Attendees:


Committee Members Absent: C. Burrus, J. Fiske

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

Presiding Member: J. Grover

I. Call to Order / Declaration of Quorum

With a quorum being present, Chair Grover called the meeting to order at 7:26 pm.

II. APPROVAL OF THE MEETING MINUTES OF APRIL 25, 2012 AND MEETING MINUTES OF APRIL 30, 2012

Ald. Rainey moved approval of the minutes, seconded by Ald. Wynne.

The minutes of the April 25, 2012 meeting and April 30, 2012 meeting were approved unanimously, 9-0.

III. Consent Agenda

A. Façade Improvement Program Grant Requests

i. Request for Funding Assistance from KOI Restaurant (624 Davis)

Lori Summers asked to discuss the Façade Improvement Program Grant Request for Koi restaurant due to her concern that an Evanston-based business had not bid on the project. Sandy Chen, owner of Koi Restaurant, explained that the installation of an air curtain is a unique project and that no existing Evanston-based business could supply and/or install the curtain. Alderman Rainey explained air curtains are required by the State of Illinois for health code purposes. Seth Freeman questioned whether the proposed project qualified as a façade improvement. Johanna Nyden, Economic Development Coordinator, confirmed that it did and explained some of its benefits.

ii. Request for Funding Assistance from Unicorn Café (1723 Sherman)

Ald. Rainey moved to recommend approval for both façade applications, seconded by Ald. Tendam.

Both façade requests were approved unanimously, 9-0.

B. Update on Evanston Community Development Corporation
The Committee acknowledged receipt of the update on Evanston Community Development Corporation.

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

D. Monthly Economic Development Communication
The Committee acknowledged receipt of the monthly Economic Development Communication.

IV. STAFF REPORTS

A. Overview of Economic Development Summit (verbal)
Nancy Radzevich, Economic Development Division Manager, provided an overview of the Economic Development Summit, 2012 which took place on Friday, May 18, 2012. Ms. Radzevich explained that the event had 173 attendees, 73 percent of which represented businesses. Ms. Radzevich reported that staff was drafting summaries of each session. The next step for the Economic Development Division is to send out a follow-up survey to event attendees.

B. Update on Main & Chicago Tax Increment Financing District
Ms. Nyden provided an update on the Main & Chicago TIF District. She described the proposed TIF District’s boundary. Ms. Nyden described the schedule for the TIF District as is mandated per state statute to include a City Council meeting to initiate the designation process on June 11, 2012, a Joint Review Board Meeting on July 10, 2012, a City Council meeting for introduction of the measure on August 13, 2012, and a final City Council meeting for adoption on September 10, 2012.

V. ITEMS FOR CONSIDERATION

A. Consideration of Request for Funding Assistance from Technology Innovation Center
Paul Zalmezak, Economic Development Coordinator, introduced a request for funding assistance from Technology Innovation Center for $25,000 over the period of April 1, 2012 to June 30, 2012. Mr. Zalmezak noted the significant progress TIC has made since their last appearance in front of the Committee including their plan to diversify financial sources and enhance metrics. Mr. Zalmezak stated the foundation has been laid to move forward with TIC and for the City to collaborate with them on TIC marketing and branding. Chuck Happ, Chairman of the TIC explained that the TIC has expanded its advisory board and its use of social media. Mr. Happ described TIC’s plans to market and brand itself further and described preliminary plans to launch a third Evanston Business Investment Corporation (EBIC III) fund as means to self support the TIC and for investing in business start ups.

Alderman Tendam moved to recommend approval for the funding assistance request from Technology Innovation Center, located at 820 Davis Street, in the amount of $25,000 for the period of April 1, 2012 to June 30, 2012. Seconded by Alderman Holmes.

The request was approved by a vote of 8-1.
VI. ITEMS FOR DISCUSSION

A. Discussion of Potential Project Assistance Request from Margarita Inn located at 1566 Oak Street

Ms. Nyden introduced Michael Pure, owner of the Margarita Inn, and described his proposed project. Raymond Zenkich asked Mr. Pure what other types of funding he had pursued for this project before coming to the City of Evanston. Mr. Pure explained he had previously approached the Small Business Association but that they were not lending to hotels due to the economy. Mr. Zenkich asked what the structure of the funding request would be. Ms. Nyden explained it could come in several forms such as a rebate, loan, or forgivable loan but that the Economic Development Committee should decide which method they prefer.

Dan Mennemeyer commented his appreciation that Mr. Pure has already put his personal financial assets into this project and that he’s open to several forms of financing from the City. Alderman Rainey suggested using a hotel tax rebate to finance the project, similar to rebates provided to other hotels in Evanston when the Hilton Garden Inn was constructed. Mr. Pure explained he would personally be borrowing $1.8 million for this project and is seeking assistance for gap financing for the remaining portions of the project.

Lori Summers stated her preference for a loan including performance-based measures for this deal. Alderman Grover stated she believed the EDC would like to see Mr. Pure come back with a formal request at the Committee’s next meeting. Alderman Wynne asked what Mr. Pure’s proposed timeline for the project was. Mr. Pure stated he would prefer to begin construction this summer and that the entire project would take about 10 weeks from start to finish.

