I. Call to Order
A quorum being present, Chair Burrus called the meeting to order at 7:32 p.m.

II. Consideration of Meeting Minutes of July 27, 2011

The minutes of the July 27, 2011 meeting were approved unanimously, 8-0.

III. Staff Reports
A. Update on 2011 Mash-Up
Ms. Nyden introduced Patrick Hughes of Inclusion Solutions and West End Business Association and Corrine Passage of Pivot Point Cosmetology School. Mr. Hughes expressed his gratitude and excitement about the West End banners that were designed by Craig Sklenar, General Planner, of the Planning & Zoning Division.

Ms. Passage informed the Committee of the upcoming “Mashup” to take place Tuesday, September 13, 2011 from 5:30 to 9:00 p.m. behind the Henry Crown Sports Pavilion, under a beach tent donated by Northwestern University (NU), on campus. Its purpose is to stimulate conversation, creativity and cohesion between the many entities of Evanston including Northwestern University, Northshore University HealthSystem, business owners and City Staff. Mayor Tisdahl and NU President Morton Shapiro are co-captains and will be in attendance along with the Chamber of Commerce staff. Ms. Passage noted that 350 people were in attendance last year. She added that this year they eliminated the panel discussion, in order to allow for a more free flow of conversation.

Information and registration for the “Mashup” can be found on the Evanston Chamber of Commerce website and a video of last year’s Mashup may be viewed at Evanstonmashup.com.

Mr. Zenkich asked that the Mashup be added to the City calendar.
B. Update on Recent Economic Development Activities
Nancy Radzevich, Manager of the City’s Economic Development Division, reported that the West End banners will be installed this week and that an offer has been accepted by a new Economic Development Planner, Paul Zalmezak, who will focus on Evanston’s tech-based and “start up” businesses, and assist in many of the Economic Development Division’s larger projects, as well as existing business expansion and retention.

Ms. Radzevich reported that the Central St. Café will have their ribbon cutting on September 9th at 10:00 a.m. Alderman Tendam noted that they have employed people from the 6th ward including 2 chefs. Mr. Zenkich asked when the before and after photos of the site would be posted on the website, to which Ms. Radzevich replied that she just received them and would post them as soon as possible, adding that they are a great example of the results of the City’s funding to small businesses for façade improvements.

C. Results of EDC Members’ Development Efforts and Recruitment
Alderman Burrus mentioned her referral of an Evanston resident with a local online cutlery company to Economic Development Staff. Ms. Radzevich added that he is looking for a “bricks and mortar” site in Evanston and is in the process of developing a business plan and determining its financing options. She has directed the business owner to some Evanston resources, including banks. He is currently investigating whether he could benefit from an SBA (Small Business Association) loan and façade improvement grants. He has also received helpful advice from the City’s building inspectors related to build out.

Ald. Holmes suggested Chitung Chinese and Thai Restaurant of Evergreen Park, as a prospective new business for Evanston, which she highly recommended.

IV. OLD BUSINESS
A. Technology Innovation Center (TIC) Update
Chuck Happ of the Technology Innovation Center (TIC) thanked the Committee and Ms. Radzevich for their support, adding that their quarterly report shows the progress they have made and that they have done even more since the report was generated. He reported that Tim Lavengood has been working closely with Kellogg and other Northwestern University schools. He reported that a business that had started in the incubator had been sold for over $1 million, that there are 4 new companies and 3 expanding companies, and that some companies have been hiring full time employees. He added that TIC is now on Facebook and 3 to 4 new members/entrepreneurs are signing up per week, adding that TIC remains focused on development within Evanston.

Ald. Rainey said while she is impressed with the hiring, she is concerned that the companies leave the City after they become successful, to which Mr. Happ replied that he is aware of this problem, and it is partly due to the economy and the real estate market. He added that it is also related to where the “seed” money is coming from, as it is often outside of Evanston and/or Illinois. He is working with consulting and fundraising entities that would enable some ability to encourage local investment into businesses to allow them to stay in Evanston.
B. Downtown Evanston Update
Carolyn Dellutri of Downtown Evanston thanked the Committee for the opportunity to present her update. She recognized members of her Board of Directors including Barbara Klein of the Hilton Garden Inn and Suzette Robinson, the City’s Director of Public Works.

Ms. Dellutri reported the following:
- They have established a Special Service Area (SSA) for Downtown Evanston, which provides much of their funding.
- They have hired Matt DiNello, as Marketing and Events Coordinator. He has a bachelor’s degree in International Business and Marketing from Marquette University.
- Their intern, Evanston High School student, Nathan Livingston, has been very helpful with distributing their brochures, which they go through rapidly along with the Chamber of Commerce Map, and keeping Facebook and Twitter updated.
- They’ve noticed increased traffic in their offices and are now tracking the number of inquiries at the Visitor Information Center at 820 Davis. As a result of one “drop in,” they were able help visitors from Australia with hotel accommodations for 9 consecutive nights in Evanston.

