Attendees:


Committee Members Absent: S. Freeman, J. Grover

Staff: B. Newman, J. Nyden, C. Plante, 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 7:40 p.m.

II. Approval of the Meeting Minutes of June 26, 2013
   Ald. Wynne moved to approve the minutes of the June 26, 2013 Economic Development Committee meeting, seconded by Ald. Tendam.

   The minutes of the June 26, 2013 meeting were approved unanimously 8-0.

Chair Rainey apologized to those present for the time spent at the last meeting until a lack of quorum caused the July 24th meeting to be canceled.

Chair Rainey congratulated Johanna Nyden on her promotion to Economic Development Division Manager and thanked her for her great work.

III. Items for Consideration
   Financial Assistance for Now We’re Cookin’
   Paul Zalmezak, Senior Economic Development Coordinator, explained that the funding request is for an Economic Development Partnership Grant of $60,933 for the period from 9/1/13 – 12/31/14. The program cost is $120,667, of which the other half is to come from Now We’re Cookin’. The program has conducted Food Business 101, hosted a Kellogg MBA even, partnered with CoLab Evanston and has helped businesses grow that create new Evanston retailers and employers.

   He explained the goal of integrating the three entrepreneurships into other pieces, from tech startups to food and other retail businesses. He said he and Nell Funk, founder of Now We’re Cookin’, will continue to collaborate.

   Nell Funk explained that she believes she will have the incubator manager position filled by 8/19/13. She is continuing her quest to build businesses that will stay in Evanston and grow, such as the almond and crepe business that has been
participating in the Farmers Market and is expanding their activities to hospital cafeteria events and dinners. They are on the cusp of developing their next step of growth and expect to move into their own Evanston space, since they are taking up a great deal of the storage at Now We’re Cookin’. They may open a créperie store front and also develop a shelf staple product. The prospective new manager is very knowledgeable about shelf staple product development.

Ms. Funk explained that this proposal is about adding hands and resources to expand the scope of assistance and education they can provide. A great percentage of the resources goes to fund staff. They have a mailing list of 300-400 to invite to the Food Networking Session on 8/19/13, which they would like to have semi-annually or quarterly.

Mr. Zenkich requested quantitative as well as qualitative results of the funding. Mr. Zalmezak said the new manager will be working on this report. Ms. Funk added that she tracks data very specifically and will be able to provide information such as number of employees at start and end, sales data, cash/break and financing data.

Ms. Summers brought up the subject of tax dollars for the report. Chair Rainey said the report should distinguish between food sales and other. Ms. Funk confirmed that there are several categories of sales and it depends on where the company is incorporated. Ald. Fiske noted that there is no tax on wholesale foods.

Ms. Funk agreed to provide a quarterly report of client data. Mr. Zenkich advised that it would not be much different than the data she would gather for her own evaluation of results. Chair Rainey said she does not want Mr. Zalmezak to spend his time doing the report, but that the applicants/grant recipients should prepare their reports. Ald. Fiske requested that the report include jobs generated, Evanston residents employed, who moved away, who stayed in Evanston.

Ald. Tendam moved to fund Now We’re Cookin’ $60,933 for the period from 9/1/13 – 12/31/14, seconded by Ald. Wynne.

The Committee voted unanimously, 8-0 to fund Now We’re Cookin’.

Ms. Nyden introduced Cindy Plante, the new Economic Development Fellow who will be in the Economic Division until the end of the year, at which time she will trade with Jonathan Williams-Kinsel, who will be in Economic Development while Cindy takes his place in the City Manager’s office.

IV. Items for Discussion

Autobarn Expansion of Operations to 222 Hartrey Avenue

Ms. Nyden explained that the 7B tax reduction program is implemented by the City providing a resolution and the School District providing a document stating they are both in support.
Mr. Fisher explained that the Autobarn needs to expand and proposes to use the 222 Hartrey as a state of the art service center and showroom. He said he is requesting the 7B tax reduction program, extension of the sales tax sharing section of the agreement between Autobarn and the City of Evanston, and the expansion of the boundary of the Howard Hartrey TIF to include 222 Hartrey.

Mr. Fisher told the history of Autobarn in Evanston, which opened July 15, 1992. They have evolved from a Volkswagon/Oldsmobile dealership to add Nissan and Mazda and currently sell Volkswagens, Mazdas and Nissans. They want to build more LEED components into their buildings.

Their biggest problem in Evanston has been where to put cars and where to get them ready. They lease space for about 600 cars off site from Mr. Robinson on Emerson Street but find they must sometimes move 7 cars to get one out of the lot there. They are one of the 4 or 5 largest dealership groups in Illinois. They keep 200 cars in a warehouse, 200 behind the Subaru dealership, 450-600 on Emerson and the rest on Chicago Avenue. He said owning this property could solve their space problems and those they cause their neighbors. They buy approximately 75 pre-owned cars per week. He said he has met with Ms. Nyden, Ald. Wynne and Ald. Rainey regarding the Hartrey site. He is thinking about turning Chicago Avenue into showrooms and using the 128,000 sq. ft. at Hartrey as a service center.

