



ECONOMIC DEVELOPMENT COMMITTEE

Wednesday, June 28, 2017 – 7:00pm

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

Members Present: Ald. Braithwaite, Ald. Wynne, Ald. Wilson, Ald. Rue, Ald. Rainey, M. Berns J. Sierant, T. Dubin
Members Absent: H. Powell
Staff Present: P. Zalmezak, C. Plante, P. Martínez, M. Lyons

AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM

Ald. Wynne called quorum at 7:14 p.m.

2. APPROVAL OF MEETING MINUTES OF May 24, 2017

Ald. Wynne moved to approve minutes
Ald. Simmons second
Approved 8-0

3. ITEMS FOR CONSIDERATION

A. Storefront Modernization Grant for 2113 Greenleaf

Ms. Cindy Plante presented the storefront modernization grant application for 2113 Greenleaf. She explained the building owner is building a brand new space co-working space, which is nearly fully leased. The total budget of the project is \$300,000. The owner of the building, Mr. Andy Spatz is asking for \$50,000 in assistance.

Ald. Wynne moved to recommend
Ald. Braithwaite second
Approved 8-0

B. Entrepreneurship Program Updates

Ms. Cindy Plante explained the previous guidelines which did not have need-based vetting provision. She reviewed the projects that have been approved, which include Jennifer's Edibles, CrossFit Sharp Edge, and Human Success Factors. Ms. Plante introduced the revised guidelines, which consist of restricting eligibility to only those who have completed a specific list of entrepreneurship training programs.

Ald. Wilson moved to recommend
Ald. Wynne second
Approved 8-0

C. Patisserie Coralie

Mr. Paul Zalmezak asked for a recommendation to lease 633 Howard Street and provide a loan to Sweet Vendome, owned by Mr. Pascal Berthoumieux. Mr. Zalmezak explained that the loan would be for up to \$50,000, which would be funded from the Community Development Block Grant (CDBG) and the Economic Development fund. The proposed loan terms include 3.0% interest with a 10-year term with no payments for the first 12 months. The package also includes a \$50,000 tenant improvement allowance. Mr. Zalmezak also described the building renovation plans.

Ald. Wilson moved to recommend the lease and loan

Ald. Rue Simmons second

8-0

D. Great Merchant Grants

Ms. Paulina Martínez introduced Great Merchant Grant requests from three business districts (Central Street, West Village, and Howard Street). The requests totaled \$14,766.20. Ms. Martínez explained that, due to time constraints, all the landscaping requests have been presented to the Administration and Public Works Committee, thus all other non-landscaping related requests were being presented to the Economic Development committee.

Ald. Rue Simmons moved to recommend

Ald. Braithwaite second

Approved 8-0

E. 128-130 Chicago Avenue Project

Mr. Paul Zalmezak introduced the mix-use project at 128-130, which he explained, will consist of retail space to be occupied by the Peterson Garden Project social enterprise, and apartments with affordable housing units. The project proposed a seven story building.

Developer, Mr. David Brown from Harrington Brown, explained the challenges of the property and the scope of work for the project.

Mr. Brown indicated the benefits of the project include sustainability, jobs, tax generation, and affordable housing.

Ms. LaManda Joy, Executive Director of the Peterson Garden Project, explained the history of the Peterson Garden Project and the business model they have in mind. The business model will consist of retail, classes, and curated services to teach people to grow their own food and cook it, as well as a community café.

Ald. Wilson inquired about the extent of commitment from the City in terms of environmental remediation. Mr. Brown explained that they are requesting a total of \$130,000 for environmental remediation.

Ald. Wilson asked how the developer was going to address gap financing. Mr. Brown explained that financing will come from his personal equity and his partners' equity, and traditional construction financing, in addition to other potential gap financing sources such as Illinois Facility Fund.

Ald. Rue Simmons asked for clarification on the total financial commitment from the City. Ald. Rainey explained that the funds would come from the Howard Street TIF and the affordable housing fund.

Ald. Wilson inquired about the value of the lot. Mr. Zalmezak explained the appraisal has not happened, but that staff is working to have it completed as soon as possible.

Ald. Wilson inquired about the longevity requirements of the affordable housing units. No one was sure, so staff was instructed to find out.

Ms. Mary Beth Berns asked why the project was not calling for more density so that the City's contribution can be less. Mr. Brown explained that a bigger project doesn't necessarily decrease the financial gap / reduce the subsidy requirement. Construction cost increase as the building gets taller. He also explained the building is designed to be Transit Oriented Development (TOD), because there is not enough parking for more units.