B. Discussion of Data Center Proposed by Evanston Technology Partners

Mr. Zalmezak introduced Emmanuel Jackson, a member of Evanston Technology Partners. Mr. Jackson, along with partners Aero Electronics and Siemens, is proposing a data center in the City of Evanston, with a preference for 1890 Maple as the location.

Aero Electronics’, Kristo Aleksov described current trends in data center development and the attributes that make the City of Evanston a good location for this project: the university, proximity to Chicago, educated workforce and access to strong school system. Alderman Rainey asked Mr. Jackson what his relationship was with the Technology Innovation Center. Mr. Jackson explained he hoped to further establish one moving forward with this project. Mr. Jackson stated that Evanston had attractive electrical (power) rates and available fiber infrastructure necessary for a data center project. He also explained the availability to pursue New Market Tax Credits at 1890 Maple Avenue. Mr. Jackson stated that this project has the potential to create 200 jobs.

Ms. Summers asked for clarification on the scope of the project including job training and their site selection process. Mr. Aleksov stated there would be three levels of job training for employees including those for high school graduates, community college graduates, and Northwestern University graduates. Each level of training would allow for employees to learn and utilize additional skills. Mr. Aleksov
explained Northwestern University graduates would focus on application development. Robert Heiderscheidt of MDI Access introduced himself and described the positive attributes of the 1890 Maple Avenue building including the availability of sufficient electricity, fiber, and sufficient floor loads and ceiling heights.

Mr. Zenkich asked for additional information on New Market Tax Credits. Mr. Jackson explained that they encourage development in low income areas. Alderman Rainey asked how the tax credits would be used for this project. Mr. Jackson explained they would be used to purchase the building, upgrade infrastructure, and as operating capital. He stated that 1890 Maple Avenue falls within a qualifying New Market Tax Credit area. Alderman Wynne asked what role a letter of support from the City would play in this process. Mr. Jackson explained that a letter of support from the City would allow him to show financial institutions that the City of Evanston is supportive of this proposed project.

Alderman Holmes stated she initially met with Mr. Jackson in December 2011 to discuss this project and noted the importance of it creating a significant number of high-paying jobs. Ms. Summers expressed concern that the proposed use is not the highest and best use of that site in downtown Evanston as data centers are generally low intensity uses. Alderman Rainey suggested Mr. Jackson consider 222 Hartrey Avenue.

**Alderman Wynne made a motion for the City to prepare a Letter of Support. Seconded by Alderman Rainey.**

**The motion was approved by a vote of 9-0.**

Mr. Zalmezak stated he would also draft a memo further describing New Market Tax Credits, cloud computing, and data centers.

**C. Discussion of City’s Partnership in Evanston-based Incubators**

i. Culinary Trades Incubator: Now We’re Cookin’

ii. Coworking / Start Up Education: CoLab Evanston

Mr. Zalmezak introduced and defined incubators and their attributes. He explained that incubators need financial assistance to get started and eventually develop a funding plan that encourages entirely private investments. Mr. Zalmezak listed several short and long-term benefits of incubators and described his desire for feedback from the Committee on their willingness to support the human capital (salaries of incubator managers) and how to best track the benefits of incubators. Mr. Zalmezak then introduced Miguel Wong and Eric Harper from CoLab Evanston, a shared workspace for businesses, and Nell Funk from Now We’re Cookin’, a food-service business incubator.

Alderman Wynne asked if CoLab Evanston was requesting for administrative staff funding. Mr. Harper stated they were looking for programming support and that their current administrative fees are being covered by collected fees. Mr. Wong stated additional City support of CoLab would allow them to expand programming and
result in more events in Evanston similar to TEDxEvanston. Alderman Wynne asked for a description on additional program offerings. Mr. Wong stated CoLab would target niche markets.

Ms. Funk described her business, Now We’re Cookin’. Ms. Funk explained that her business is a shared kitchen space used by various businesses. In addition to providing space, Ms. Funk and her advisory board provide education and other assistance to those looking to start a food-related business. Ms. Funk stated she would like to have a full time staff person to coordinate events and education opportunities so that she can handle marketing and other efforts.

Mr. Zenkich asked if a full-time marketing staff was what made “1871” successful. Mr. Zalmezak replied that while 1871 is a competitor, it’s too early to determine whether or not they’re successful because they only recently opened. He explained that City has an opportunity to fund a number of mentorship/incubator initiatives that would make the City of Evanston attractive to startups as opposed to focusing on “bricks and mortar.” Mr. Zenkich stated there is competition for incubators and startup companies among municipalities. Ms. Funk noted that competition for food incubators is not as great because they’re a relatively new concept.

Ms. Summers asked what the City’s return on investment would be for supporting CoLab and Now We’re Cookin’. Mr. Zalmezak stated the Economic Development Committee has a voice in how the return on investment should be measured. He suggested several potential measures including new startups created, startups successfully launched to growth stages, and/or jobs, Alderman Grover suggested staff and the Committee continue the discussion moving forward.

VII. COMMUNICATIONS
EDC Member Updates
Alderman Rainey stated that the property at 623 Howard Street was receiving interest from potential restaurateurs.

VIII. Adjournment

Alderman Wynne moved to adjourn the meeting, seconded by Alderman Rainey.

The Committee voted 9-0 unanimously to adjourn the meeting.

The meeting was adjourned at 9:40 p.m.

Respectfully submitted,
Jim Furey