ECONOMIC DEVELOPMENT COMMITTEE
MEETING NOTES
June 22, 2011

Attendees:

Committee Members Absent: C. Burrus, J. Grover, R. Zenkich
Presiding Member: M. Wynne, Acting Chair

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

II. Consideration of Meeting Minutes of May 25, 2011
Ald. Rainey moved approval of the May 25, 2011 minutes, seconded by Ald. Fiske.

The minutes of the May 25, 2011 meeting were approved unanimously, 7-0.

Ms. Nyden, Economic Development Planner, introduced Mr. Richard Engling, of the Polarity Ensemble Theater, which proposes to open at 727-729 Howard Street, reported that they have consulted with architects who have submitted drawings. He said currently they are in need of volunteers to fund-raise. They are going into their busiest season.

Ald. Rainey noted that Mr. Engling and his family have been residents of the 8th ward for several years, his wife is a teacher at Dawes School, and the Chairman of the Board of the theater company has been a resident of Evanston for years. She commended the architects, builder John Leinweber and engineer Carl Bova for their volunteered contributions to the project.

III. Staff Reports
A. Report on Mobile Evanston Economic Development Initiative
Ms. Radzevich reported that staff is currently investigating wifi and looking for space both in and out of the office. She is targeting the last week in July and plans 3 days a week as opposed to the originally planned 5 days due to the limited amount of staff, and focusing on the west side of Evanston. Boo Coo has offered to donate space for a day or 2. Ms. Radzevich will send an update by email.

B. M/W/EBE Advisory Committee Discussion /Joint Meeting
Ms. Radzevich reported that at the M/W/EBE meeting in June, the Committee agreed it is amenable to a joint meeting with the Economic Development Committee, which may occur in August, since the July Economic Development Committee agenda is filling up.
C. Update on Recent Economic Development Activities

Ms. Radzevich reported that the Local Business Directory is now on the web with 900 businesses listed. She introduced Intern Aaron Brown, who is working on coordinating the business information and getting the businesses to populate the information. She added that Lloyd Shepard is finalizing the trade-related business directory which will be available on the City’s website and which will be incorporated into the business directory and it will be ready in the next couple of weeks. Mr. Freeman asked whether businesses could be found by a search tool, to which Ms. Radzevich replied that staff is working toward that end but the “Shop QA” will be searchable and the current database is interim in preparation to rolling out a more dynamic database in late summer which will be part of the 311 Center.

Ms. Radzevich explained that the “Shop QA” is a businesses related module related to the 311 Center where business owners can update their information and communicate with each other. Ms. Nyden is coordinating businesses to populate the database, which will be ready for residents to utilize in the fall of 2011.

Ald. Rainey suggested that a bidding pre-qualification component be added and that all departments are apprised of it so they can let the businesses in the database know when they are going out for bid, and to get as many businesses on the prequal list as possible.

Ms. Radzevich said the “How To Do Business in Evanston” seminar which took place in April is now available on video on the Economic Development website. She added that there are many questions asked by local businesses and it is very informative. She said the Parks and Recreation Dept. are very good about soliciting local businesses for bids. Staff is working on getting the word out to other departments, especially for jobs of $20,000 or less. Mr. Brown is encouraging local businesses to get their information into the pre-qual database and “Shop QA.”

Ms. Radzevich reported the current project 1708-1710 Darrrow is out to bid, with bids due July 5th and hopes to have a report by the July 25th meeting. An RFP on the wayfinding signage will be released on June 23rd. At least 7 Evanston businesses will be sent the RFP.

Ms. Radzevich reported that staff is waiting for a response regarding the sale of Evanston Plaza. Acting Chair Wynne noted that there would be a community meeting on June 23rd on the Evanston Plaza project. Ms. Radzevich said she is working with Eric Palmer to get announcements of meetings and events on the City’s web, such as the upcoming ribbon cutting for Tiny Dog Cupcakes and Old Town Oils, opening in the end of July. FEW Spirits, the local distiller has officially opened, with limited hours.

IV. New Business

A. Discuss and consider Financial Assistance for Facade Improvement Project

Aaron Brown, Economic Development Intern, reported that there was one application for Hecky’s Barbeque at 1902 Greenbay, for which staff recommended a maximum amount of $11,500 to be granted from the Business District Improvement Fund for masonry, tuck pointing replacement of window and door frames and lighting. He
explained that in order to do the window replacement, 3 air conditioning units would need to be removed and 3 new rooftop HVAC units would need to be installed to replace them. The proposed $11,500 does not include the 3 air conditioning units. He reminded the Committee that Hecky’s had engaged staff last year before the new program was implemented regarding his façade improvement. Without compromising the applicant’s privacy, staff requested that the Committee’s decision be expedited because of extenuating circumstances.