Ald. Braithwaite asked if this project would take away from the affordable housing funds for the 831 Emerson project. Mr. Martin Lyons, City of Evanston CFO, said no.

Ald. Wilson moved to send to council with no recommendation and direct staff to do further due diligence (appraise the property, conduct appropriate environmental studies, and find alternative sources of funding).

Ald. Rue Simmons second
Approved 8-0

4. ITEMS FOR DISCUSSION

A. Wayfinding Signage Update

Ms. Kimberly Richards reviewed the history of the project and explained test signs have been installed in each ward. To narrow the focus of the program Ms. Richards wants to focus on parking signage instead of destination signage due to the rise of technology that help find specific destinations (i.e. Google Maps).

Ald. Wynne disagreed with eliminating destination wayfinding, because not everybody has access to a smartphone.

Ald. Wilson asked if City destinations and roads are tied to apps and if there is a cost. Mr. Wally Bobkiewicz, City Manager, explained that we are tied to apps and that we are working with Google and Waze. He also explained there is a cost of Waze, but not for Google.

Ald. Wynne stated she wants staff to find out the cost to work with a consultant to scale the project and include the destination signs.

B. Code Evanston / Blue 1647

Mr. Paul Zalmezak introduced Mr. Emile Cambry. Mr. Zalmezak explained Mr. Cambry is proposing to train 100 students per year to code at affordable costs.

Mr. Explained explained the background of Blue 1647, the organization he founded, is an economic justice enterprise with a focus in technology.

Ald. Wynne asked what the profile of a typical student is. Mr. Cambry explained that the typical student is anywhere from 4-24 year olds.

Ms. Mary Beth Berns asked what would be the cost. Mr. Cambry replied there is a fee, but that it would be free to the participant. Ms. Berns asked if that is the best model. Mr. Cambry said he has tried a couple of different models, but there is a blend of mixed results. Mr. Cambry explained there is application and interview process to sign up for the program.

C. Storefront Modernization Program Report

Ms. Plante provided a history of the program and a quantitative analysis of the results of the program.

Ms. Plante explained staff is working on solutions to be more inclusive and accessible to 5th and 2nd ward businesses, where not a lot of businesses have benefited from the program.

Ms. Mary Beth Berns suggested tracking the level of success. She suggested having the number of sales as part of the application.

Mr. Martin Lyons, CFO, said staff has access to that information, but would have to be provided as an aggregate number, but not for individual businesses.

Ald. Braithwaite indicated he would like to see policy suggestions from staff to engage landlords and better serve 2nd and 5th ward businesses.

Ald. Rue Simmons suggested modifying the guidelines to cover 100% of the cost for low-income businesses / businesses in areas that have not benefited from the program. Staff agreed to return at future meeting with proposed updates.

5. COMMUNICATIONS

- A. Monthly Economic Development Communication
- B. RETT Report
- C. Announcements/Updates from EDC Members
- D. Minimum Wage Ordinance

City Manager Bobkiewicz announced a recent “distressing” development related to the Cook County minimum wage and earned sick leave ordinance.

Mr. Bobkiewicz explained that the Cook County ordinance is scheduled to be active July 1, 2017. Until recently, Evanston’s neighbors and peer communities had remained committed to the Cook County ordinance. However, a number of communities have either opted out of the minimum wage or have introduced legislation that would allow them to reconsider opting out during a later council meeting.

Mr. Bobkiewicz suggested that having the adjacent cook county communities of Skokie and Wilmette opt out of the ordinance, in addition to La Grange and Oak Park, could put Evanston businesses at a disadvantage as neighboring communities would have lower wage requirements.

Mr. Bobkiewicz explained that the Economic Development Committee was unable to recommend a course of action as the matter did not appear on the Committee agenda. Mr. Bobkiewicz suggested that a special meeting of the City Council to further discuss and gather public comment on the matter (prior to the July 1st implementation date of the ordinance) might be warranted.

Alderman Rainey agreed that a meeting is necessary as the minimum wage ordinance may pose a risk to small businesses in Evanston and that the matter deserved additional discussion.

General consensus of the committee was to call the meeting to discuss the minimum wage.

6. ADJOURNMENT

Ald. Wynne called adjournment at 9:49 p.m.