Since dealers pay for exclusivity, he may have to have separate entrances at the service center. Mr. Fisher said he does have trepidation about this arrangement but 80% of his customer base lives in west or southwest Evanston; They would have to do a great job of marketing the new location and have a shuttle or have people leave their cars at Chicago Avenue if that is still convenient for them. Mr. Fisher said the Hartrey location could replace Emerson but they would still need their warehouse on Wolcott. He said Mr. Robinson has been a wonderful landlord but the builders of the property next door took down the fence and replaced it with a flimsy construction fence and 70 of the cars were covered with cement dust. He said Hartrey will be very well lit with landscaped islands and an electric gate at either end.

The Committee, enthusiastic about the idea, discussed the options for Chicago Avenue and the requirements of the manufacturers for their showrooms. At Ald. Wynne’s inquiry, Mr. Fisher said that only about 20% of customers wait for their cars to be repaired. Mr. Fisher estimated that sales could increase by 30% with the expansion.

At Chair Rainey’s inquiry regarding the tax formula, Mr. Fisher said in the last agreement it was based on 2003 as a base year until they earned $1,400,000. (The year 2003, as stated in the packet materials was corrected by Ms. Nyden in the following paragraph.)

Chair Rainey wondered how the City benefits when Autobarn gets the entire balance of the base amount.
Ms. Nyden explained that the packet materials stated that the base year was 2003 but it was 1993 with a reimbursement split of anything earned over $291,500.

Mr. Fisher said even if they don’t buy 222 Hartrey, they will need to renew the sales tax sharing agreement to move forward healthily. Mr. Fisher said by continuing the partnership, the City’s half will continue to grow; the business pays a good amount of real estate taxes. Ald. Wynne noted that the new agreement would start from a new point. She said it will have to be based on a time period, not an amount. Mr. Fisher said he would be open to that. He said if a car dealership is allowed to keep growing and if they pay 50% sales tax, it will allow them to grow.

The Committee considered the advantages the sales tax sharing program has provided with other businesses. Mr. Fisher asked that the City provide him with data on sales tax. Chair Rainey requested a report on whether any taxes and water bills are owed on the property and asked staff to find out whether the County required the current owner to pay any delinquent bills, in their lawsuit against the current owner. She asked for projections of what the City’s portion will be.

Ms. Summers said it is a great idea and that this magnitude of expansion makes sense and will alleviate the impact on neighbors.

Ms. Nyden explained that the next steps would be:
- A proclamation to City Council to go forward with the TIF extension
- Present projections of the sales tax sharing at the September meeting
- TIF approval process.

Ms. Summers moved to recommend support for the 7B Ordinance, seconded by Ald. Holmes.

The Committee voted unanimously 8-0 to recommend support the 7B Ordinance.

Ms. Summers moved to recommend support of the inclusion of 222 Hartrey in the Howard Hartrey TIF, seconded by Ald. Holmes.

The Committee voted unanimously 8-0 to recommend support of the inclusion of 222 Hartrey in the Howard Hartrey TIF.

Regarding Mr. Zenkich’s concern about preventing misunderstandings of the public about the TIF, Ald. Wynne said there has been a press conference regarding the extension of the TIF and there will be community meetings and hearings, as well as the packet is public information and the neighbors have been made aware.

Ms. Nyden said as the project progresses, the City will provide a website to keep the public updated about the process.

V. Communications
Announcements/Updates from EDC Members
Ald. Holmes announced the grand opening of Jamaican restaurant Pepper Pot at 1623 Simpson, in the 5th Ward, just west of Ashland and said the food is delicious.

Ald. Tendam noted the new nail salon in the 6th Ward on Central Street, giving the residents several options for nail salons.

Ald. Wynne announced the September 6th opening of Trader Joe’s in the 3rd Ward on Chicago Avenue and the lines forming outside of the store for job interviews.

Ald. Fiske noted the Evanston murals on the inside of the Trader Joe’s. Ms. Nyden added that the Summer Youth Employment Program participants have been encouraged to apply for jobs at Trader Joe’s.

Chair Rainey announced that there are two new bids on properties on Howard Street in the 8th Ward, the owners of The Peckish Pig on Howard Street discovered beautiful wood beam ceilings in their renovation process and that a movie is being filmed on Howard at the Police Outpost.

Ald. Burrus noted that in the 9th Ward a new broker has taken over the property at Oakton and Asbury and there are 2 possible ideas for the space.

Ald. Fiske announced that health food restaurant in the 1st Ward, Protein Bar is moving into the Lulu Lemon’s former space at 1601 Chicago Avenue and that The Farm House is perfect for Evanston and is an amazing restaurant, and the North shore Retirement Hotel is building an addition.

VI. Adjournment
Ald. Wynne moved to adjourn the meeting, seconded by Ald. Holmes.

The Committee voted 8-0 unanimously to adjourn the meeting.

The meeting was adjourned at 9:16 p.m.

Respectfully submitted,
Bobbie Newman