Ms. Dellutri further reported:
- They continue to work on selling the gift cards online;
- They have partnered with the Chicago/Dempster Merchant Group on the sidewalk sale.
- An inventory of available office and retail space is on their website with a form for businesses to input data if they are looking to relocate to Evanston;
- She has been working with Ms. Robinson on the Maintenance Contract RFP and that it will be ready for release soon;
- Sweetperk, a business that was started by Kellogg and McCormick School of Engineering Grads, now has 5 employees. They have launched the new Passport to Downtown Evanston App for the iPhone and Android. They will be attending the upcoming International Downtown Association conference in September to sell their programs to downtowns similar to Evanston.
- The owner of Lulu’s is opening a new Mexican restaurant on Davis at the former site of Bill’s Blues.
- On Saturday, September 18, 2011 at 11:00 a.m., they will host a musical block party as part of their new fall event, “Center Stage;” they are working with area restaurants to provide food, there will be entertainment for children and Shirley King will perform. Downtown Evanston partnered with Backstage Evanston to market the event.
- They are redefining the downtown brochure to make various venues easier to find: restaurants will be sorted by fast food, fine dining, etc.; it will also illustrate the strength of the various clusters.
- They continue to work with Northwestern University: A packet will be sent to the homes of new NU students, containing brochures and information on the Downtown Evanston App; they are partnering with NU Athletics to give away gift cards at games, and will announce attractions/restaurants at games to encourage people to stay in Evanston after the games.
C. Update and Discussion of Evanston’s Tax Increment Financing Districts

Ms. Radzevich introduced the next topic for the evening – a discussion of Evanston’s Tax Increment Financing Districts. Johanna Nyden presented an explanation of the way TIF’s work, how they can benefit a community and charts showing the results. Ms. Nyden explained the following about TIF’s:

- TIF’s do not provide a tax break and only property taxes, not sales taxes, are affected by TIF funding.
- Per the state statute the following are TIF eligible expenses:
  - Professional services
  - Property assembly costs
  - Rehab
  - Construction of public works
  - Some Infrastructure projects
- Some expenses that are not TIF eligible are:
  - Construction of new buildings
  - Salaries of employees
  - Operating expenses
  - Property outside of the TIF District
- TIF’s are designated by a TIF Inspector/Field worker who inspects the area and determines the boundaries of the TIF district based on:
  - Obsolescence
  - Deterioration
  - Inadequate utilities
  - Evaluation of each parcel in the area (a certain percentage must be eligible of a particular area)
  - If less than 3 of 13 factors are true, the area will not be eligible
  - Value of buildings by taxes
  - The “But for” factor (“But for the designation, redevelopment would not occur”)
- Eligibility is determined by a Joint Review Board at which all taxing bodies must agree that there is a lack of growth in the area, which is determined by comparing it to growth in adjacent areas.

Ald. Holmes asked how much job training has been done in Evanston. Ald. Rainey asked what the schools have done with the $800,000 that they received.

Marty Lyons, Assistant City Manager, explained that per the City’s agreement with the Schools, the funds are split 60/40 between the two Districts. Funds for District 202 are to be used for job training. In response to the question of how to confirm that the funds have been spent on job training, he said the City has not requested an audit of the funds. Chair Burrus suggested asking for a report of outcomes.

Mr. Lyons further explained that TIF districts benefit the City because certain areas were not developing on their own. TIF Districts help keep tax dollars where they are without affecting other areas of the community. He explained that the Downtown TIF has been very successful, increasing private investment. The Howard Hartrey TIF was also cited as a successful TIF district where development has occurred because deteriorating buildings were demolished and new infrastructure was created.
With respect to the review of the existing TIFs, Ms. Radzевич explained that the Southwest TIF is due to expire within the next few years. She suggested that the next step in the process is for Staff to meet with aldermen individually, particularly in areas where there may be multiple and/or conflicting projects, and to also discuss their recommendations for a 5 year plan for use of TIF funds. She indicated in some of the newer TIF Districts, many of the projects likely will be CIP projects, as providing new sewers, water, streetscape, and other infrastructure improvements provide a much needed base for encouraging new business to come to Evanston. Ms. Radzевич suggested the next forum for discussion be at the City Council level, as part of the budget review process.

Mr. Lyons noted that at the budget discussion, CIP and TIF will be discussed together. He is hoping to have a special Council meeting at which to discuss this. Ald. Rainey agreed with this idea since there is never time at the budget meetings after the citizen comments have been heard. The Committee agreed that more time is needed to discuss the use of these funds at the Council level.

In addition, Mr. Lyon suggested that we also engage in an agreement with Schools, as we continue to evaluate both the existing and the potential new TIF Districts. The Committee reiterated their concerns with how the schools are using the TIF funds and urged Staff to be persistent about asking for a financial report. Alderman Rainey indicated that she does not want another three-year agreement, and thinks it should be one year.

