

City of Crystal Lake Economic Development Committee
Regular Meeting
October 27, 2009 – 7:30 a.m.
Municipal Complex – Council Chambers Executive Conference Room

Call to Order

The meeting was called to order at 7:30 a.m.

Roll Call/Attendance

Members Affrunti, Feddersen, Fowler, Riley, Viger and Haleblan were present. Members Bawolek and Johnson were absent.

James Richter II, Assistant Director of Economic Development, was present from staff. Sue Dobbe with Dobbe Marketing and PR, Cart Carlson with McHenry County Convention and Visitors Bureau, and Gary Reece, Director of the Chamber of Commerce, were also present.

Approve minutes of the August 25, 2009, and September 22, 2009 EDC Meetings

Mr. Affrunti moved to approve the minutes from the August 25, 2009 EDC meeting as presented. Mr. Riley seconded the motion. On voice vote, members Affrunti, Feddersen, Fowler, Riley, Viger, and Haleblan voted aye. Motion passed.

Mr. Affrunti moved to approve the minutes from the September 22, 2009 EDC meeting as presented. Mr. Riley seconded the motion. On voice vote, members Affrunti, Fowler, and Haleblan voted aye. Members Viger, Riley, and Feddersen abstained. Motion passed.

Public participation and comments

There was no one present who wished to speak.

EDC Projects

I Shop Crystal Lake program

Ms. Dobbe handed out an outline of what's been going on with the program. She is talking with numerous local media representatives to get more free coverage of the program. Currently they are running ads on Star 105 regarding the cling contest and they are pleased with the number of businesses that want to participate with certificates for the winners. Ms. Viger said they have a small "poster" for the program along with the clings but it isn't eye catching and would prefer something larger. She said that would grab the people's attention. Ms. Feddersen suggested they also put something at Health Bridge. Ms. Dobbe said there have been a number of winners so far and they have been talking up the contest for the City.

Ms. Dobbe said there will be a special insert on Thanksgiving and another holiday insert that Sunday. She has been receiving good feedback on the inserts. Also they have a short video on Star 105 and the Northwest Herald websites. Ms. Dobbe said McHenry County Magazine is interested in doing an article on I Shop and she has given them the EDC members' names and numbers for interviews. She is also pitching the I Shop program to the Trib Local which started a few weeks ago. There will also be a quick

video for the \$30 Holiday program. Mr. Richter said it can also be added to the I Shop website and Channel 17. Ms. Dobbe said they will flood the market with applications and posters around town.

Mr. Haleblan asked if the national retailers were joining the I Shop program. Mr. Richter said that participation by national retailers is better than last year. The national retailers are hearing more about it and seem to be interested. Mr. Haleblan suggested burning a CD and giving it to them. Ms. Dobbe said the problem is there are too many people there. It's a matter of penetration.

Mr. Richter said an I SHOP CRYSTAL LAKE "Coming Soon" sign announcing Jameson's Charhouse has been installed and he received several calls from the media asking about it. He said the City will be using metal signs in the future where the logo and business information can be changed. The City can purchase the blanks and create the insert ourselves. That way we can reuse the signs and save money.

Mr. Fowler asked if the I Shop program will be represented in the Holiday parade. Mr. Richter said he is working on getting in an application for a "float". Mr. Fowler suggested a fire truck. Mr. Reece said he has a very large panel truck that he would allow the City to use. He will get the measurements to Mr. Richter so signs can be created. Ms. Dobbe said she would like to put a big ribbon on top of the truck so it looks like a very large present.

Mr. Haleblan asked if there are any "copy cats" of this program in the area. Ms. Dobbe said Algonquin Commons will be coming out with their mailer soon but there is nothing from the north. She said there is also a program started by the Northwest Herald. Ms. Feddersen said she was on that site and it is not user friendly. Ms. Dobbe said she has not seen another program similar to the I Shop program.

Mr. Richter said they are working on using Twitter for the program to provide info regarding businesses throughout town.

Ms. Dobbe played the radio ad for the cling program. Mr. Richter said the team has been working very hard on this. Mr. Affrunti said this program is always changing for the positive. There is something new that happens all of the time. That keeps it fresh.

Business retention

Review final retention strategy & Progress on visitation plan scheduling

Mr. Richter said they are working on making appointments with businesses. Many of the businesses do not place a high priority on this, but we will continue to move forward with the program. Mr. Riley asked if an appointment is made will the members receive an e-mail to see who will also attend. Mr. Richter said yes and there are others working on this project as well.

The Pingree Road program was discussed. Mr. Richter said if it were a City project, the businesses would have automatically been informed of it but since it was a County/Township project that did not happen. He said the City did send out letters to the businesses in the area of the project so they were aware of what was going on.

Presentation by Cort Carlson, of the McHenry County Convention & Visitors Bureau

Mr. Richter introduced Cort Carlson from the EDC. The MCCVB has applied previously for the Hotel Tax funds. In the past there have been more requests for the funds than there is money available. The MCCVB would like to tell us more about what they are doing for Crystal Lake.

Mr. Carlson said their program is geared towards the overnight stays. They are certified by the State which allows them to receive matching fund grants from the State. He said they recently hired a full time person for sales which focuses on meeting space, sports marketing, and bus tours. Currently they are working on 4 projects and they closely work with the Holiday Inn in Crystal Lake since that is the only large meeting space in the County. Mr. Carlson said they have ads running on WGN radio for 4 weeks.

