

City of Crystal Lake Economic Development Committee
August 23, 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, Dalzell, DeHaan, Haleblian, Hymes, Riley, Saidler, and Fowler were present. Members Feddersen and Hymes were absent.

Michelle Rentzsch, Director of Planning and Economic Development, and James Richter II, Assistant Director of Economic Development, was present from staff. Also in attendance were Gary Reece, President of the Crystal Lake Chamber of Commerce, Sue Whitfield, Chamber of Commerce Committee for Business Support, Pam Cumpata, Director of the McHenry County Economic Development Corporation, Ted Groat, McHenry County Youth Sports Association (MCYSA), and Joe McKeown, State of Illinois Department of Commerce and Economic Opportunity (DCEO).

Approve Minutes of the July 26, 2011 EDC Meetings

Mr. Haleblian moved to approve the July 26, 2011 EDC minutes as presented. Mr. Riley seconded the motion. On roll call, members Affrunti, Dalzell, DeHaan, Riley, Saidler, and Fowler voted aye. Mr. Haleblian abstained. Motion passed.

Illinois Department of Commerce and Economic Opportunity discussion

Mr. Richter thanked Mr. McKeown for attending the meeting. He indicated that the members have a lot of questions and would like to get started.

Mr. McKeown said everyone is working together but when a business comes to them it usually is too late for retaining the business. His goal is to meet with the manufacturing businesses within his territory. Mr. McKeown said he can also possibly link businesses with other groups, grants, etc. that could help them.

Ms. Rentzsch asked what Mr. McKeown hears when he goes to the manufacturing businesses. Mr. McKeown said he hears the complaint that there are not enough skilled workers in this area for manufacturing jobs. He said they are not “dirty jobs” like they use to be.

Ms. Cumpata asked what incentives are available through the State for businesses. Mr. McKeown said there are things available such as Edge Tax Credits and ETIP Training grants but it is based on the business. He gave the example of Motorola in Libertyville. They did not meet some of the criteria but because they were investing millions of dollars into the business that qualified them. Mr. Reece asked if the help from the state would be based on the size of the business and what proportion they would be able to invest in their business. Mr. McKeown said it varies based on the Director’s determination. Ms. Cumpata asked if the forms required by the State of Illinois similar to what is required in other states. Mr. McKeown said they have not looked into that. He said they currently don’t have any funds since none has been allocated by the legislature at this time.

Mr. Fowler said the goal of the City’s EDC is to hold a retention visit once a month. He asked if Mr. McKeown would like to be notified of the visits. Mr. McKeown said yes. Mr. Fowler asked about Catalyst who recently moved to Wisconsin. Mr. McKeown said he had contacted them several times and they would not meet with the State. Mr. Fowler said the City got to them too late.

Mr. Richter asked how the department is structured. Mr. McKeown said there are various offices within the department. Mr. Richter asked who the City would contact within the department. He stated he has phone numbers for just about everyone but does not know who the best person to contact is. Mr. McKeown said that we should call the Outreach office which is the office he works in. He would take the information in to the office and go from there. Ms. Rentzsch asked how long the process takes. Mr. McKeown said it could take a couple of weeks to a few months. Ms. Rentzsch asked what could be done if they don't have that kind of time. Mr. McKeown said the paperwork needs to be processed. Mr. Haleblian asked what is involved in the paperwork. Mr. McKeown described some of the information that is needed. He said if the information is incomplete, that would hold up the process.

Mr. Fowler said we have states actively marketing businesses in Illinois. Ms. Whitfield asked if the form was on-line. Mr. McKeown said no. Mr. Richter said it is a Word document.

Mr. McKeown said the Department is in the process of restructuring and they are currently working on a plan for outreach to businesses. Mr. Fowler asked what area Mr. McKeown covers. Mr. McKeown said he covers Lake, Kane, McHenry, LaSalle, Kendall, and a portion of Cook. He said that John Duncan from Rockford has some overlap in McHenry County.

