Attendees:


Committee Members Absent: None

Staff: W. Bobkiewicz, S. Griffin, N. Radzevich, P. Zalmezak, J. Furey

Presiding Member: M. Tendam

I. Call to Order / Declaration of Quorum
With a quorum being present, Chair Tendam called the meeting to order at 7:32pm.

II. APPROVAL OF THE MEETING MINUTES OF FEBRUARY 22, 2012
Ald. Burrus moved approval of the minutes, seconded by Ald. Fiske.

The minutes of the February 22, 2012 meeting were approved unanimously, 10-0.

III. Staff Report
A. Update on Recent Economic Development Activities
Nancy Radzevich, Manager of the Economic Development Division, provided an update on the following items: 1) Benevolent, a TIC company, was featured in Crain’s Chicago Business, 2) NuMat Technologies, an NU start-up, won a $100,000 grant in a clean energy challenge, 3) Soulwich was featured in Chicago Magazine in March, 4) 30 Second Mom, an Evanston start-up app, was featured in Crain’s Chicago Business, 5) Evanston Rebuilding Warehouse was featured in the Chicago Tribune, 6) a new business, uBreakiFix opened downtown recently, 7) Carmen’s Pizza has a new location on Chicago Avenue, 8) Yes, We Will Marketing Company has opened, 9) Studio S.L.K. opened and had their ribbon-cutting, 10) Aquirent relocated and expanded to 1603 Orrington Avenue over the past year, they added 40 new employees and their revenues are up sixty percent, 11) GFS Marketplace is on track to open in June, 12) Northwestern Memorial Hospital is opening up new office space at 1700 Maple Avenue and expect to be open in November 2012, 13) Bright Horizons has been issued demo and interior construction permits, 14) coLab Evanston will be hosting a TEDx event on April 18th at 6:30pm at the Music Institute of Chicago, 15) the City is having a real estate broker forum on March 29th, 2012 with the Evanston Chamber of Commerce, and 16)
B. Announcements/Updates from EDC Members
Chairman Tendam announced that the former Citgo gas station at the intersection of Crawford and Green Bay Road has interest from Chase Bank to locate there. Ald. Rainey announced that the Ward Eight Wine Bar officially executed a lease for their space at 629 Howard Street, the Asian Improv Arts Theatre is interested in locating on Howard Street and that the gas station at 140 Chicago Avenue was recently purchased. Daniel Mennemeyer, speaking as President of the Evanston Chamber of Commerce, announced a legislative breakfast will be taking place at the Hilton Garden Inn on April 20th, 2012 at 7:30am.

C. Consideration of Special Meeting on Budget and Priorities for Balance of FY12
Ms. Radzevich explained that given the number of approved and potential funding requests, Staff suggests the Committee considering holding a special Economic Development Committee meeting to discuss the Economic Development budget and establish priorities for the balance of Fiscal Year 2012. Ald. Rainey expressed her support of the special meeting. Ms. Radzevich informed the Committee that Staff was researching into alternate funding sources and plans to present that information as part of the budget discussions. Ms. Radzevich also suggested that the Committee might want to also discuss the merits of subcommittees to discuss projects in their early stages. April 30th, 2012 at 6:30pm was agreed upon by Committee Members for this meeting.

Ms. Radzevich also asked the Committee if they would support hosting an Economic Development Summit to brainstorm with public and private partners on way to execute economic development priorities. Alderman Rainey noted that a summit was held in 2010, and that she thought it was a good idea to reinstate this. Ms. Radzevich suggested Friday, May 18th, 2012 at 8:30am in the Parasol Room.

IV. OLD BUSINESS
A. Downtown Evanston Update
Carolyn Dellutri, Executive Director of Downtown Evanston, introduced Russ Abel, Chairman of the Downtown Evanston board. Ms. Dellutri explained that per the agreement with the City of Evanston, she is required to provide the Economic Development Committee with two updates per year on her organization.

Ms. Dellutri noted some marketing highlights including their “Greek Eats” program, “Girl Whirl” weekend, Evanston Community Foundation, and Downtown Evanston Mobile Application. A summary of plans for the 2012 Holiday season was also highlighted. Ms. Dellutri detailed the success of Downtown Evanston business cards, their use of social media, e-blast newsletter, sidewalk sale event, and Downtown Evanston’s partnership with the Technology Innovation Center in planning the upcoming CMS Expo and Makers Fair. Downtown Evanston will be having their next Public Board Meeting on May 17, 2012.

