AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM
With a quorum present, Alderman Holmes called the meeting to order at 7:33 pm.

2. APPROVAL OF MEETING MINUTES OF September 17, 2014
Alderman Burrus moved approval. Alderman Wynne seconded. A voice vote was taken and the meeting minutes of September 17, 2014 were unanimously approved.

Economic Development Division Manager, Johanna Nyden introduced Cindy Plante as the new Economic Development Specialist.

3. ITEMS FOR CONSIDERATION
   A. Annual Request for Great Merchant Grants
      1. West End Business Association
      2. Central Street Business Association
      3. Hill Arts Business District
      4. Chicago/Dempster Merchants Association
      5. Howard Street Business Association
      6. West Village Business Association

      Economic Development Coordinator, Meagan Jones provided a summary for the six applications presented and an overview of requested funds. Ms. Jones closed by stating that members from each district were available for questions.

      Alderman Burrus moved approval, seconded by Alderman Wynne.

      A voice vote was taken and the Great Merchant Grants were approved 10-0.
B. **Funding Request for Façade Improvement Grant for Lucky Platter, 514 Main Street**

Ms. Jones provided an overview of the funding request for Lucky Platter.

Alderman Wynne moved approval, seconded by Alderman Burrus.

A voice vote was taken and the request was approved 10-0.

C. **Loan Modification for Corrado Cutlery**

Senior Economic Development Coordinator, Paul Zalmezak explained the request, provided a history of the business and an overview of the loan, and stated that Jim Bilger, owner of Corrado Cutlery, was there to answer questions.

Alderman Grover moved approval, seconded by Alderman Tendam.

Raymond Zenkich requested to know what could have been done differently when structuring the original loan.

Mr. Zalmezak replied that staff learned that some of the loan requirements, like the job creation requirement, were overly burdensome on a small business. Mr. Zalmezak pointed out that another onerous requirement, the generation of a specific amount of sales tax, was met by the business owner.

Alderman Rainey stated that there was no consistency to the requirements and that she didn’t want this request to modify loan terms to set precedence for other loan holders. She stated that she would support the request, but that she feels it makes a mockery of the City’s current policies.

Alderman Holmes requested that staff come up with different criteria for different businesses; the requirements for small businesses should be different than the requirements for large businesses.

City Manager, Wally Bobkiewicz highlighted the history of the loan and stated that one of the positive outcomes is that the business is staying in Evanston. He emphasized that it is important to have consistency in terms of requirements and stated that he is working with staff to provide new requirements and a new application form. Staff is also surveying businesses to identify community benefits that can be incorporated into future agreements; the result of these efforts will be presented in February. He closed by requesting the Committee accept staff’s recommendation to modify the loan terms.

Ald. Rainey requested to know what would happen to the furniture and fixtures.

Mr. Zalmezak confirmed that under the terms of the agreement, the City could take possession, but that it wasn’t recommended in the memo.

Mr. Bilger requested to address the Committee. He stated his history with the business and his issue with his lease which ends in two months, but his loan ends in two months. He is unable to sign a new lease at this time which is the main
reason he has to default on the loan terms. He closed by stating that he appreciates the Committee’s time.

There was discussion about the fixtures. It was agreed that Mr. Bilger could keep the fixtures and Ald. Rainey moved to amend the request to include allowing Mr. Bilger to keep the furniture and fixtures should he desire to do so.

Raymond Zenkich asked about the security windows and the door.

Mr. Zalmezak replied that those items would remain with the property.

A voice vote was taken and the amended request was approved 10-0.

D. Funding Request for Financial Assistance for ZS Associates

Mr. Zalmezak introduced the request and opened by stating that several speakers were present to offer comments.

Seven representatives from different Evanston-based businesses spoke in support of the funding request for ZS Associates. Additionally, letters from two businesses were provided in further support.

Mr. Zalmezak discussed the importance of retaining ZS Associates. He provided more information about the size of the company and possible solutions. Mr. Zalmezak stated that with Pivot Point leaving the Rotary Building, all involved parties have an opportunity to fill the vacancy and have a positive effect on businesses in the downtown area. He stated that for the different businesses, retail and hospitality specifically, it is vital to retain the business. He closed by reviewing the funding structure outlined in the memo and introducing Graham Webster, Chief Financial Officer for ZS Associates.

