the terms of the grant.

18. The recipients of grants would be posted online and any grant payments issued would appear as such on the claims list.

19. The Village staff will periodically provide reports to the Board on the status of the grant program to monitor its effectiveness.

Additional information on the application process and evaluation will be presented at the meeting on May 26. If the Board feels that the scope of the program can be approved as described in this report, there is a draft Resolution Authorizing a Business Reopening Grant Program on the agenda.

I look forward to discussing this important program with the Board on May 26.
BE IT RESOLVED by the President and Board of Trustees of the Village of Northbrook, County of Cook and State of Illinois, THAT:

Resolution Approving Northbrook Strong Business Grant Program

is hereby adopted, as follows:

Section 1. Recitals.

Coronavirus Disease 2019 (COVID-19) is a novel severe acute respiratory illness that has spread among people through respiratory transmissions. The World Health Organization declared COVID-19 a Public Health Emergency of International Concern on January 30, 2020, and the United States Secretary of Health and Human Services declared that COVID-19 presents a public health emergency on January 27, 2020. On March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic. More than 3.7 million cases of COVID-19 and 261,000 deaths attributable to the virus have been reported worldwide as of the first week of May, 2020. As of May 7, 2020, the State of Illinois alone has confirmed over 70,000 cases and recorded over 3,000 deaths.

In response to the pandemic, Governor J.B. Pritzker declared all counties in the State of Illinois as a disaster area on March 9, 2020. Pursuant to this declaration, the Governor issued Executive Order No. 2020-10, on March 20, 2020, directing residents of Illinois to stay at home, subject to limited exceptions, and non-essential businesses to cease operations with limited exceptions (“Stay-at-Home Order”). In response to the Governor’s Stay-at-Home Order and the potential impact of the COVID-19 pandemic on the Northbrook community, Village President Frum issued a Declaration of Emergency on March 26, 2020, which declaration has been repeatedly extended by motion and consent of the Village Board.

On April 30, 2020, Governor Pritzker issued Executive Order 2020-32, extending restrictions on non-essential travel and business operations (“Revised Stay-at-Home Order”). However, the Revised Stay-at-Home Order expanded the list of essential businesses authorized to open to the public and allowed certain non-essential retail stores to commence online sales fulfilled through delivery or customer pick-up.

On May 5, 2020, the Governor announced the “Restore Illinois” initiative, a five-phase plan providing guidance on how the State of Illinois will gradually begin lifting restrictions on a regional basis. As the state and the Village move from the current Phase 2 “Flattening” of this plan, towards Phase 3 “Recovery,” a great deal of work will need to be done to ensure that places of work and public accommodation will be safe for both employees and customers.

Since the Stay-at-Home Order was issued, most businesses that are open to the public (retail and personal service establishments) in the Village have had to temporarily close. Eating establishments have had their operations significantly limited, as they are restricted to pick-up sales. Both the quality of life and financial well-being of the Village depends on a diverse and vibrant business community. Commercial, office, and industrial businesses provide sales, service, and property tax
revenues that are key components of the Village’s budget and essential to the Village’s ability to deliver municipal services.

In response to the widespread economic disruption caused by the COVID-19 pandemic and in an effort to assist local businesses to absorb the costs of reopening in a safe manner, the Village President and Board of Trustees desire to implement a Business Reopening Grant Program (“Grant Program”) supported by the Village’s General Fund.

The Village President and Board of Trustees have determined that it is in the best interest of the Village of Northbrook to authorize and implement a Grant Program in accordance with the terms and conditions of this Resolution and pursuant to the Village’s home rule powers as set forth in Section 6 of Article VII of the Illinois Constitution.

Section 2. Business Reopening Grant Program.

The Village Manager is hereby authorized and directed to implement the Grant Program with a maximum aggregate appropriation of $250,000 from the Village’s General Fund (Account No. 11-1110-599-00) to support the efforts of local Northbrook business emerging from the economic damage of the COVID-19 pandemic. The Village Manager is hereby directed (a) to prepare all necessary procedures, applications, and legal instruments to implement the Grant Program; and (b) to provide the Board of Trustees with a report on the progress of such efforts at the Board’s next regular meeting.

Section 3. Effective Date.

This Resolution will be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

Scheduled: 5/26/2020

ATTEST:

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Village President

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Village Clerk