ECONOMIC DEVELOPMENT COMMITTEE
MEETING NOTES
JUNE 26, 2013

Attendees:

Committee Members: C. Burrus, S. Freeman, J. Grover, D. Holmes,
A. Rainey, L. Sommers, M. Tendam

Committee Members Absent: J. Fiske, D. Mennemeyer, M. Wynne, R. Zenkich

Staff: W. Bobkiewicz, K. Danczak Lyons, M. Jones,
M. McShan, B. Newman, J. Nyden, P. Zalmezak

Presiding Member: A. Rainey

I. Call to Order / Declaration of Quorum
A quorum being present, Chair Rainey called the meeting to order at 7:35 p.m.

II. Approval of the Meeting Minutes of May 22, 2013

Ald. Tendam moved to approve the minutes of the May 22, 2013 Economic
Development Committee meeting, seconded by Ald. Rainey.

Ald. Rainey moved to amend the minutes to reflect the Committee's praise of the
merchants associations' collaboration and creativity, and the importance of their
ideas.

The minutes of the April 24, 2013 meeting were approved unanimously, as
amended, 6-0.

Ald. Grover arrived at the meeting.

Chair Rainey asked everyone present to introduce themselves. Besides the
Committee members and staff, some of those present included Tim Peterson of
Squeeze Box Books & Music and the Chicago Dempster Merchants Association, Nell
Frank of Now We're Cookin', Betty Hayford of the League of Women Voters, Jessica
Feldman and Emma Smith of the Law Observer, Bill Smith of the Evanston Round
Table, Bob Seidenberg of the Pioneer Press, Gina Speckman of the North Shore
Visitors Bureau, Paul Giddings of Folkworks Gallery and Tom Fogerty and Debbie
Evans of the Peckish Pig, Rhonda Collins, among others.

III. Items for Consideration

Great Merchants Grants
Chicago-Dempster Merchants Association (CDMA)
Meagan Jones, Interim Economic Development Coordinator, explained that at the
May 22, meeting, the Committee requested that CDMA revise their request for funds
based on web development and advertising. They are requesting $7,500 for
purchasing way finding signs in compliance with the City’s template, ad for the sidewalk sale and support for the association members.

Tim Peterson of Squeeze Box and CDMA explained the grant as follows:
- $6,500 for banners and signage for way finding as soon as the City chooses a template, to direct shoppers to the shops on the west side of the tracks, that need attention;
- $1,500 for advertising for the sidewalk sale in conjunction with downtown Evanston. Collaborating with Downtown Evanston allows them to advertise in the CTA and local newspapers, which they could not afford otherwise; and
- $1,500 for a booklet of co-operative advertising.

Ald. Burrus moved to recommend approval of the $7,500 grant, seconded by Ald. Holmes.

Seth Freeman suggested the associations put out bids together to possibly get a better price for landscaping, advertising, and signage, etc. He said he likes the association’s collaboration with Downtown Evanston.

Chair Rainey agreed, noting that the City-wide brochure was a success.

Johanna Nyden, Economic Development Coordinator, said the associations were able to do a combined bid for the planters. The association heads meet once a month so she will try to combine more.

The Committee voted unanimously 7-0 to recommend approval of the $7,500 grant for CDMA.

Ald. Burrus requested that next year the association considers installing a bike rack as part of their plan/grant request, to which Mr. Peterson heartily agreed.

Howard Street Business Association (HSBA)
Meagan Jones explained that the HSBA is requesting $9,000 for plantings, LED tree lights and business district advertising.

Barbara Carlson from the Howard Street Animal Hospital and HSBA explained that they want to continue what they started and that the area has an improved look. They are trying to show that they have shopping and they want to advertise the way the Main & Dempster Districts do.

Ald. Burrus moved to recommend approval of the grant of $9,000 to the Howard Street Business Association, seconded by Ald. Tendam.

The Committee voted unanimously 7-0 to recommend approval of the grant.

Chicago’s North Shore Convention and Visitors Bureau Request for Funding
Gina Speckman explained that the Bureau is a certified destination for marketing by the Illinois Bureau of Tourism, which allows the organization to receive government funding. They also receive funds through municipal memberships and business
memberships. They recruit meeting planners to the area for trade shows. They measure the number of leisure visits through Smith Travel Research which keeps data of the 24,313 sleeping rooms in Evanston. Leisure visits to Evanston have increased over last year. Ms. Speckman explained that tourism is a key to economic development so the State of Illinois has increased their budget by 24% over last year. Prospect Heights has been added to their list of cities because two hotels that have Northbrook in their name pay taxes to Prospect Heights, which has added 50,000 to their revenue this year. They expect another, smaller increase in state funding next year.

Ms. Speckman explained that the Evanston Historic Center is a great resource for attracting leisure visitors and the brochure is being redesigned with a map on it so people can self-tour. They have collaborated with Downtown Evanston for the sidewalk sale.