Hecky’s contractor, John Leinweber stated that Hecky’s would be requesting funds separately for the air conditioning project, noting that the maximum allocated is $25,500.

Ald. Rainey said she had met with Hecky and supported including the air conditioning units in the award from the Economic Development Fund. She suggested approving the façade improvements and having staff for a presentation in support of the AC unit replacement, since removing the window units will make no sense if there is no air conditioning in the summer within the business, as it is unbearably hot inside.

At Ms. Radzevich’s introduction, Mr. Leinweber said the $23,135 for the air conditioning units on the roof could come from the $23,000 façade improvement fund. Mr. Brown added that based on the guidelines of the Façade Program the project is eligible for $21,500.

Ald. Fiske distinguished that property maintenance benefits the property owner and façade improvements benefit the tenant. She added that no photos of the property had been presented. Mr. Leinweber explained that there are 4 huge AC units hanging onto the street which need to be replaced by rooftop units, if the façade is to be improved. He said he would provide photos to the Committee. Mr. Freeman questioned whether the definition of façade improvement included mechanicals but agreed with Ald. Fiske in support of the façade improvement portion of the project.

Dan Mennemeyer asked Mr. Leinweber whether he could proceed with the project if Hecky’s receives only the Façade Improvement Program’s maximum match, to which Mr. Leinweber replied that Hecky would be more inclined to do the project if he receives $21,000 rather than $11,000, adding that the projects go hand in hand. Ald. Rainey said she is in support of the maximum funding, noting that Hecky has been committed to supporting Evanston employment and asked Mr. Leinweber whether he could wait a month to receive further support from staff in finding a way to help them, to which Mr. Leinweber replied that 1 month would not affect the project. Ms. Nyden noted that if the Committee waits until the July Economic Development meeting, it will not go to Council until August 8th and that is a very tight time frame. Marty Lyons, Assistant City Manager, said he would investigate how many facades necessitated air conditioning replacement in the past.

The Committee voted to recommend approve the request for $11,500 contingent upon staff presenting the necessary details. Ald. Fiske advised that they make sure to establish a clear policy, as she knows of many stores that need air conditioner units as well as façade improvements. She said there must be a line drawn between rehab and façade improvement. Mr. Lyons agreed that there are many facades with AC
units above the entrance doors which need to be replaced. Acting Chair Wynne and Ald. Tendam agreed saying the Committee may need another funding source and to look in the past records for a precedent.

Mr. Mennemeyer agreed to approve funding for the façade. Mr. Leinweber said he would take that and discuss it with Mr. Hecky.

Ald. Rainey moved to recommend to City Council approval of the funding for the façade improvements minus the air conditioning units and for Mr. Leinweber to meet with staff to determine the feasibility of assisting Hecky’s with the air conditioner replacement, seconded by Ald. Tendam.

The Committee voted in favor by majority 5-2.

Ald. Fiske opposed saying she wants drawings or plans.

Mr. Brown noted that the building owner must be amenable to the plan also.

B. Discuss and Consider Financial Assistance for Great Merchants Grant

Johanna Nyden, Economic Development Planner, stated that the program has never been in sync with the City’s budget so it will be reviewed again in September for the 2012 budget. She stated the new procedures, policy and goal:

- Attain multiple bids where possible
- Prevent money spent from flowing out of Evanston (last year $18,000 of the $28,000 flowed out of Evanston)
- Bigger merchandising to support activities, planters, advertising, festivals and events.

Ms. Nyden said the West End, which is the largest non-retail district with a large tax base, proposes banners on street poles. She said the group has worked several years to create a unified business group to solve problems together, with the City’s help. They are working on signage to identify the area and for wayfinding for truck drivers and customers. They feel this will jump start their economic growth and keep businesses interested, unified and looking nice.

Ms. Nyden introduced West End Representatives from Nature’s Perspective and Inclusion Solutions (Mr. Pat Hughes).

The representatives said the industrial businesses do not lend themselves to communication with each other as much as the retail businesses do. They added that said more of them are attending the monthly meetings, which started with 5 owners and now they need more space for the meetings.

