ECONOMIC DEVELOPMENT COMMITTEE
MEETING NOTES
April 27, 2011

Attendees:


Committee Members Absent: R. Creamer

Other Staff: S. Griffin, A. Logan, B. Newman, J. Nyden, N. Radzevich, J. Saul

Other Elected Officials Present: P. Braithwaite

Presiding Member: C. Burrus, Chair

I. Call to Order
A quorum being present, Chair Burrus called the meeting to order at 7:35 p.m.

II. Consideration of Meeting Minutes of March 27, 2011

The minutes of the March 27, 2011 meeting were approved unanimously, 9-0.

III. STAFF REPORTS
A. M/W/EBE Advisory Committee Discussion/Joint Meeting
Ms. Radzevich, Economic Development Manager, reported that the M/W/EBE Committee has not met because they did not have a quorum for the April meeting, but they expect to meet in May. Ms. Radzevich added that there has been progress on filling some empty seats: Ald. Braithwaite has been appointed as the Housing & Economic Development Committee representative, and a resident at large, will be appointed by the Mayor.

B. May 2011 Economic Development Summit
Chair Burrus reported that last year she met with members of the Evanston Chamber of Commerce (Pat Hughes, Steve Haggerty, Corrine Passage) and Steve Griffin and Johanna Nyden. In addition to having Economic Development Staff out in the community, they discussed having the presence of Property Standards, the Mayor and other facets of the government in a chosen business district for a approximately one week at a time and may also do some community events, for example, doing a cleanup, having a sidewalk sale or another activity. The mobile office can help create cohesion with the businesses, and Staff can help make them aware of things the City can do for them and the advantages of joining the Chamber of Commerce. This would be done with initial pilot program with the mobile
command center going to out to business districts like Dempster-Dodge and Howard Street.

Ald. Wynne asked for the timeline for this project to which Ms. Nyden replied that June would be the targeted month to do one district and see how it works. Ald. Fiske praised the idea. Ms. Nyden described how they could go to different stores in an area, according to the layout of the business district. The Chamber of Commerce would be the City’s partner in implementing the plan. Mr. Mennemeyer suggested that the Chamber members could rally non-chamber members and host event(s).

C. Public Art in Business Districts
Mr. Griffin reported that the P&D Committee had asked staff to investigate putting art in the business districts. The Art Committee and the Business District Round Table group discussed the idea. The concept would be similar to the painted cows of Chicago or the CTA and Metra stations, which need improvement. He suggested that the purple line viaduct replacement project would be a good opportunity to incorporate art. Small pocket parks/seating areas (for which there are grants) and bike racks also provide good opportunities to incorporate art. He added that they can reflect the personality of the business district and also bring cohesion to the City. Ald. Grover commented that it lines up with the arts district idea.

Carolyn Dellutri said the Art Under Glass program created by the Arts and Business Committee and Downtown Evanston includes an agreement between the artist and the property owner to display the art in their store windows, however, some property owners are afraid that prospective renters would not realize the store is vacant.

The Committee discussed various ways to display art publicly, such as in train stations or on corners, as lighthouses would be, suggested by Ald. Rainey, to represent Evanston the way cows represented Chicago, or on wireless kiosks on the street, as suggested by Ald. Tendam.

D. Local Partner: Lending for Evanston and Northwestern Development (LEND)
Chair Burrus introduced Rory O’Brien and Brian and Andrew Levin of LEND. Mr. O’Brien explained that the organization started approximately one year ago when 12 students became aware of the economic divide between the City and Northwestern University so they decided to raise money to provide micro loans to small business owners. Their goals are to make one year loans starting at $2,000 and to provide a more structured business training program with the 200 committed, volunteer graduates working with the applicants to develop business plans, social media marketing and websites. They meet weekly at their office at 820 Davis (in the Incubator site) and are self-funded by alumni, professors and friends. They have a 7-person board. They have issued $4,500 in small loans and worked with 7 entrepreneurs to form business plans. They helped a barber shop owner re-conceptualize, remodel and create marketing strategies such as student discounts to revitalize the business; they provided a local painter with credit needed to fix his vehicle to put him back in business. Currently they are running a 2 week campaign gathering small donations from students. The main donors are alumni, program judges and professors. They are working to get more high net worth alumni
involved, which has been successful because it gives them an opportunity to give back to the community.

They are working on assessing their opportunities in all areas of Evanston and finding their niche in the community, and plan to evolve into a sustaining student group with an overarching board that will keep their progress moving forward as new students participate. They are also reaching out to the community for mentors.

The Committee members and staff commended them for their work. Ald. Rainey suggested they help a theater company that is planning to relocate to Evanston from Wicker Park. Ald. Tendam suggested putting a link to the organization on the City’s website. Mr. Griffin said he would work to get the link implemented.