Ms. Dellutri listed several new businesses that have opened recently including Delbe’s Corner and Creperie Saint Germaine. Both have scheduled ribbon cuttings. Ms. Dellutri described business retention efforts conducted by Downtown Evanston and provided information on the spring clean up. Downtown Evanston has instituted a new benchmarking chart to track progress and goal achievement.
Ald. Burrus inquired whether or not a new business was moving into the former Carmen’s Pizza space on Davis Street. Paul Zalmezak, Economic Development Coordinator, confirmed that a local business owner with an entertainment/restaurant concept had signed a lease.

Mr. Mennenmeyer asked if Ms. Dellutri thought the landscaper was doing a good job in Downtown Evanston. Ms. Dellutri stated they were impressed with their work.

Raymond Zenkich asked when Downtown Evanston will provide the Economic Development Committee with additional metrics. Ms. Dellutri said they will be ready for the next Economic Development Committee meeting. Mr. Zenkich questioned the cost of insurance and administrative costs for Downtown Evanston. Ms. Dellutri explained they always shop their insurance.

B. Consideration of Request from Tom Fischl (Ofischl Sports)
Tom Fischl read a prepared statement regarding his desire for a $350,000 loan to reopen and market Ofischl Sports. Mr. Fischl was unable to answer any questions because his lawyer was not present at the meeting. No action was taken on his request for funding.

V. NEW BUSINESS
A. Consideration of Class “C” Cook County Classification for 1453-1459 Elmwood
Paul Zalmezak, Economic Development Coordinator, summarized the request for the Cook County Class “C” incentive. Mr. Zalmezak explained that City Staff does not recommend the City support this request at this time because the benefit to the city is speculative, the tax reduction does not leverage an economic development benefit, and City prefers a for-profit business locating on this site. To support Mr. Cohn’s application, Mr. Zalmezak explained the City Council would have to adopt an ordinance endorsing the Class “C” Classification.

Mr. Zalmezak introduced Randy Cohn, owner of the property at 1453-1459 Elmwood. Mr. Cohn provided a history of the property and explained the YMCA childcare center was a prospective tenant until they learned about the potential contamination. A ground penetrating radar survey of the site was conducted in February 2012 confirming the location of the tanks. Mr. Cohn stated his desire to remediate the site and stated an estimated cost of $150,000. To afford this, he is asking for the City’s support in obtaining a Cook County Class “C” designation. Mr. Cohn mentioned that Ald. Wilson is in favor of the site remediation.

Ald. Rainey expressed her concern that Staff didn’t recommend the County incentive. Ald. Rainey asked Mr. Cohn if he ever received a No Further Remediation letter from the State. Mr. Cohn confirmed he did have a No Further Remediation letter but it was for the dry cleaner that occupied the site prior to him purchasing it and not for the gas station that occupied it previously.
Mr. Zalmezak explained that the No Further Remediation letter confusion was not uncommon. Environmental consultants are often hired to conduct targeted NFR focusing on individual contaminants – in this case dry cleaning solution. Ald. Wynne and Mr. Cohn discussed the history of the site, soil contamination issues, his purchase of the property, and the remediation documentation he has. Mr. Cohn explained he never received a letter from the Fire Marshall confirming that the tanks had been removed.

Ald. Wynne asked Mr. Cohn about his rent rates and stated that his were higher than surrounding properties. Ald. Fiske expressed her concerns over the lack of due diligence performed by Mr. Cohn prior to site acquisition. She reminded the committee that Simple Gourmet leased a storefront despite the alleged contamination.

Seth Freeman asked Mr. Zalmezak to explain the costs and benefits to the City of the Class “C” incentive over its 12 year lifetime. Mr. Freeman emphasized that in the worst case scenario, it would cost the City about $58,217 over a 12 year period, after granting the Class “C” designation, to remediate the site. Ald. Grover asked Mr. Cohn how he would remediate the site without the Class “C” classification. Mr. Cohn confirmed the site would not be remediated without the Class “C”.

Ald. Burrus asked Mr. Cohn if potential tenants, other than the YMCA, had an issue with the site contamination. She also expressed her concern for Mr. Cohn’s lack of due diligence prior to acquiring the property. Mr. Cohn confirmed he was unaware of the tanks being on site and that the contamination had been an issue with other potential tenants.

Ald. Grover asked the Committee if there was a better time to remediate this site. Ms. Summers asked the Committee what the highest and best use of the site was – and questioned whether it would be better to remediate the site at such time that there was a planned development for a high and better use. Mr. Mennemeyer asked Mr. Cohn if he wasn’t leasing the space because of his higher rents or site contamination. Mr. Cohn stated he believed it was the contamination. Ald. Holmes asked Mr. Cohn to confirm he received a receipt stating the tanks had been removed in 1985. Mr. Cohn confirmed that he did have that document, and would provide it after the committee meeting and that the company who created the document is no longer in business.