Mr. Webster provided a presentation on ZS Associates explaining the business and its focus, a history of the company, its contribution to Evanston and challenges with the current office space. He reviewed the current proposal with Rotary International and explained the request for financial assistance. Mr. Webster stated the organization’s goals and growth potential, its history in Evanston and close community ties. He closed by describing the organizations efforts to stay in Evanston, reviewing the proposal to use space in the Rotary building, and explaining the financial implications of the project and the funding request.

Ald. Grover asked about a merger with Chicago office.

Mr. Webster explained why remaining in Evanston was a benefit to the company and the company’s commitment to Evanston. There was discussion around the different offices and the benefits.

Ald. Rainey asked about further negotiations with Northwestern University. She confirmed that NU needed the space and that a lease renegotiation is not an option. She noted the $375,000 termination fee and asked why the organization wanted the City to pay the fee. She stated her support for helping the business, but
also expressed her reservations over providing financial support since Northwestern University was charging a termination fee. She discussed previous negotiations with the college that had a negative effect on Evanston. Mr. Weber stated that he understood the sentiment of Ald. Rainey’s stance, but there is a contractual relationship and obligation to pay the fee.

Ald. Rainey further clarified her stance and requested further negotiations with Northwestern.

Mr. Bobkiewicz discussed the history of the negotiations with Northwestern; he explained that many of the original terms were renegotiated in favor of ZS Associates. He stated that he would convey the Committee’s displeasure, but again stated the positive negotiations.

Ald. Wynne stated that she agreed with Ald. Rainey, but mentioned the time sensitive nature of the deal.

There was discussion about the timeline and constraints.

Alderman Holmes stated that there were two separate issues, helping the business move and continuing negotiations with Northwestern University.

There was general support for retaining ZS Associates. The Committee discussed options for moving the request to City Council or holding it for more information from Northwestern University.

Mr. Bobkiewicz supported the idea of separating the issues. He suggested moving forward, but directing the City Manager to continue negotiations and provide an update in February.

Mr. Weber stated that there were two separate contingencies in order for ZS Associates to remain in Evanston, early termination of the lease with Northwestern University and funding assistance from the City. He stated that the request from the City was independent of the resolution with Northwestern.

There was discussion about the perception of the request.

Ald. Grover moved approval of the recommendation, Ald. Tendam seconded.

Ald. Rainey moved to direct the City Manager and Mayor to continue negotiations with Northwestern to forgive the fee and that the funding request be sent to Council without a recommendation.

Ald. Rainey further discussed the merits of continued negotiations. She restated the motion to move the request to City Council with direction to the City Manager and the Mayor to continue negotiations with Northwestern University. She suggested the Committee vote down Ald. Grover’s motion and instead accept a
motion that sends the request to City Council for full consideration after further negotiations take place.

Ald. Grover amended her recommendation to support staff’s recommendation to positively recommend to City Council authorize the City Manager to execute the funding agreement with ZS Associates with direction to staff to assist ZS Associates in the negotiations of the termination fee with Northwestern.

There was discussion around voting procedures.

Ald. Wynne asked for clarification on the amendment.

Ald. Grover stated that her amendment included a direction to staff to assist with the negotiations.

There was clarification that her motion also includes a positive recommendation to City Council.

Mr. Weber pointed out that his request was independent of the negotiations with Northwestern and that the final contingency was approval of the funding request.

There was much discussion around the different ways to consider the financials of the project and the concerns of the Committee.

Mr. Weber stated that the goal of the organization is to stay in Evanston, but that other communities wouldn’t question the lease termination fee.

Mr. Bobkiewicz offered more information around how the specific dollar amount of the financial request was derived – the number came from the deal with Pivot Point.

Ald. Burrus stated that she would be abstaining from the vote because she is employed with Northwestern University.

There was further discussion around the weight of a recommendation.

Ald. Holmes called for a vote on the original motion as moved and amended by Ald. Grover and seconded by Ald. Tendam.

A voice vote was taken and the motion was struck down 3-6, with one abstention to not move the item to City Council with a recommendation from the Economic Development Committee.

Ald. Rainey moved to send the request to City Council with direction to the City Manager and Mayor to communicate concerns to Northwestern around the early termination fee and come back to City Council with a report; seconded by Matt Rodgers.

A voice vote was taken and the motion passed 9-0 with one abstention.
E. Funding Request for Financial Assistance for Valli Produce
Mr. Zalmezak opened by requesting the Committee approve staff recommendation to negotiate the TIF funding agreement between Azzurri of Evanston, LLC doing business as Valli Produce and the City of Evanston. Mr. Zalmezak described the two phases of the project and how the money would be used. The total cost of the project is $32 million and the company is requesting $2 million for renovations. The business hopes to open in May or June of 2015 and an additional request for funds will be made to improve the parking lot.

