ECONOMIC DEVELOPMENT COMMITTEE
MEETING NOTES
June 27, 2012

Attendees:


Committee Members Absent: C. Burrus, A. Rainey, R. Zenkich

Staff: R. Voss, S. Griffin, J. Nyden, N. Radzevich, P. Zalmezak, M. Jones

Presiding Member: J. Grover

I. Call to Order / Declaration of Quorum
With a quorum being present, Chair Grover called the meeting to order at 7:34 pm.

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

Mr. Mennemeyer moved to approve the minutes, seconded by Ald. Fiske. Ms. Summers stated that a correction needed to be made on page 7 of the meeting packet regarding the intensity of the use of the proposed data center project.

The minutes of the May 23, 2012 meeting were approved unanimously, 8-0.

III. Consent Agenda
A. Façade Improvement Program Grant Requests
Ald Grover stated that item A.ii, a Request for Funding Assistance from Minasian Rug Company had been pulled from the agenda.

i. Request for Funding Assistance from Studio SLK (1934 Maple Street)

Ald. Wynne moved to recommend approval of the façade application, seconded by Ald. Fiske.

The façade request was approved unanimously, 8-0.

IV. STAFF REPORTS
A. Update on Comprehensive Sign Program
Ricky Voss, Parking and Revenue Manager, provided an overview on the progress of the Comprehensive Signage RFP. He stated that in 2011 the City issued an RFP for the design of a detailed sign development program that could be used for signage throughout the City. This original RFP had a scope consisting of 13 basic tasks to accomplish and required some analysis from respondents. Mr. Voss continued, stating that five of the consultants that responded were selected for
interviews. Of those five, staff was prepared to recommend awarding UrbanWorks, Ltd. the bid, however, before this occurred, the selection committee was asked by City Manager to redefine the scope of the project for immediate capital needs. Mr. Voss explained that the revised scope reduced the proposed 13 tasks down to 7. These revised tasks were then forwarded to the five consultants originally interviewed who were invited to provide alternate proposals. Mr. Voss stated that of the three alternate proposals submitted, UrbanWorks maintained the lowest bid and that the reduction in scope lead to a significant reduction in cost, from $181,900 to $52,270. He stated that he will provide the committee more information as the projects move forward in the coming years.

Mr. Mennemeyer asked what category organizations such as Rotary International and the Chamber of Commerce would fall under. Mr. Griffin responded that those would be considered under institutional wayfinding signs.

Ms. Summers asked what the timeline was for implementing the program updates. Mr. Griffin responded four to six months. Ms. Summers then stated that signage for entry points into the City could be included.

Mr. Mennemeyer asked if staff made sure that the project was fundable over a particular period of time. Mr. Griffin stated that the memo included in the packet outlined where the funding for the program would be coming from. He continued, saying that business districts expressed the need to include commercial areas in the signage program and that funding for specific projects also depends on when they are budgeted for in the Capital Improvement Plan.

V. ITEMS FOR CONSIDERATION
A. Consideration of Request for Funding Assistance for coLab (900 Chicago Avenue)
Paul Zalmezak, Economic Development Coordinator, introduced the request for funding assistance from coLab for $32,400 for the period from August 1, 2012 to December 31, 2012 to assist in the providing a series of entrepreneurial Startup Evanston programs. He explained that the coLab proposal delivers a training program and networking opportunities for startups and entrepreneurs. It is not an incubator or accelerator. The city’s funding would not fund the physical co-working space that coLab Evanston owns and operates. He stated that coLab proposes a gradual reduction of City of Evanston funding over the next two years (as the market is established for the programs) and coLab has multiple funding sources assisting with carrying out its projects.

Eric Harper and Miguel Wong, cofounders of coLab Evanston provided overview of coLab’s current model and presentation on building the entrepreneurial ecosystem. Mr. Harper emphasized how coLab has already begun to translate some of Evanston’s economic development goals into actionable items through some of the events and programs they have recently produced.

Mr. Wong provided some examples of the events coLab has put on since its inception including: TedX Evanston; Start Evanston Pitch Day; Javascript for Designers; and Lunch Pitch. Each of these events, he stated, had great feedback.
and a lot was learned from each. He stated that coLab currently averages one event per month and that they wish to increase this number to once a week over the next five months then increase the frequency of events to two or three per week moving forward. Mr. Wong explained that it has become difficult to produce these events while also carrying out daily operational tasks of coLab and working on other endeavors for income. With each event requiring planning, finding a speaker, promotion and finding sponsorship, coLab is seeking funding to focus on the event production.