Ms. Radzевич raised the issue of retaining new consultants to explore the potential for new TIFs in Evanston to support redevelopment. Ms. Nyden added that a TIF consulting company can provide useful and targeted analysis for how redevelopment can occur through the use of TIFs. Additionally they can help ensure that the City is maximizing the dollars generated from current TIFs.

Alderman Burrus asked if there are specific areas where the consultants would be looking. Ms. Radzевич indicated that Evanston Plaza is one of the areas as it will likely take a public/private partnership to move something forward. The other area is Chicago and Main. Ms. Nyden explained that the consultants would be asked to examine market feasibility of Dempster-Dodge and Main & Chicago, and examine boundaries, which can vary according to feasibility.

The Committee agreed that Evanston Plaza and Chicago and Main are good areas to investigate in relation to TIF funding. Although a third area has not yet been identified, Ms. Radzевич noted that Staff is requesting the ability to work with the selected consultants to explore the creation of 2-3 additional TIF Districts.

Mr. Lyons responded to the inquiry of who they would use, indicating that an RFP ("Request For Proposal") process is used for competitive bids.

Chair Burrus moved that the TIF discussion be moved out of the Economic Development Committee and that after individual meetings with Aldermen, that it be moved to City Council and that the Assistant City Manager engage in discussions for a one year agreement with the Schools. Seconded by Ald.
Rainey. Ald. Rainey moved to pursue the investigation of 2-3 additional TIFs through the use of a TIF consultant, seconded by Ald. Tendam.

The Committee voted unanimously 8-0 on these motions.

V. NEW BUSINESS
A. Discussion of Potential Revisions to the Façade Improvement Program
Ms. Nyden explained that it has been almost a year since the new Façade Improvement Program had been implemented and, as discussed when the program was originally adopted, Staff is looking into what works and what doesn’t work about the program. Ald. Grover wondered whether the City should require a completion date and whether the grant should expire. Ms. Nyden agreed that a time limit would be helpful, but explained that when applicants do not own the property, the owners tend to slow down the process. Recording the improvements against the deed is a stopping point for many owners. Ald. Grover suggested that perhaps there is another way to protect the investment. Ms. Nyden cited some successful examples of the program such as Oceanique and the Central St. Café.

Ald. Rainey suggested the application is too long and it should not be more than 2 or 3 pages, and applicants should be able to complete it online. Ms. Nyden said there is a web based version but many applicants are not equipped to use it. Ald. Rainey agreed that an alternative to recording the improvements against the deed is a good idea. The Committee agreed that the process for smaller projects needs to be streamlined.

Ald. Rainey commented that it is a great program and we should promote it with photos of finished cases. Aaron Brown, Economic Development Assistant, is working on before and after photos. Staff will present revisions at the September or October meeting.

B. Discussion of Potential Emergency Assistance Program for Businesses
Mr. Mennemeyer mentioned business interruption insurance provided by insurance companies. He wondered whether a municipality could offer small business owners a discount through the Economic Development Division or the Chamber of Commerce. Chair Burrus suggested that the City should disseminate information rather than money. Mr. Mennemeyer brought up the possibility of a group business owner’s policy rate through a collaboration of small City businesses. The Committee discussed the losses caused by the recent electric power outage in relation to this type of insurance.

Alderman Burrus moved to collect information about business interruption insurance, amended by Ald. Rainey, who recommended that the Chamber of Commerce distribute information about local companies that provide business interruption insurance, seconded by Mr. Mennemeyer.

The Committee voted unanimously 8-0 that the Chamber of Commerce should distribute information collected by staff about local companies that provide business interruption insurance.
VI. COMMUNICATIONS
   A. Real Estate Transfer Tax Report
      Ald. Rainey noted that the City has met its budget already with one sale of $55.6 million. She suggested the budget format be altered to reflect the new budget year.

   B. Public Comments and Announcements
      Michael Vasilko of Vasilko Architects, 2728 Reese, thanked Chair Burrus for the report on the Varsity Theater and asked how he could submit a comment back to the City, to which Chair Burrus replied that the Committee is always happy to have comments written to the City. She added that Carolyn Dellutri will provide an update at the September Economic Development Committee meeting, which will be held on September 21\textsuperscript{st} instead of September 28\textsuperscript{th} because the Jewish holiday, Rosh Hashanah occurs on September 28\textsuperscript{th}. Mr. Vasilko said he is concerned about what exactly would be covered by a grant to the Varsity Theater or arts in Downtown Evanston.

      Ms. Nyden announced that the following day Aldermen Rainey and Grover would be visiting Ward Manufacturing and asked if anyone else would like to join them. Alderman Tendam agreed to join the tour.

VII. Adjournment
      The meeting was adjourned at 9:32 p.m.

      The next meeting will be held on Wednesday, September 21, 2011.

      Respectfully submitted,
      Bobbie Newman