LEND’s website is: groups.northwestern.edu/LEND, on which their newsletter can be found.

IV. OLD BUSINESS
A. Discuss and Consider Economic Development Grant Application for the Evanston Community Development Corporation (ECDC)

Annette Logan, Economic Development Planner, summarized the results of the March 23rd meeting when ECDC submitted an application for a total of $220,000 for ED grant funds. She explained that the committee moved to continue the item until April to allow for questions raised to be answered. Ms. Logan stated that since the last meeting several meetings took place with ECDC and Jolene Saul, the City’s NSP2 Specialist, consulted with Brinshore, who has agreed to supply contractors with appliances, countertops, windows and cabinets. Consequently, ECDC’s application was revised to request $120,450 for staff, with 50% of the salary for a new Executive Director, 100% for a Business Program Director and 50% for an Entrepreneurship Coach. Staff regretfully did not make a recommendation to the EDC for several reasons outlined in the memo. Mainly the outcomes related to Economic Development were not clear and distinguishable. Staff does recommend that ECDC be allowed to submit a new application in the future addressing their staff’s roles and the results of the organization’s assistance to the community.

The Committee voted to waive attorney client privilege in order to share the Law Department’s findings regarding a competitive bidding conflict. The finding was that the program, as proposed in ECDC’s application, would give participants an unfair advantage, violating the intent of competitive bidding process.

Precious Wright, the Interim Director of ECDC thanked the Committee saying ECDC wants to partner with the City in their dedication to reviving the west side of Evanston by helping minority and women owned businesses, teaching job skills to black males, through the West End Market (an incubator for entrepreneurs), fighting diabetes and obesity by providing healthy grocery options to the west Evanston community, through New Leaf Urban Gardens (formerly Second Chance) providing opportunities for ex-offenders by working to get their records expunged, and helping them obtain GED’s, Food Safety Certificates and catering partnerships and assisting the self employed and entrepreneurs through peer learning methods and loans. She
added that CDBG advised them to approach the Economic Development Committee for assistance.

Ms. Wright said the $120,450 requested would allow them to expand their staff. The $50,000 recommended by City staff in the original recommendation memo left an $80,000 shortfall. She said the assistance by Brinshore to provide appliances, countertops, etc. is progress but the contractors still need help securing lumber, roofing and other materials.

Chair Burrus complimented Ms. Wright on her presentation.

Mr. Griffin commented that the City’s is still cutting back and he would rather partner with the organization than duplicate services City staff can provide. He noted that ECDC has been awarded $85,000 in CDBG funds and last year they were awarded $80,000 in Economic Development funds and $50,000 in West Evanston TIF funds. Ms. Wright explained the uses of the CDBG award have already been identified: $50,000 of the funds will be for training for the Evanston Rebuilding Warehouse $15,000 is for rent and $20,000 is for ECDC staff.

When asked what ECDC’s core service is, Ms. Wright said people come to ECDC with various needs: business assistance, technical assistance, micro loans, employment assistance. Mr. Bill Smith, an ECDC Board Member, who’s business has also been contracted by Brinshore, said though the results of ECDC’s assistance are not always tangible, his company could not have survived without the assistance of ECDC. Through his company, he has begun getting men off the street and into employment. His 5013C non-profit training company needed money to pay the men and keep them employed, and ECDC found that money though a JTED and other grants, allowing him to train men to become constructive, productive workers. He said ECDC staff wrote the proposals for the grants and asked whether City staff would be able to assist someone in his position, adding that it will be hard to define the gaps between the City and ECDC, whose work takes a lot of time and skill.

Mr. Lonnie Wilson said he has observed that ECDC fills the gap between the assistance the government can provide and what the community needs adding that this would be the worst time to cut their funding.

Chair Burrus commended the City’s staff for their outreach the past year. Some of the Committee members agreed and discussed the progression of the City’s focus from the downtown towards neighborhood business districts.

Bennett Johnson commented that Church and Dodge is the historic epicenter of the black community and where the high school is located, and that it needs to heal, asking the Committee to help ECDC help to this end by approving the requested funding. Ald. Grover noted that City staff and other organizations are working to this end and asked that a meaningful partnership be defined and formed, which can provide a timeline for accomplishments. Committee members agreed that the City cannot afford to staff ECDC where City staff can work towards revitalization in partnership with them.
Ron Fleckman, a board member of ECDC, stressed that it has been an uphill battle revitalizing the west side of Evanston and Howard Street and asked for results of the Economic Development Division staff’s efforts. Chair Burrus responded that they have only been fully staffed for 5 months. Ald Rainey noted that the Division has boosted moral and made these areas a priority, where before, they were not, and that the crime rate has gone down.

