

City of Crystal Lake Economic Development Committee
January 25, 2011 – 7:30 a.m.
Municipal Complex – City Council Chambers Conference Room

Call to Order

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

Roll Call/Attendance

Members Affrunti, Feddersen, Fowler, and Haleblian were present. Mr. Riley arrived later during the meeting.

Michelle Rentzsch, Director of Planning and Economic Development, and James Richter II, Assistant Director of Economic Development, were present from staff.

Mr. Haleblian stated since there was not a quorum present at this time the approval of the minutes would be delayed.

Public Participation and Comment

There was no one present who wished to speak.

Committee Membership

Mr. Richter said that the resumes for interested parties have been included in the packets as well as a comparison of their skills and experiences. The Committee has the ability to forward a list of qualified candidates to the Mayor and City Council. The candidates are: Keith Saidler, JMS Consultants (marketing); Jeff DeHaan, BSC Private Wealth Management (financial advisor); Steve Dalzell, Dalzell & Co. (retail); Mike Ross, Sweat Pea Cakes (restaurant); Andrew Hymes, Millennium Electronics (manufacturing); Penny Hughes, Hughes and Sons Signs (service provider/retail); and Rich Harms, Countryside Nursery (retail). Pam Cumpata with the McHenry County Economic Development Corp originally attended the meetings but declined to be considered for a position on the Committee. Mr. Richter presented a chart to compare the candidates and focused on their backgrounds. Mr. Richter stated that in addition to skills and qualifications, the Committee should consider four additional criteria: a) possible conflicts of interest; b) other commitments that the candidate may have that may impact meeting attendance and participation; c) does the candidate bring a unique skill or perspective to the Committee; and d) connections the candidate(s) may bring to the group.

Mr. Haleblian said all of the candidates are viable. If he had to choose, the top candidates would be Mr. Ross, Mr. Dalzell, Mr. Harms, and Mr. Saidler.

Mr. Fowler said Ms. Cumpata said she would like to be involved with the Committee but feels that her appointment would be counterproductive and that the appointments should be made to people who have desirable skills that can help the City. Mr. Haleblian asked if there would be a conflict of interest for her. Mr. Fowler said no but she is already very active with the County EDC. Mr. Haleblian added that Mr. Hymes is also a good candidate. Mr. Affrunti said that the City is in a nice position to have all of these candidates interested in the Committee.

Mr. Riley arrived at the meeting at this time.

Mr. Fowler said Mr. Dalzell would bring a unique perspective to the group being a business and retail space owner. He added that he would like to have a manufacturing person on the Committee. Mr. Affrunti said

that Mr. Saidler also brings a different perspective and a marketing background. Mr. Fowler said one of their goals was to bring in a marketing person to the Committee.

Mr. Affrunti said Ms. Hughes has been in the community her entire life and Mr. DeHaan with his financial background is a good candidate. He asked if they need to recommend all seven candidates or just the ones who they feel are a good fit. Mr. Richter responded that this decision was up to the Committee. Mr. Haleblian said Mr. Ross gave some good ideas at the previous meeting and his business has expanded.

Mr. Fowler indicated how challenging this task is and asked if the people who are not appointed can attend the meetings and participate in the subcommittees. Mr. Richter said yes, absolutely. Ms. Feddersen said they don't need to be on the committee to be involved. Mr. Richter added that the only difference is they cannot officially vote on matters considered by the Committee. Mr. Richter indicated that he would invite those who were interested but not appointed to participate in subcommittees.

Mr. Richter stated that both Mr. DeHaan and Mr. Saidler were the first to send their information and have been in contact with him several times expressing strong interest in the Committee. Mr. Richter asked for each member's top candidates. Mr. Haleblian said his are Mr. Dalzell, Mr. Ross, and Mr. Hymes. Mr. Fowler said his are Mr. Hymes and Mr. Dalzell. Mr. Affrunti said his top candidates are Mr. Hymes and Mr. Saidler. Mr. Riley said his are Mr. DeHaan and Mr. Saidler. Ms. Feddersen agreed with Mr. Riley. Mr. Richter said the top candidates were Mr. Saidler, Mr. Hymes, Mr. DeHaan, and Mr. Dalzell. He said all of the candidates' information will be forwarded to the Mayor and City Council.

Mr. Haleblian said he would like to offer the candidates that are not appointed to be given the opportunity to participate in the subcommittees as part of their Council action letter.

The Committee agreed to forward a list of qualified candidates to the Mayor and City Council that includes Keith Saidler, Andrew Hymes, Jeff DeHaan, and Steve Dalzell.

Approve Minutes of the December 14, 2010 EDC Meetings

Mr. Affrunti moved to approve the December 14, 2010 EDC minutes as presented. Ms. Feddersen seconded the motion. On roll call, all members present voted aye. Motion passed.

Staff Updates

I Shop Crystal Lake

Mr. Richter said that following last monthly meeting, Staff has worked with the EDC and business community to recruit 28 rewards offers on the www.iShop.com website. He said the last few issues with the website should be completed by this weekend. Mr. Richter said he has met with the big box stores about adding offers, but they need to speak with their District or Regional Managers, which get lost in transition. He has also been in contact with the High Schools and MCC regarding students being trained and visiting businesses to help them get started on the program. Mr. Haleblian said it takes time to get your business information on the website. Mr. Fowler said they need to figure out a way to make this important for businesses. Mr. Haleblian said his time is devoted to his customers and not entering information. Having someone come to put the information in would be helpful. Mr. Richter said they need to pitch that this is advertising for their business and it is free. Part of this is walking them through the setup.