Ald. Braithwaite spoke in support of Valli. He discussed the company’s intent to create jobs and stimulate business in the West End. Neighbors and local business groups are excited about the project. Ald. Braithwaite requested that the project move through the Committee without hold up. He closed by highlighting the job training component and summarizing the additional construction projects taking place in the neighborhood including bike lanes and road resurfacing.

Representatives from Valli presented slides detailing the construction of the store and described the exterior and interior renovations. They also described plans for other tenants in the space.

Ald. Rainey noted that the current tenants are very supportive and she moved approval to send the funding request to City Council, seconded by Ald. Wynne.

A voice vote was taken and the request was approved 10-0.

F. Issuance of Request for Proposals (RFP) for 2222 Oakton Street
Ms. Nyden opened by outlining the reasons for asking for the proposal; there has been significant interest in the space and staff is requesting direction and approval to begin the RFP process. She highlighted the benefits of the process and described staff’s efforts to date.

There was discussion around best use for the space; there was agreement that the space would be used for entertainment.

Ald. Grover reviewed the two step process of the RFQ and the RFP and asked about the businesses that have already expressed interest.

Ms. Nyden described the interested businesses including developers and restaurants looking to expand.

There was discussion about Skokie and the property at McCormick and Dempster.

Ald. Grover pointed out that bowling was legal in Evanston and expressed her support. She asked about the parking lot and space.

Ms. Nyden talked about the adaptive reuse of the space since the building is relatively new. She restated the motion.
Mr. Zenkich encouraged staff to generate as much interest and solicit as many proposals as possible.

Ms. Nyden explained that the RFQ/P process would encourage the most participation.

There was discussion around the process and ways different businesses became involved. There was also speculation as to the types of businesses that would best fit the location.

Ald. Grover asked about the potential sale or lease of the property.

Ms. Nyden stated that staff would review all options; she also described the property.

Ald. Rainey moved to adopt staff’s recommendation for the Recycling Center, seconded by Ald. Grover.

A voice vote was taken and it was approved 10-0.

4. ITEMS FOR DISCUSSION
   A. Report from MWEBE Committee - “Procurement 101” Event on March 27, 2015
      Ms. Nyden stated that the request came from Ald. Tendam and Ald. Braithwaite to talk about ways the Economic Development Committee can be involved with the event.

      Ald. Tendam stated that the last event was successful and the goal was to continue that success with fresh ideas and improvements.

      Ald. Braithwaite stated the intent to hold another event to introduce businesses to representatives from the City of Evanston, Districts 65 and 202, Rotary and Northwestern. He explained that procurement officers were given the opportunity to present and that it was a benefit to local businesses; he expressed his interest in working with staff and various committees.

      Ald. Holmes asked if the Hospital would be invited.

      Ald. Braithwaite stated that the group was considering it.

      Scott Peters asked if the Community College would be involved as a workforce training partner.

      Ald. Braithwaite stated that the group would consider it.

      There was discussion around a time and location for the event.

5. COMMUNICATIONS
   A. Monthly Economic Development Communication
   B. Real Estate Transfer Tax Report
C. Announcements/Updates from EDC Members
D. Now We’re Cookin’ Quarterly Report

Ald. Holmes called for questions or comments on any of the Communications items.

Mr. Zenkich asked about Chicken & Waffles and whether establishments with loans in arrears for more than three months could come before the Committee to discuss options.

Ms. Nyden provided an update on the loan renegotiation. All of the loan terms remained the same, but the amortization schedule changed. She also explained that the issue went before City Council on January 26 due to past Economic Development meeting cancellations.

Mr. Zenkich also asked about Davis Transportation.

Ms. Nyden replied that the owner made a partial payment and staff was working with the business owner to bring the loan current.


Ms. Nyden provided information around the upcoming sale of the property and recent successes of the business.

Ald. Rainey asked about the Outpost.

Ms. Nyden replied that the business owner decided that the space wouldn’t be a good fit. Staff issued a press release stating that the property was available and has already received calls of interest and inquiry.

6. ADJOURNMENT
Alderman Grover moved to adjourn. Mr. Rogers seconded.
Meeting was adjourned at 9:28 pm

Next Meeting: February 25, 2015

Respectfully Submitted,

Jessica Wingader
Administrative Secretary