Ald. Fiske questioned Mr. Cohn on his due diligence. Mr. Cohn stated he believed the site was clean based on his due diligence. Ald. Fiske stated she wouldn’t support this request.

Mr. Freeman asked if the YMCA provided Mr. Cohn with a letter stating their reasoning for not leasing the space. Mr. Cohn stated that the YMCA was no longer interested because of new competition in the market. Mr. Freeman stated that Cook County offers this incentive because it believes in the long run, property taxes will increase. Mr. Freeman voiced his support for the request. Mr. Zenkich also voiced his support.
Ald. Rainey listed benefits of remediating the site and examples of other sites remediated with City support. Ald. Rainey stated her support for the incentive.

**Ald. Burrus moved to approve staff’s recommendation of not approving the Class “C” Classification, seconded by Ald. Fiske.**

The Committee voted 7-4 against the recommendation.

**Ald. Rainey moved to approve the Class “C” Cook County Classification for the property at 1453-1459 Elmwood Avenue, seconded by Mr. Zenkich.**

The Committee voted 7-4 in favor of the Class “C” Cook County Classification for the property at 1453-1459 Elmwood Avenue.

**C. Consideration of Request from Evanston Community Development Corporation**

Ms. Radzevich introduced a request submitted by the Evanston Community Development Corporation (ECDC) for $50,000 to hire a one-time support staff person to work from May 2012 until January 2013. The hired staff person would be responsible for supporting the ECDC Board and developing a program for microenterprise loans. Ms. Radzevich then introduced Bill Smith, Chair of the ECDC.

Ald. Burrus asked why no financial statements or fundraising activity documentation was provided to the Committee. Wally Bobkiewicz, Evanston City Manager, stated that these documents were not requested for by City and that the ECDC was going through a transition period currently. Ald. Burrus stated she would like to see the organization’s financial statements.

Ald. Grover asked what ECDC’s plans were once the $50,000 has been spent for the consultant. Ald. Rainey asked for ECDC board member information and any previous consultant information.

Mr. Smith explained the request for $50,000 is to pay for an administrative staff member to help the Board refocus the organization. Mr. Smith stated that ECDC currently has no full time staff support to administer its micro loan funds, but that there is a need for this program. Mr. Smith stated he would be willing and able to provide financial documents requested by the Committee.

Ald. Wynne expressed that she would also like additional information. Ald. Wynne asked if the City of Evanston has the capacity to perform the same tasks that the ECDC performs and whether the City could hire a consultant for the same amount of money to provide the same services ECDC provides.

Mr. Mennemeyer asked Mr. Bobkiewicz his opinion on the proposal. Mr. Bobkiewicz stated that ECDC is in a unique situation and provides a unique service that’s valuable to the community. He also suggested the ECDC should come back to the next Economic Development Committee Meeting after submitting their financial documentation.
Ald. Burrus asked Mr. Smith to describe ECDC’s fund-raising efforts. Mr. Smith explained that they have performed fund-raising but hadn’t raised enough money yet, due to a lack of administrative support staff. Ald. Grover asked if the ECDC was the only organization that provided their services? Mr. Smith replied they were. Ald. Burrus questioned the ECDC’s ability to operate successfully even with the $50,000. Ald. Burrus asked if the ECDC approached a bank or a private foundation.

Ald. Rainey asked if the City could take the lead and hire someone to serve as a counselor or consultant to the ECDC Board. She stated that ECDC is not a startup but an established organization. Mr. Smith agreed that they are an established organization and described some of the companies they helped start including Queen Bee Bakery, Now We’re Cooking, and Evanston Community Builders.

Ald. Fiske expressed her support for a City-hired consultant to help the ECDC. Mr. Bobkiewicz suggested City staff and ECDC come back to the Economic Development Committee in April with a new plan for assistance for ECDC.

Ald. Wynne stated she would like the new plan to include an analysis of hiring a consultant for ECDC. Mr. Bobkiewicz stated he believed the ECDC should be included on any consultant interviews. Mr. Smith stated that he would need to obtain board approval to consider this alternative approach.

Ald. Holmes stated that buy-in of the organization on this idea would be important. Ald. Rainey suggested Ald. Holmes and Ald. Braithwaite participate in any interviews for this position.

VI. COMMUNICATIONS
A. Real Estate Transfer Tax Report
   The Committee acknowledged receipt of the real estate transfer tax report.

B. Monthly Economic Development Communication

VII. Adjournment

   Ald. Grover moved to adjourn the meeting, seconded by Ald. Wynne.

   The Committee voted 11-0 unanimously to adjourn the meeting.

   The meeting was adjourned at 10:09 p.m.

Respectfully submitted,
Jim Furey