Ald. Tendam moved approval of the funding of assistance for the West End in an amount of $5,000. The motion was seconded by Ald. Rainey.

The Committee voted unanimously (7-0) to approve assistance for the West End Group for $5,000.
John Szostek from the Main Street Merchant’s Association was next to present. He requested assistance in an amount of $5,000 for street banners. The current banners are faded, torn and unreadable and need to be replaced. He said the new designer is Jonathan Wiss of Evanston.

The Committee discussed the merchant to member ratio and how to improve it.

**The Committee voted unanimously (7-0) to recommend the award conditional upon bids for all proposed projects be presented to staff.**

Ms. Patti O’Neil of the Central Street Business Association said they propose to produce new brochures which they have been putting in hotels, in stores, and other locations in the area. She said their membership has changed. They also propose to update their outdated website and put events and information on it.

**The Committee voted unanimously (7-0) to recommend to City Council $5,000 for Central Street Business Association conditional upon bids for all proposed projects be presented to staff.**

Paul Giddings from the Chicago-Dempster Merchants was next to present his group’s request for $5,000 for holiday decorations, website improvement, and plantings. He noted that the website is being designed by an Evanston designer. He hopes to collaborate with other groups to get money for business promotion. He said the neighbors agreed that the business district looks bad and they want to clean it up. They would like to put lights up in the holiday season to encourage shopping. They have snowflakes but couldn’t afford their installation this year. He intends to collaborate so he can negotiate for a good price for holiday lights. He added that people have been struggling in the past couple of years, and paying membership dues is difficult.

**The Committee voted unanimously to recommend approval to City Council for a grant for the Chicago Dempster Merchants Association for $5,000 conditional upon bids for all proposed projects be presented to staff.**

Mr. Leinweber next presented the request from the Dr. Hill Arts District. He explained that his request aligned with the master plan for the district. His request was to install 3 more planters (have 5) placing one on Payne and Dewey. Next was to fund the maintenance of the memorial garden and sculpture on Green Bay Rd. (Community Service contributes for maintenance). Finally he sought to redesign the program as non-profit, rebrand and incorporate program. He said they have put in $1,000 for new stationery, marketing materials and 2012 banner replacement.

**The Committee voted unanimously to recommend approval to City Council, contingent upon staff’s requirements.**

C. **Discuss and Consider Financial Assistance for Site Remediation Activities for Developer of 2424 Oakton Street**

Ms. Nyden reported that she is working with Gordon Food Services (GFS) to bring them to Evanston but they have significant environmental issues. They are asking for
$100,000 from the City to invest towards remediation and site preparation. Staff recommends no more than $40,000 for assistance to GFS. She indicated that there is still the other half of the parcel to be dealt with and no TIF currently in place. As a result all funding would have to come from the Economic Development Fund. She introduced Bill Casey, Real Estate Manager for GFS.

Mr. Casey explained that GFS does not currently own the site. He said it is the largest family owned food distributor in the U.S. They started in the late 1970’s, supplying restaurants, schools, churches and hospitals. Their products are sold by sales reps. They have 13 stores throughout the U.S. selling 3,000 products with no membership fee. They would not be competing with grocery stores, but supplementing them. They sell bulk packaged food and paper products. The proposed store is 16,000 square feet on 1-2 acres of land with 60-70 parking spaces. Hours of operation would be 8am to 8pm Monday through Saturday and 12pm to 5pm on Sunday. He explained that they have been working on finding a site in the Chicago area for 2 years.

He explained the environmental problems:
- The soil is contaminated due to Rustoleum in the previous foundation and diesel fuel leakage from previous owner
- Need an alternative foundation system the cheapest of which is $220,000
- The seller has agreed to contribute $100,000 to the foundation system
- 5 more monitoring wells will be installed on project for a cost of $13,800 to find out more about the contamination
- A “free product analysis” will be submitted to the EPA for approval
- Current addition costs are at $300,000 (of which owner will contribute $100,000)
- No Brownfield opportunities for funding and not in TIF

Regarding the retention pond:
- They have received an extension from MWRD
- The pond is shared with the entire site
- The rubber membrane was never installed, which now is not needed
- Pond must be drained because it needs new siding for which a permit has been issued, good until August 6th, however he is not responsible to do the pond work
- The site all drains into the pond, then to Oakton into the sewer system

Mr. Freeman asked what is normally spent to prepare a site, to which Mr. Casey replied approximately $30,000.