Mike Corr, a board member of ECDC and member of the Loan Committee, offered to discuss a partnership with City staff towards their common goals over the next month. He explained that ECDC needs staff to operate, meet with applicants, and administer the fund.

Ald. Braithwaite said he has worked closely with ECDC, that he is invested in their success, that the west side has grown because of them and that they are the only organization working with the young people of concern to the City, and offered his continued support to ECDC. In response to an inquiry by Ald. Rainey asking Ms. Wright to confirm if the sales were down this past year, Ms. Wright responded that the sales were slightly down, but that the market is growing. Ms. Wright added that it has been there 3 years and it strives to educate people about nutrition and health. Mr. Zenkich suggested that Staff and ECDC meet over the next 2 months to determine goals and objectives and the unique role for ECDC to play in its partnership with the City. Ms. Radzevich stated that the Micro Loan and proposed Expedited Payment Programs are two programs that are unique to ECDC and do not duplicate Staff efforts. Chair Burrus stressed to Ms. Wright that the partnership will not include money for staffing ECDC.

Ald. Grover moved to accept Staff’s recommendation not to fund ECDC with Economic Development funds, but to explore a meaningful partnership with the City and a unique core purpose for ECDC. Ald. Rainey seconded the motion.

The Committee voted unanimously not to fund ECDC with Economic Development funds, but to explore a meaningful partnership with the City and a unique core purpose for ECDC.

Mr. Mennemeyer noted that he had contacted an ECDC representative, after the last EDC meeting, requesting a time for him to meet with them to share some of his ideas, but after an initial response, the ECDC representative did not get back to him. He suggested that follow up is important.

V. NEW BUSINESS
A. Discuss and Consider Financial Assistance for Long Tall Media Group
Ms. Nyden introduced Rob Cornog and Joe Keefe, owners of Long Tail Media Group. They sought financial assistance for the redevelopment of a space in the Strange Lofts for their online entertainment company – Friday Night Bytes. They described their proposed show as Saturday Night Live for “Screenagers” and propose to weave marketing into the show by paid advertisers with 15-20 segments tied into an episode. Their goal is to attract an audience and build a community that is their audience, with their participation. They presented a sampling of an
advertisement/show and explained that they need a place to go into production and they have chosen the “Strange Lofts” because of its Evanston location and proximity to the high school and the “el.” They are proposing:

- To present a Friday night web show at FridayNiteBytes.com
- To provide internships for creative young people and include the audience in the production of the show
- To borrow money; they are not asking for a grant
- To do an internship program with the high school
- Provide credit for Columbia students for their work, when applicable
- To do construction to build a stage, deaden sound, install lights and build a conference area and editing suites in the upper floor.
- To employ 8-10 people in 2011, 12 to 16 in 2012 and 17-20 in 2013
- That shows will have PG13 and lower content
- To produce show on Friday nights and post results in a ½ hour show on Saturday afternoons
- Talent pool is young and relatively poor
- Year 3 goal is to have a broadcast production every hour; if 25,000 people watch on Friday nights, they will be successful

Ms. Nyden explained that 50% of the loan will be forgivable only after 5 years if they meet the public benefit requirements, if not, they would have to pay it back in full. The other 50% of the loan will be interest free and payable on a monthly basis for five years. They seek a total assistance package of $36,000

Mr. Cornog explained that they are waiting for approval from the Illinois Film Tax Credit from the State of Illinois, in order to fully commit to an Illinois location.

Ald. Braithwaite commented that he is excited about the project and is confident that they will be able to repay their loan.

Ald. Wynne moved to accept Staff’s recommendation to provide financial assistance to Long Tail Media Group, provided it is in compliance with the conditions as stated in the Staff memorandum dated April 20, 2011, and that as a public benefit, they will put their best efforts toward using Evanston employees. Ald. Rainey seconded the motion.

The Committee voted unanimously to accept Staff’s recommendation.

B. Neighborhood Business District Grant Program
Ms. Nyden reported that the new program and guidelines need to be approved by City Council before the funding runs out next month. Ald. Grover asked that Staff encourage businesses to spend the funds locally, to which Ms. Nyden replied that it is in the grant application. Ald. Grover moved to recommend approval of funding for the Neighborhood Business District Grant Program, seconded by Ald. Rainey.

The Committee voted unanimously to recommend approval to City Council.

C. Discussion of Future Economic Development Committee Meeting Locations
The next Economic Development Committee meeting will be held at the Evanston Police Department’s Outpost at 633 W. Howard Street in Evanston.

VII. Adjournment

The meeting was adjourned at 10:30 p.m.

The next meeting will be held on Wednesday, May 25, 2011.

Respectfully submitted,
Bobbie Newman