



ECONOMIC DEVELOPMENT COMMITTEE

Wednesday, February 22, 2017 – 7:00pm

Lorraine Morton Civic Center, 2100 Ridge Avenue, James C. Lytle City Council Chambers

Members Present: , Ald. Wynne, Ald. Holmes, Ald. Rainey, H. Powell, M. Berns, J. Sierant, T. Dubin

Members Absent: Ald. Tendam

Staff Present: M. Lyons, J. Leonard, P. Zalmezak, S. Flax, C. Plante

1. CALL TO ORDER / DECLARATION OF QUORUM

Ald. Wynne called the meeting to order at 7: 08 pm

2. APPROVAL OF MEETING MINUTES OF January 25, 2017

Ald. Holmes moved approval of the minutes from January 25.

T. Dubin seconded.

Approved 7-0

3. ITEMS FOR CONSIDERATION

A. Storefront Modernization Grant for Gross Point Plaza,

C. Plante presented the storefront grant application for Gross Point Plaza. The property owner is applying for funding assistance for accessibility improvements and replacement of windows and doors. Based on building frontage and estimates submitted, the project is eligible for a maximum grant of \$16,500. Owner Peter O'Brien was unable to make tonight's meeting due to a schedule conflict, but is working with Community Development on DAPR approval.

M. Berns asked about discrepancies in the scope of work between the three estimates provided.

C. Plante responded that the recommended amount is the maximum amount based on frontage based on the overall scope, but that the inclusion of parking lot asphalt in one of the three estimates was not included in calculating the average.

Ald. Rainey moved approval.

Ald. Holmes seconded.

Approved 7-0

B. Storefront Modernization Grant for Lake City Cleaners, 600 Oakton Street

C. Plante presented the storefront grant application for Lake City Cleaners. The business owners were informed by Public Works staff that this work is required for compliance with plumbing code, and requested assistance with the costs. Due to the location of the

installation, a pump must be added to maintain necessary water pressure. Based on estimates provided, the project is eligible for a maximum grant of \$10,648.

Ald. Rainey asked about whether the plumbing inspector had visited the business and whether all of the bids included the addition of the pump

Janice Seyedin from Lake City Cleaners replied that the plumbing inspector did visit the business and make recommendations, and that the estimates used to calculate the maximum grant amounts all included the installation of the pump.

J. Leonard added that the amount recommended is the maximum rather than actual grant amount; the business only gets funding for work after it has been completed and inspected and they've provided invoices for everything that was done.

C. Plante reported that each of the three estimates was around \$20,000, and the average was \$21,296 so the \$10,648 maximum grant recommendation was determined by taking 50% of the average.

Ald. Holmes moved approval.

Ald. Rainey seconded.

Approved 7-0

C. Plante responded that future storefront grant memos will include a table showing the three estimates and average.

C. Storefront Modernization Grant for Red Hot Chili Pepper, 500 Davis Street

C. Plante presented the storefront grant application for Red Hot Chili Pepper. Owner Rama Kharel also owns Mt. Everest restaurant, and has applied for funding for exterior renovations to the space where he's opening a second restaurant, Red Hot Chili Pepper, primarily replacement of windows and doors. The project was already reviewed by DAPR. Based on building frontage and estimates provided, the project is eligible for a maximum grant of \$10,500.

H. Powell asked about how many jobs are expected to be created at the new restaurant and what steps if any the owner has taken to employ Evanston residents.

Mr. Kharel said that they expect to hire at least 4 back of house staff plus 5 servers and a general manager, but that they haven't started recruiting yet because the restaurant is still under construction.

Mr. Lyons added that several restaurant owners have been in contact with staff because they're experiencing a shortage of qualified hires for restaurant jobs, and we will be sharing information with them about the summer youth jobs program and contacts at Youth Job Center, National Able Network, and other organizations.

Ald. Rainey moved approval

Ald. Holmes seconded.
Approved 7-0

D. Financial Assistance for Kabul House, 2424 Dempster Street

M. Lyons proposed moving this agenda item to the end of the agenda.

E. Financial Assistance for Good to Go Jamaican, 711 Howard Street
a. Storefront Modernization Grant

C. Plante presented the storefront grant application for Good to Go. Owners Tony & Lenice Levy are Evanston residents and have purchased the building at 709-711 Howard Street to relocate and expand their existing restaurant and catering business, and are requesting assistance with interior build out of the space, including plumbing, electrical, concrete, and masonry. The building previously housed a storefront church, so this project will put it back on the tax rolls and return it to productive use. Based on the building's location and the estimates provided, the project is eligible for a maximum of \$50,000 in storefront program funding. S. Flax will be presenting a second request for a \$25,000 CDGB loan to assist them with purchase of needed kitchen equipment, which doesn't qualify for storefront program funding.

H. Powell asked about how many jobs will be created and what steps will be taken to hire Evanston residents.

Ms. Levy replied that they do expect to hire students from area schools, particularly during the summer.

Ald. Rainey moved approval
Ald. Holmes seconded.
Approved 7-0

b. CDBG Loan

S. Flax introduced the proposal for a CDGB loan of \$25,000 to assist with purchase of kitchen equipment to help with cash flow because the Levys plan to keep their current location open as long as possible before the new location opens. This will be used to fund equipment purchase only rather than construction in order to avoid triggering Davis-Bacon prevailing wage requirements.

H. Powell asked if the loan would be secured.

S. Flax replied that although loans like this typically are secured, there's already an SBA loan in place for this project which includes a blanket assignment which prevents us from doing that here. With that in mind, the amount was kept intentionally low in order to minimize risk

Ald. Rainey moved approval

H. Powell seconded
Approved 7-0

D. Financial assistance for Kabul House at 2424 Dempster St.

M. Lyons presented 3 potential means of providing assistance to Kabul House in response to the committee's request at the last meeting. The first is to structure it as a loan or forgiveable loan to the business, but in doing so the City would have a junior position to other lenders, meaning more risk. The alternative would be a liquor tax revenue sharing agreement with a clawback provision that would be triggered if they leave town or close. H. Powell asked about how this compares to other restaurants in terms of job creation and expressed concern that the owners have started construction prior to requesting funding assistance.

Ald. Holmes asked if it were possible to do include ongoing monitoring regarding local hiring, and recommended having MWEBE committee involved in monitoring local hiring and retention for requests like these.

Mr. Lyons responded that this will be brought back to the MWEBE committee.

M. Berns commended Mr. Lyons on the solutions proposed for this project.

H. Powell asked if the business will be opening in Evanston regardless whether the committee offers them funding or not.

M. Lyons replied that although he doesn't have a specific answer, they have already invested a considerable amount in the project up to this point.

H. Powell said that he thinks it's a bad business deal.

Ald. Wynne moved to recommend the revenue sharing option to city council.

Ald. Rainey seconded.

Approved 6-1.

4. COMMUNICATIONS

A. Monthly Economic Development Communication

B. Announcements/Updates from EDC Members

5. ADJOURNMENT

Ald. Wynne moved to adjourn.

Ald. Rainey seconded.

Meeting adjourned at 8:10 pm.