Mr. Richter asked about the structure of the MCCVB. Mr. Carlson said the board currently has 15 members with 3 of those seats coming through funding (McHenry, Woodstock, and Lake in the Hills). They also have 3 vacancies. Mr. Richter asked if the City is deriving benefits from the MCCVB without paying for a membership. Mr. Carlson said the bulk of the hotels for the County are in Crystal Lake. There are 985 beds in the County and Holiday Inn has 197 rooms but he is not sure of the number of beds.

Mr. Carlson said the MCCVB has applied for the hotel tax funding for the last 4 years. They have worked closely with the hotels and received letters of support from them. He said the County started the MCCVB and they have been very fortunate. They are trying to wean themselves from the County's funding. Mr. Riley asked if there are various memberships available. Mr. Carlson said a business can start as low as \$50.

Mr. Richter asked if there is a County bed tax proposed. Mr. Carlson said it would only cover the hotels that are in the County – not in addition to the tax the City imposes.

Mr. Richter said he brought this to the EDC for their opinion. He said a recommendation doesn't need to be made today. He said that the MCCVB asked the City to explore alternative funding possibilities for the MCCVB. The EDC's budget has been spoken for for this fiscal year but it is something for the Committee to think about.

Mr. Reece asked what Mr. Carlson is asking of the City. Mr. Carlson said they would like \$12,000. That would bring the City's membership to match that of McHenry and Woodstock. That would be a start. Mr. Affrunti asked if there is a cap on the amount of grant money. Mr. Carlson said the only stipulation is that the money needs to be tourist driven. It must be for promoting overnight stays but it could be used for Vulcan Lakes if it addresses the overnight stay. He said every City of McHenry County has something different to offer.

Mr. Haleblian asked if there were any discussions about a convention center. Mr. Carlson said yes and it was originally discussed to be part of the minor league sports stadium. Mr. Haleblian asked about the

location. Mr. Carlson said there is no specific location yet. It would be something along the lines of the Schaumburg Convention Center but smaller. There was a discussion regarding traffic.

Mr. Richter asked Mr. Carlson to send him additional information about the MCCVB and he will be sure to send it along to the members. He said they could discuss this further at the next meeting.

Mr. Haleblian thanked Mr. Carlson for coming to the meeting.

Mr. Reece said 2/3s of the hotel rooms in the County are located in Crystal Lake. He said that CABA and other groups like it do a lot for the areas and it also gets spread around the County. Mr. Fowler suggested they contact the hotels in Crystal Lake to see what the MCCVB does for them. Mr. Richter said if the City were to fund the MCCVB at the \$12,000 level, the City would get a position on the Board it may be a way to advertise Vulcan Lakes. Mr. Affrunti said a convention center would need to be along major roadways.

Staff projects

Economic Development incentives update

A. Façade / Tenant Improvement program

Mr. Richter asked if there were any questions about the program. He said there is still money left in the budget. Mr. Fowler asked if any money has been disbursed yet. Mr. Richter said the projects need to be inspected and final approval given before the money is disbursed. Ms. Feddersen said they are getting more inquiries on every type of property – office or commercial.

B. Request to extend the Targeted Development Zone program to cover properties on Route 176

Mr. Richter said the City has received feedback on the targeted development zone and a request from Bo Strom of Charles River Development to extend the targeted development zone to over properties on Route 176. Mr. Haleblian asked why not along Route 176 from Route 31 to Route 14. Mr. Richter said the only restriction is that eligible developments and occupancies must have a \$250,000 investment which may be hard for small spaces to achieve. Mr. Haleblian asked why Route 176 was excluded. Mr. Riley feels there may be too much residential. Mr. Affrunti said there isn't much business on Route 176.

Mr. Fowler moved to recommend to the City Council to amend the Targeted Development Zone program to include Route 176 from Route 14 to Route 31. Ms. Feddersen seconded the motion. On voice vote, all members voted aye. Motion passed.

Business recruitment update

Mr. Richter said the approved Fairfield Inn is being foreclosed on. He has been talking with the property owner and hotel developer who indicated that financing the \$10+ million project has been challenging. Mr. Richter said that he pitched the City's incentives to him and will be keeping in touch.

International Council of Shopping Centers Dealmaking Event – 10/28 – 10/30

Mr. Richter said the Director of Planning and ED and he will be attending the ICSC conference and this time they will have a booth. This will allow them to get a pulse on where retail is currently.

McHenry County Economic Development Corporation cooperation

There was nothing to report.

Organization Reports:

Downtown Crystal Lake (Brian Fowler)

Mr. Fowler said the Holiday parade will be held the day after Thanksgiving. The downtown business owners are looking forward to a good season. Mr. Haleblan asked about the vacancies downtown. Mr. Fowler said businesses are coming and going.

Committee for Business Support (Terry Feddersen)

Ms. Feddersen said they are getting calls again.

McHenry County Economic Development Corporation (Brian Fowler)

Mr. Fowler asked if Pam from MCEDC could be invited to attend a meeting. Mr. Richter said he will ask if she is available for the next meeting.

City of Crystal Lake (James Richter II)

Mr. Richter said there will be a special meeting of the PZC tonight regarding the Metra Ridgefield Station.

Comments from the Committee

There were no other comments from the members.

Adjourn

There being no further business, the meeting was adjourned at 9:00 a.m.