The Committee commended Mr. Casey on his presentation. Ald. Fiske noted that staff recommended $40,000. Mr. Casey responded that $40,000 is a lot of money and he would be grateful for it. Mr. Mennemeyer commented that someone will have to do the remediation if GFS doesn’t, and the State will only become more restrictive as time goes on. The company would provide 35 new jobs. Ald. Fiske asked why staff only recommended $40,000 to assist GFS, to which Ms. Radzevich replied that this is the first time the City would use economic development funds for remediation so she figured 25%; she added that GFS spent another $13,000 which staff recommended with the caveat that GFS could ask for more, as needed, in the future. Mr. Freeman asked whether the foundation problem had come up in other sites, to which Mr. Casey replied
that only once did they have to do it and in this case it is not only the foundation supports. He added that they are only purchasing a portion of the site but the entire site needs remediation, as there are similar problems in the rear. Ald. Wynne noted that the problem is contained, at least. Mr. Casey said they would have to do a cap maintenance plan by putting 6” of asphalt in the parking areas, adding that there is also a liability for unremediated land being next to their property.

**Ald. Rainey moved to authorize one third of the cost of the remediation and additional foundation system, not to exceed $100,000, seconded by Ald. Fiske. The Committee voted unanimously (7-0) to recommend to City Council to approve the funding.**

Ald. Rainey noted that we don’t know how much it will come to. Mr. Lyons said the funding will be clarified in the final agreement.

**D. Discuss and Consider Financial Assistance for Permitting Activities for Potential CTA Project**

Matt Swentkofske, Intergovernmental Affairs Coordinator, reported that staff recommends XXX to the Economic Development Committee to assist in paying for the CTA Grove, Greenleaf and Dempster viaducts which are deteriorating. He said he has been working on this project for 15 months. He said the total package will cost $12 million. He said the state capital allocated funds for the project and he recommends that the City pay $66,000 to the CTA for their permit fees, which will in turn allow more of the $12 million to be invested in Evanston. He said the CTA starts in 2011 with viaducts or embankment and has 6 months to prepare each site concurrently.

Mr. Mennemeyer clarified that they have not asked us for the money, but we are offering it. Ms. Radzevich explained that it will give us more "bang for our buck" and we need the permit money to pay for staff review of plans, etc. while we are showing cooperation in the hope that they will do more for us. Ald. Wynne mentioned that this was done on the Main Street viaducts. Mr. Swentkofske explained that in the past we’ve waived fees for the CTA on small projects, but this is different, if we contribute money it will come back to us. Ald. Fiske said enhancing the viaducts in business districts is a good use of economic development funds.

**The Committee voted unanimously (7-0) to recommend approval for funding to the City Council.**

**E. Update and Discussion of Evanston’s Tax Increment Financing (TIF) Districts**

Ms. Radzevich reported that the past 4 and a half months she has been working with a TIF consultant, finding that many people and commitments have not been tracked and there is conflicting information. An analysis showed what was committed, what was paid, what could be funded and what had been promised. She then obtained copies of the signed agreements, filtering the non-eligible projects, successful projects and common trends. Staff is evaluating closing some TIFs early which could benefit the City, such as closing Howard Hartrey. The Washington National and West Evanston TIFs still have opportunities whereas Southwest Evanston and Howard Hartrey might be
nearing the end; other areas with pending projects will create a more balanced TIF area.

Mr. Lyons reported that the City is negotiating with schools because a 3 year agreement with the schools is ending this year and the schools don’t have money. By closing the Howard-Hartrey TIF, we could use the money to fund the schools. We would need their long term cooperation with a new TIF, and, he reported, they are interested. He further explained that the City’s fiscal year is different than the schools, which starts July 1st. Staff will look at the 2012-13 impact, but the City needs to decide now, as September 30th is the date notification must be given to the schools so they can levy for taxes.

Acting Chair Wynne commended staff on the very helpful information and summarization, adding that we must check on what is permitted. The decision will have to be made at the July 27th meeting.

Ald. Fiske expressed concern about TIF performance. Mr. Lyons responded that last year and 08-09 properties took big hits their assessed value but they are recovering. He added that the final valuations will impact 20 year schedules. He added that it is phenomenal that the schools are willing to cooperate. In other towns they are adversarial.

Mr. Freeman commended them on their work. The Committee thanked them.

VII. Adjournment

The meeting was adjourned at 10:12 p.m.

The next meeting will be held on Wednesday, July 27, 2011.

Respectfully submitted,
Bobbie Newman