Chair Rainey suggested that Evanston is designated where one side of the brochure is a photo of Evanston.

Ald. Grover noted regarding the B&B requests that have come up that historical/cultural tourism is a growing industry. Ms. Speckman agreed, saying people do not want to shop or go to sports events; they want a unique experience in non-chain restaurants and unique cultural experiences. She said the tours must occur regularly in order to get tourists, not the other way around, but the tours must be promoted.

Lori Summers asked whether there is an Evanston History pamphlet available to tourists to which Wally Bobkiewicz, City Manager, replied that there is not a self-guiding one. Ms. Summers said she looks for self-guided walks when she travels.

At Mr. Freeman’s inquiry, Ms. Speckman explained that dues are paid based on a formula which is proportional to the hotel revenue based on the number of rooms in 2007. Of their $1.25 million budget, half comes from the State of Illinois.

Ald. Grover moved to recommend approval of the funding of $65,564 to Chicago’s North Shore Convention and Visitors Bureau

IV. ITEMS FOR DISCUSSION

Now We’re Cookin’ Update
Nell Funk, Now We’re Cookin’ founder, led a tour of the facility, at which the meeting was held. She explained:

- She rents space in three segments to small startup food entrepreneurs
- Cooking and training is done at the site for companies such as Gotta be Crepes, Chef Lee and Brookvale that produce granola, chocolate sauce, Whitestar cheese, custom sausage and scones
- The site houses storage, freezers and a 3 minutes cycle dishwasher/sanitizer
- Loading is done through the garage
- Storage will be their main concern in the future
- They have a cleaning crew
Ms. Funk summarized *Now We’re Cook’in’s first year accomplishments operating with city funds*. Ms. Funk explained that supportive incubator space for food entrepreneurs is lacking in the marketplace; they are artists and often lack marketing and business skills. They have three entrepreneurs and executives on their board of advisors. She said last year’s funding paid for:

- Hiring of an incubator manager
- Client survey in order to line up with national business incubators
- High speed dishwasher/sanitizer

Their goal: to enable entrepreneurs and to become known as the premier food service incubator of Chicago and to provide:

- Mentors
- Connections
- Vendor Services
- Training
- Encouragement
- Market exposure

- Move customers to their own locations
- Plan to add a suite of services on top of sharing their kitchen

Future plans include:

- Enhance services
- Provide access to financing
- Shelf access to grocery stores
- Pitch sessions
- Royalty charges of 1-3% of gross income
- Build revenue stream
- Being 100% self sustaining; requested 60% in 2013, requesting 40% in 2014
- Replace part time manager who left in April, who’s skills must include a broad business knowledge and strong connections; corporate executives generally do not have an affinity for this type of job

*Now We’re Cook’in* has 25-35 active clients, training programs and seminars; 40% of non-farm vendors of Evanston Farmers Market; 8 business owners are Evanston residents. They are working to better track clients after they leave and to make a dent in the 33% whose businesses close. They collaborate with the City of Evanston and the Kellogg School of Business, who has matched student teams with entrepreneurs and focused on launch strategies. Their website allows clients to log in and access resources, services, billing and a kitchen schedule. Kitchen time is billed at $26/hr; storage, by the shelf; cheaper storage is on the 2nd floor. They hope to provide a full school year of programs. Current programs include:

- Business Plan Writing
- Bootcamp
- Introduction
- Farmers Market Success
- Packaging
- Volume Techniques
- Video Marketing
Entrepreneurship & Growth Companies Update
Paul Zalmezak, Economic Development Coordinator, explained that Evanston is a “startup community” and listed its nine attributes:

- Leadership
- Intermediaries
- Networking Density
- Government
- Talent
- Support Services
- Engagement
- Companies
- Capital

Mr. Zalmezak quoted Brad Feld about government’s role:
1. That the role of government is to support entrepreneurs, not create them.
2. Government should “use the bully pulpit to stimulate the agenda versus investing directly in entrepreneurs.”
3. Emphatically “ask the entrepreneurs what they need!”

Mr. Zalmezak presented the 5 key elements of the plan:

1. Business Retention and Expansion
   - Retention and Expansion is the foundation of our entire economic development strategy!
   - Staff will continue its outreach to company founders and executives
   - Organize networking events for Evanston’s existing entrepreneurship network.
   - Support/“embed in” entrepreneurship-oriented activities such as RISE!, Inventure, Now We’re Cookin’, Startup Evanston, etc.
   - Annual Budget: estimated $0 (staff time) / up to $5,000 for events

2. Entrepreneurship and Professional Development Programs
   - Detail: Competitive funding to private sector to propose a series of entrepreneurship programming
   - Purpose: a retention and workforce development initiative to develop training programs and events desired by broader local businesses and startup community. Could include business/investor pitch days, coding training, general professional development, etc.
   - Next Steps: Survey business community, draft an RFP, consider a Mayoral appointed review panel of business owners / entrepreneurs / experts to assist in the review. Clearly define the program. Marketing and outreach.
   - Annual Budget: estimated $50,000

3. Northwestern University
   - Detail: Continue outreach to NU faculty, faculty startups, and student led startups (Kellogg, McCormick, INVO, etc)
   - Purpose: Relationship building, opportunities for business retention/expansion, and information sharing
   - Next Steps: Continue periodic meetings.
   - Annual Budget: estimated $0 (staff time)
Mr. Bobkiewicz noted the importance of Mr. Zalmezak’s endeavor to improve the City’s relationship with NU as we compete with Chicago to recruit graduates of the medical and journalism schools.