Mr. Harper explained that the $32,400 requested through the end of the year breaks down to approximately $1,300 per event and covers approximately 45% of the total cost of producing these events. For the event production, coLab will be contributing $4,050. Mr. Harper provided an overview of the proposed quarterly reporting data which includes: a list of programs delivered, list an summary of each event/program, number of participants in each event, number of Evanston resident participants, number of Evanston business participants and participant reviews evaluations and suggestions for each event.

Alderman Wynne commented that during the Economic Development Summit, one thing that was mentioned several times in the Technology breakout session was a lack of networking and training events. She stated that if more events were available they would be valuable. She then inquired how one signs up for Start-up Evanston. Mr. Harper answered that the Startup events are open to the public and anyone can sign up on its website has a listing of events and attendees.

Alderman Holmes expressed that she believes there are more entrepreneurs in Evanston and asked how coLab intends to reach out to them. Mr. Wong replied that the current model will be good moving forward and that current members have been engaging in helping to plan events teach other members. He stated that all events can be searched and that there is advertisement and outreach through partner and member organizations. Alderman Holmes stated that she was thinking of the Youth Job Center and groups that may not be able to access those organizations or resources. Alderman Grover agreed, adding that high school students should also be approached for some of the programs to nurture budding entrepreneurship.

Alderman Holmes inquired about establishing criteria that shows Evanston taxpayers the benefit of coLab’s event offerings and how they can participate. Mr. Wong replied that coLab’s events have been very open for residents to participate.

Mr. Freeman stated he would like for coLab to provide opportunities for low-income or unemployed people and ETHS high school students. Mr. Tendam stated that participation of Evanston residents will be in the quarterly data coLab provides. He then asked if prices for the events will increase in the future.

Mr. Harper stated that some increase will likely be seen in relation to the increase in scale of the programming. Mr. Wong added that once scale is more defined with more classes established and participants added, revenue may increase and keep costs down.
Alderman Grover stated coLab’s initial efforts appear to be successful at testing the market for this model and are filling a need in the entrepreneurial environment in Evanston and a recommendation to City Council. Mr. Freeman stated that the recommendation should include consideration of low-income and unemployed participants. Alderman Holmes agreed, saying it is better to consider that now. Mr. Zalmezak stated that he will assist coLab with implementing some provisions for that consideration and provide it for review prior to the item being considered by City Council.

Mr. Freeman moved to recommend approval for the funding assistance request from coLab, located at 900 Chicago Avenue in the amount of $32,400 for the period from August 1, 2012 to December 31, 2012, with $16,200 to be allocated upon Council approval and with the added provision of including accessibility to low-income and unemployed Evanstonians. Seconded by Alderman Wynne.

The request was approved by a vote of 7-0 with Alderman Fiske abstaining.

B. Consideration of Request for Funding Assistance for Now We’re Cookin’ (1601 Payne Street)

Mr. Zalmezak introduced the request for funding assistance for Now We’re Cookin’ for $35,050 for the period August 1, 2012 through December 31, 2012 to assist in their planned business incubator expansion. He stated that Now We’re Cookin’ intends to improve the success rates of start-ups and the growth of culinary businesses. Their proposal addresses the goals of the Economic Development Plan by assisting in the support of start-up businesses, offering workforce training and retaining businesses in the area. The proposed funding structure will also have a decreasing funding model over the next two years with multiple funding sources.

