

**LAKEFRONT COMMITTEE
MINUTES OF**
Wednesday, May 11, 2011, 6:30pm
Civic Center, 2100 Ridge Ave. Room 2200

MEMBERS PRESENT: M. Wynne, C. Burrus, J. Fiske, J. Grover, P. Berger,
M. Eberle, C. Ernst, D. Reynolds, M. Sloane

MEMBERS ABSENT:

STAFF PRESENT: D. Gaynor, P. Belcher

OTHERS PRESENT: J. Shabica, M. Vasilko, A. McGonigle

PRESIDING MEMBER: J. Grover, Committee Chair

DECLARATION OF QUORUM

A quorum was present.

WELCOME AND INTRODUCTIONS

The meeting began with members of the committee and staff introducing themselves.

SELECTION OF THE COMMITTEE CHAIR

The committee voted 8-1 to have Alderman Jane Grover serve as committee chair.

OVERVIEW OF COMMITTEE GOALS AND EXPECTATIONS

Ald. Grover cited the purpose of the Lakefront Committee, which is to review and evaluate the lakefront development plan proposed by Mike Vasilko, as requested by the Economic Development Committee, and provide comments to the City Council within 90 days.

REVIEW OF LAKEFRONT DEVELOPMENT PLAN

Mr. Vasilko's concept of a fine arts and performing art district has been presented several times, including during council meeting citizen comments, at the mayor's budget committee, to the arts council, once to Downtown Evanston staff, and to the Economic Development Committee. The subject of his proposal was moved to Lakefront Committee in order to further discuss the merits of the proposal. Mr. Vasilko distributed copies of the proposal to the committee and began his presentation.

Proposed site for the concept:

- On the lake via a tunnel system from Church Street and Davis Street. Mr. Vasilko believes there are a host of real benefits to this site option including the fact that we don't lose park land; we gain park land. We don't lose lakefront beach area; we double our lakefront beach area. He is convinced that a strong Lakefront and Downtown adjacency to the proposed facilities is key to the proposal being successful.

Proposed estimated cost for the concept:

- Infrastructure cost for the project is estimated at approximately \$250 million – less the buildings. The infrastructure for the buildings would be paid for by the developers and investment groups.

Proposed facilities for the concept:

- A meetings and convention complex made up of a small convention center that would accommodate about 4,000 to 5,000 people in a variety of room configurations; a resort hotel, sized intentionally to drive most visitors to the existing downtown hotel facilities; and the finest of fine dining facilities, most likely part of the resort.
- A marina with boat slips capacity for up to 400 small boats.
- A concentration of large and small performing arts facilities for theater and music.

Estimated revenue that can be produced by these kinds of facilities.

- A convention center capable of events for 4,000 to 5,000 people (a modest size convention center) will guarantee annual tax revenue in the \$10's of millions of dollars. Mr. Vasilko looked at the wide range of convention groups that use McCormick Place in Chicago, and other neighboring communities like Schaumburg and Rosemont.
- A marina will produce a million dollars of revenue for every hundred boats. 400 boat slips would translate into \$4 million dollars of annual revenue in Evanston. A marina of this size would require approximately 300 parking spaces.
- Properly designed "world-class" music and theatre facilities will produce \$10's if not \$100's of millions of dollars of increased revenue activity throughout Evanston. The best reference Mr. Vasilko found for established performing arts is the Boston Symphony Orchestra. Most performing arts facilities he's looked at are not-for-profit organizations and therefore their business models consistently show little or no profit. In many cases financial statements show losses. So to be clear, with most performing arts facilities it is not necessarily the money collected at the gate that we should expect to benefit from, but rather the foot traffic and cash spent in local retail shops and restaurants.

Mr. Vasilko introduced John Shabica of Shabica and Associates Marine Engineers. Mr. Shabica said the only point he wants to reiterate tonight is no matter what we're looking to do on the shoreline, one of the things that the state and federal regulators are going to want is some type of shoreline inventory. Approximate cost for this is \$15 – 30 thousand.

Ald. Fiske asked Mr. Shabica other than access to downtown, is there something specific about the proposed location? Could it be anywhere off shore like near Northwestern, Lighthouse beach or further south. What specifically is the advantage to one location over the other? He said he wouldn't say it would be an advantage as is much as a disadvantage. From a placement standpoint, we may run into significant opposition from lake front homeowners because they are personally responsible for the civility of their own property. Ald. Fiske went on to say our beach front is really precious. We have a lot of privately owned lakefront property in Evanston so public access to the lakefront is pretty limited. The lakefront park is the largest area for all citizens to use the lakefront for various activities. The city's lakefront visioning plan was something that put a lot of value on passive use of the lakefront. She sees the proposed concept as people coming to the lakefront to renew their spirits and looking on to a large development, which is why she asked if alternate locations could be considered.

Mr. Vasilko responded that the premise was the adjacency to downtown. He doesn't think other locations would be as successful. A new development like this away from the existing downtown would generate competing interests. Mr. Vasilko is looking for a consensus from the committee that these are the appropriate types of facilities for Evanston. He would also like to hear of any new facility ideas that can prove their ability to generate revenue for the community, and tax revenue for the city.