Mr. Riley suggested contacting the high schools because the National Honor Society members need to put in so many hours of community service. Ms. Feddersen added that the MCC students who are involved with the Promise Program also need service time.

Mr. Fowler asked about a bar code on the back of the cards. Mr. Richter said each system is different and there is no single system that can be used universally.

Mr. Riley suggested they have several volunteer high school or college kids with laptops at the mixers to sign people up.

Ms. Rentzsch suggested that an e-mail be sent to the business and follow it up with a volunteer to sign them up. Mr. Haleblian said the hard part is getting the kids face time with the person they would need to talk with. Mr. Foley said the City could call and set up a time for the kids to come. Mr. Haleblian asked how long it takes to set up the business. Mr. Richter said only a few minutes, and then Staff approves it, and the Rewards entries could take possibly 10 more minutes. Mr. Haleblian suggested that a worksheet be sent to the business prior to the visit so they will know what information they would need to have.

Mr. Richter said the Rewards cards have not been sent out because of the lack of business participation so far. He said the company that created the website has promised that they will fix the remaining issues soon. Mr. Fowler asked what the deadline will be to mail out the cards. He suggested March 15. Mr. Richter said that should be plenty of time to check out the website and get other businesses signed up. Mr. Fowler suggested doing a press release about the cards being mailed out.

Incentives

Mr. Richter said the budget for the next fiscal year is being put together and it is a good time for us to analyze our incentives program and their success. He said Ms. Rentzsch was able to move \$5,000 from one account that had little to no activity to this account without increasing the overall department budget. He reviewed the evaluation and observations of the existing program as well as the possible changes for the next budget.

Mr. Fowler said we need to keep what we request from the businesses simple – without a lot of red tape. He said the City should not expect to get the money back from the businesses should they not live up to their part of the agreement, due to the positive things they add to the business community such as jobs and daytime traffic for business.

Mr. Riley agreed that the City should have the ability to check the retail sales tax generation from applicants that received grant money so we can track what is happening.

Mr. Richter said one of the suggested changes is to increase the grant amount for current businesses. He said Colonial Café is moving across the street and they were only allowed \$1,000 when they are putting in over \$800,000 of improvements to the new location. Mr. Fowler asked when the decision needs to be made since he would like the new members to be included in the decision. Ms. Rentzsch said the budget workshop is held in February but the date has not been determined, so it would be a good idea for the committee to forward a recommendation as soon as possible.

Mr. Affrunti asked about the success level of the previous grant recipients. Mr. Richter said there has been only one business that received the grant that closed during the first year. Mr. Affrunti said that is a good track record.

Mr. Affrunti moved to recommend the Matching Grant Program be revised as follows: Increase the cap on new retailers /manufacturers to \$70,000 with the maximum award at \$10,000; Existing Retailers award be

increased to \$2,500 with a cap of \$10,000, and minimum annual sales of \$50,000 in taxable retail sales and an agreement to include a business must be open for at least 3 years, provide a retail showroom that is open to the public, and provide cash-and-carry retail sales. Mr. Riley seconded the motion. On voice vote, all members voted aye. Motion passed.

Attraction & Retention

Mr. Richter said the tour of General Kinematics was great and it was good for the City to continue building relationships with the business community. He said the Office Depot will be closing its location in Crystal Lake shortly. He was in contact with the company for possible alternative locations within the City. He added the Hobby Lobby has a lease until 2019 and the store is doing very well. There will be more discussion in the future about replacement tenants for this center.

Legislative

Mr. Richter said he provided the members with a copy of the revisions to be made to the UDO that were approved at the last City Council meeting.

Tourism

Mr. Riley asked about the Hotel tax funds disbursement. Mr. Richter said there was a workshop held but the Council members did not discuss any of the applications at that time. The meeting allowed applicants to make their presentations to the Council. He said the Council will make the discussion on the disbursement at a future Council meeting in February.

Organization Reports

Downtown Crystal Lake (Brian Fowler)

Mr. Fowler said the annual Downtown meeting will be held next Monday evening.

Committee for Business Support (Terry Feddersen)

Mr. Affrunti said that at the last Committee for Business Support meeting a representative from District 47 gave a presentation at the meeting on how their budget works.

McHenry County Economic Development Corporation (Brian Fowler)

Mr. Fowler said Ms. Cumpata appreciated being included in the General Kinematic's tour. They had the machines working just for this tour.

Comments from the Committee

Mr. Richter asked which business they should tour next. Ms. Feddersen suggested Farr on Main Street since they are possibly moving out of Crystal Lake. Mr. Fowler suggested Catalyst Exhibits first. Mr. Richter said he will get working on scheduling the tours.

Mr. Haleblian asked about businesses that have been in business over 40 years. He believes Ormsby's is on that list. Mr. Richter said he received a list from the Chamber and will look into it. Mr. Fowler asked if anyone noticed the City's plaque on the wall at General Kinematics.

Mr. Haleblian asked about the road improvements to Routes 176 and 31. Ms. Rentzsch said they are in the process of land acquisition. Mr. Richter said he will bring the IDOT plans to the next EDC meeting.

Adjourn

There being no further business, the meeting was adjourned at 9:15 a.m.