4. **Office Retrofit and Expansion**
   - **Detail:** Devote a portion of the existing Economic Development fund used for business attraction/retention activities to assist growth companies and startups retrofit and/or expand office space. (Using ED and TIF funds as designed (i.e. build out/jobs) but marketing it / targeting it to the desired end user.
   - **Purpose:** Traditional office space often lacks design aesthetic or technology/systems requirements appealing to startups. Cost to modify may be prohibitive. Capital for expansion for new start up difficult in early stage. City assistance offsets cost.
   - **Next Steps:**
     1. Research / conduct interviews to determine the types of retrofits preferred or how best to help early stage expansion when funds are limited
     2. Determine if low interest / deferred payment loans for this activity are feasible for startups / growth companies.
     3. Define program elements/specifcics
   - **Annual Budget:** estimated $50,000 to $100,000 / TBD

5. **Early Stage Independent Professional / Startup Community Hub at Library**
   - **Details:**
     - Create an early phase business resource hub focused on supporting individuals at the earliest stage of starting up with focus on repackaging a number of existing business resources, training, and market research database services.
     - Create private break out rooms and integrative conferencing / technology outfitted conference room in redefined space on 3rd Floor for members of Evanston's broader startup community.
     - Provide a collaborative supportive environment for home based businesses, early phase freelancers, and amateur entrepreneurs
     - Create a motivation for freelancers and home based businesses to connect with the City and participate in business programming, encourage growth in Evanston.
     - Ultimately to provide the basic resources to launch an idea into an entity – and hopefully graduate into Co-Lab, TIC, Creative Coworking, Now We’re Cookin’, etc.

   **Conference Rooms / Collaboration Rooms Purpose:**
   - Enhances private market offerings
   - Becomes a shared resource for the community by absorbing the high capital costs individual co-working spaces, incubators, or independent entrepreneurs unable to make alone
   - Sometimes co-working, incubator, and coffee shop entrepreneurs need privacy or a professional environment.

   **Library Hub Next Steps:**
   - Define program and operation costs
• Define capital costs (i.e. flex space, moveable walls, rolling furniture, smart board, video conferencing, 3D printers, etc.)
• Determine if there is a modest revenue model for conferencing / collaborative space usage
• “Build the network” begin surveying, brainstorming session with broader community about interest. Lead with program, space will follow.
• Potential tie-ins to Teen Loft and new maker space in development at library
• Research best practices
• Budget: Operations and Capital Budget TBD

The Committee expressed excitement about the new plan.

Karen Danczak Lyons of the Evanston Public Library said the Typewriter Room has been turned into the Seminar Room and its doors opened June 18, 2013, and 11 group and 24 hours of meetings have been held or booked. She said by expanding its profile, the library can help businesses grow by teaching business plan skills and other classes. She is hoping to expand the programs to the weekends and provide online, hands-on training. Mr. Bobkiewicz said the City will base its model on need, which is better for helping people than writing a check; this plan invests in resources in key ways instead of leveraging existing resources. He explained that the plan was devised in response to the Committee’s challenge to help entrepreneurship in Evanston.

Chair Rainey asked what the criteria would be for who could be helped. Ald. Holmes asked whether the plan includes marketing or outreach because she attended an event at a church a year ago where 35 entrepreneurs attended that no one knew about. Mr. Freeman commented that this could attract entrepreneurs to Evanston.

Mr. Zalmezak will present a more refined budget at the August meeting. Mr. Bobkiewicz said this is a major change to how the City works with entrepreneurs, being more directly involved with them and involving partners. He asked for the Committee’s feedback whether this is the direction they would like to take for the next several years.

Mr. Freeman said he still wants to continue giving grants, to which Mr. Bobkiewicz replied that he wants to do both, but with a more integrated approach. Mr. Zalmezak suggested improving the Library’s exposure by integrating it into the Edge website. Mr. Bobkiewicz added that it must be conveyed that at the Library, people will be exposed to very business-savvy resources.

IV. Adjournment

Ald. Burrus moved to adjourn the meeting, seconded by Ald. Tendam.

The Committee voted 7-0 unanimously to adjourn the meeting.

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

Respectfully submitted,
Bobbie Newman