Ald. Wynne said the issue is whether the lake is the right site for a performing arts center. Right now Downtown Evanston is undertaking a very serious study of repurposing the Varsity Theatre as a performing arts center, which would be right in the core of downtown reviving all of our empty store fronts and filling our hotels. She went on to say a marina has some real question marks to it, having been on the City Council during the marina study before, in terms of whether that's something we want to have in Evanston. As for the convention center, we may very well have a performing arts center in our downtown that could also serve as a convention center. She would like to understand what the other size facilities are that Mr. Vasilko is looking at in comparison; where is there a 4-5 thousand capacity convention center; and what are the numbers on that. Her understanding is that a lot of these convention centers are not doing well. She asked Mr. Vasilko to summarize what the comparisons are and how well they're doing. From her standpoint, she thinks a number of the things that are proposed in his concept may already be in development elsewhere and may not need to disturb the lakefront or spend all this extra money which she thinks is a real low ball estimate.

Ald. Burrus said overall she likes the concept of this being a tourist destination. She likes the marina concept if there was a way to connect it to Northwestern's yacht club marina. She agrees with Ald. Wynne that there is a lot going on downtown that we're building on that would address the performing arts piece. As for the convention center side of it, there really isn't a good place to have not-for-profit benefits in town. The largest auditorium is Cahn which has a capacity of 1,000. The notion of having a space on the lakefront drawing people to Evanston is good. Not necessarily a large convention center like Rosemont; maybe a hotel or something. She agrees with Ald. Fiske and said it makes more sense to have this kind of facility off the water treatment plant or south near the cemetery.

Mr. Berger said it's very hard to make a decision about the project without a strategic plan for lakefront economic development for Evanston in the long term. He'd like to have a mandate from the citizenry; through city council, or the appropriate authority, saying that we have decided strategically that Evanston needs to develop alternative ways, for the next 5 to 7 years, of generating revenue. Then we should solicit other proposals so people will come back with ideas for us to compare and evaluate. He thinks we should have discussions on how to use the lakefront in some fashion but doesn't know how far the discussion will go at this point. Mr. Vasilko's plan is great to consider but when it comes down to evaluating it, Mr. Berger is not ready to start on this at all. There's nothing against which to evaluate it. He wants 4 or 5 other plans in hand that all nine wards have said lets look at and then evaluate. He can't make a positive decision with just one plan under consideration and move to the next step of generating a feasibility study. Spending money on a hypothetical project is not the way to do it. He asked Mr. Vasilko what action he would like to come out of the committee?

Mr. Vasilko said he would like to see a consensus over the next meeting or two of what type of facilities should be considered. What's going to generate the revenue; what going to generate the tax revenue; that's step one. Step two is where does it go? He's familiar with the Northwestern's facilities but the trouble with those facilities is Northwestern benefits from them, not Evanston. He hasn't seen the Varsity Theatre study but noted there is a difference between a performing arts center and a performing arts room. A center has various type support facilities, practice facilities, recording facilities, etc., and those are not going to fit in Varsity Theatre. Varsity theatre would be a nice feature to have, but it's not the end all be all when it comes to all these things wrapped into one facility. If somebody books it to perform for a month, you won't be able to use it as a convention for instance. It's basically a nice large community type auditorium. He'd like to see it happen but we have to be careful not to assume it's going to give more that it can give.

Mr. Reynolds asked where will the \$250million dollars come from? Mr. Vasilko replied he'd like to think the federal government would offer us grants and low interest or no interest loans. He didn't have a financial packet tonight that lays out all the details but said there are ways of

funding this which he's talked to developers about. Some of it's privately funded, some of it's publicly funded and he can get details on that.

In addition to Ald. Wynne's request for comparisons of the convention centers, Mr. Sloane would like to know what kind of occupancy they're really having and revenue generated. Ald. Grover also suggested Mr. Vasilko take a look at why Schaumburg is not succeeding.

Ald. Burrus mentioned to Mr. Vasilko that he may want to ask Northwestern about his comment that some of their facilities are just used for Northwestern because that's just not true. There are other not-for-profits that come in and use Cahn Auditorium like Light Opera Works for example.

Mr. Ernst noted that the committee is suppose to talk about lakefront development and all of the sudden its talking about which type of facilities would fit in Evanston. It's confusing as to what we're really trying to do here. He added a few points that need to be established before even looking at something like this concept.

- The infrastructure - If you're looking at something that compares to Chicago for example; they've got Lake Shore Drive. How many lanes does Lake Shore Drive have? How many lanes come north and south in Evanston along the lakefront? Sheridan road is a very narrow two lane road. Church St, and Davis St, is basically one lane.
- Ownership - Who owns the lake bed? Evanston doesn't. Can private individuals or private organization benefit from the building in the lakefill? That's a major question.
- Environmental issues – There are a million questions.
- Imminent domain - You're talking about going down in a tunnel, down Church St and Davis St. To do something like that you have to knock out millions and millions of dollars of property.

If you're talking about economic things there's a lot of good ideas about what can go in Evanston. If you're talking about fiscally responsible moving ahead and spending a ton of time on a specific site, which has a lot of inherent problems to it; not that can't be overcome, but have major, major issues that go well beyond Evanston.

SELECTION OF NEXT MEETING DATES

The next meeting has been scheduled for 6:30pm on Wednesday, June 15 at the Civic Center in room 2402.

ADJOURNMENT

The meeting adjourned at 8:39 p.m.

Note: minutes are not verbatim