Ms. Nell Funk, owner of Now We’re Cookin’, provided an overview of the Culinary Center explaining that its mission is to mentor a community in the culinary field through culinary activities, culinary education and promoting culinary entrepreneurship. Ms. Funk stated that Now We’re Cookin’ has been in its current location for five years with very strong repeat customers and loyal businesses. She explained that the growth and success of Now We’re Cookin’ and the businesses it serves is being bolstered through collaborations with the City of Evanston, Northwestern University and a variety of other groups within Evanston that utilize the kitchen space. She stated that over time, she has seen that some clients have great culinary skill but are not yet prepared to operate and run their own businesses and that simply having a space is not enough to sustain a start-up culinary business. She expressed that transitioning to an incubator model will address this and provide culinary specific resources to potential food business owners. Ms. Funk provided a brief overview of some of the initiatives Now We’re Cookin’ has begun, including a Business 101 course for clients and outlined her expansion plan including: hiring an incubator manager; equipment for the kitchen space; marketing; and repositioning existing space to use as a dedicated packaging area.
Alderman Holmes asked for clarification on what space the current rent covers. Ms. Funk replied that the amount displayed in the proposal represented the existing rent and was not a part of Now We’re Cookin’s request for economic development funding.

Mr. Mennemeyer asked that there be some formal process established for the City to assist possible leads that move on from the incubator. He also commented that the shared use kitchen still appears to be the primary source of income for the culinary center instead of the incubator. Ms. Funk responded that the delay in revenue comes from the initial hiring staff and creation of programs, $800 of which is for access to the Rutgers incubator model. Mr. Mennemeyer then stated that he was hoping to see a transition in which the incubator model is a bigger part of the culinary center and that the final model provides more consulting for businesses. Ms. Funk explained that while that is a goal, some clients may only use the kitchen space and since Now We’re Cookin’ is at the beginning of the transition, shifting to a larger incubator focus, there has not yet been a set deadline for final implementation of the new model to be in place.

Mr. Freeman commented that the proposal appears to be more of an addition of services than transition from one model to another. He then asked what was charged to the clients. Ms. Funk stated that there is a $160 fee for the Rutgers program model and $240 for the Now We’re Cookin’ fee. The program consists of four 3-hour sessions. Mr. Freeman then stated that he would like to see similar assistance requested of coLab for Evanston residents and low-income and unemployed participants.

Mr. Mennemeyer stated that he would like to see income projections included in the proposal.

Ms. Summers expressed concern about the hard-cost for the shared-kitchen aspect of the business. She explained that she also was trying to figure out the need for this kind of use. Ms. Funk replied that the proposed model will be more effective for current and future culinary businesses.

Alderman Holmes asked for clarification on whether the kitchen space will remain. Ms. Funk responded that the kitchen will stay; however, there is also a need for a more sustainable food business, as there is a lot of turnover in the shared-kitchen space.

Mr. Zalmezak stated that this proposal also presents an opportunity for packaged goods that are sold in stores and restaurants. Alderman Wynne agreed and used Carmelita’s baked goods as an example. She stated that a testing ground exists for this type of model and it fits with the farmers markets and grocery stores in Evanston.

Alderman Fiske suggested that having these programs open to non-Evanston residents may attract more businesses to Evanston. She also stated that staff should also take the fees for the clients into consideration. Mr. Freeman responded
that there are low-income and unemployed residents of Evanston who could benefit from the programs and that they should be a consideration. Alderman Grover stated those concerns were made part of the previous motion for coLab.

Mr. Mennemeyer reiterated that he would like to have income projections included and did not feel he should vote on the proposal until it was included. Mr. Zalmezak replied that he would work with Ms. Funk to include the projection prior to the proposal being presented to City Council and have a discussion with her on what is needed.

Mr. Zalmezak stated that both coLab and Now We’re Cookin’ agreed to have at least one spot for each event reserved for low-income or unemployed participants. Mr. Freeman suggested that the reserved number of spaces be a percentage of the total number of attendees.

Alderman Wynne moved to recommend approval for the funding assistance request from Now We’re Cookin’, located at 1601 Payne Street, in the amount of $35,050 for the period from August 1, 2012 to December 31, 2012 with the added provision of accessibility to low-income and unemployed participants. Seconded by Alderman Tendam.

The request was approved by a vote of 6-2.

VI. COMMUNICATIONS

A. Economic Development Summit 2012- Update #1
B. Announcements/Updates from EDC Members
C. Real Estate Transfer Tax Report
D. Monthly Economic Development Communication
E. Summary of New Market Tax Credit Program (information memorandum-follow-up to May 23, 2012 Discussion of Data Center Proposed by Evanston Technology Partners)

The committee acknowledged each of the items under Communications

VII. Adjournment

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

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

The meeting was adjourned at 9:12 p.m.

Respectfully submitted,
Meagan Jones