Mr. Haleblian asked about other State's paperwork. Ms. Cumpata said it is considerably shorter than what is required by Illinois. She added that Wisconsin and Indiana put business people in charge of their departments. She also understands that there is a mayor from a community in a neighboring state going door to door to manufacturing businesses asking them to move to his community.

Mr. Fowler asked if it would be helpful if the EDC would send a letter to the DCEO regarding our concerns and to provide feedback on streamlining the process. Mr. McKeown said that would be helpful. He added that there are many tax credits available to businesses. Mr. Richter said the City has a small incentive program so we are able to go to businesses with confidence with what we can offer a business. He feels that the State doesn't have that ability. It would be helpful for them to tell a business that certain things are available through the State. Mr. Saidler feels this should be a larger effort and not just the EDC or Crystal Lake sending letters to the DCEO. Ms. Cumpata said she belongs to a larger group called the Metro Growth Alliance of Chicago. She will mention sending letters to them at the next meeting.

Mr. McKeown said the DCEO also handles the Main Street program for the state.

Mr. Fowler thanked Mr. McKeown for coming to the meeting. Mr. Richter said Mr. McKeown is always good to answer his phone or return calls.

Chamber of Commerce Committee for Business Support discussion

Ms. Whitfield said the Chamber developed an advocate voice for business prior to the City establishing the EDC. Previously the Chamber was the place to go to voice opinions of problems with the City and now it's more a "love fest" with businesses expressing their approval of the changes the City has made and the direction we are going. Ms. Whitfield said the Chamber is now looking for a new direction for the Committee and would like to assist the City. Mr. Reece said the Committee meetings are very informative but he is not sure if the information presented is shared. He said the EDC has done some great things and he hoped that the Committee for Business Support members could tag along on some of the business visits.

Mr. Fowler said they are trying to get the I SHOP programs working again. He asked if the Committee could possibly help with some of the visits to businesses to get them setup on the Rewards program. Mr. Reece said he will put it out to the Committee.

Ms. Rentzsch said she has received many phone calls from people starting up businesses especially home based and asked if there is a mentoring program. Mr. Reece said they are developing it now.

Ms. Whitfield said there are some people that no matter what is being done still don't trust the government and that is where the Chamber can help.

Mr. Richter said that a couple of years ago the EDC started a feedback forum for businesses, contractors, etc. He thought that possibly the next forum could be held in conjunction with the CBS meeting.

Mr. Dalzell asked if the Chamber could promote the I Shop program. Mr. Reece and Mr. Richter stated that the Chamber does. In fact it is on most publications and their website.

Mr. Fowler said later on the agenda is the subject of Committee appointments. He said that Ms. Feddersen is the Chamber's representative on the EDC but she will not be able to attend future meetings. Mr. Fowler suggested that Mr. Reece take her place. Mr. Reece said that he would be very happy to join the EDC. Mr. Richter said that can be forwarded to Council for their action.

STAFF UPDATES

I Shop Crystal Lake Update

Mr. Richter said they have been working with a consultant on the website. The design is nearly complete and it should be up and running soon. He said they still have 53 Rewards offers and the businesses are not doing a good job to maintain their "offers." It was suggested at the last meeting that there be an independent consultant/contractor to go to businesses and promote the program. Mr. Richter said he has received a few proposals from interested consultants and asked that the EDC allow staff to make the final decision. He said goals will be set for the consultant and the contract will be on a month to month basis. Mr. Fowler said the consultant needs to be determined in the next week or two so they can get going on the I Shop programs.

Incentives summary

Mr. Richter said there is an issue that arose with the incentive program. The contractors doing the work for the approved incentivized businesses must pay prevailing wage. This impacts the program such that the increased costs for prevailing wage outweighs the \$10,000 benefit. Staff is checking with attorneys regarding changing the program slightly so the money doesn't go to the business owner but they receive credit for their building permit and/or water bill or the costs to do business with the City of Crystal Lake. Mr. Richter said he will let the members know what is happening after he hears back from the attorneys.

Ms. Cumpata suggested that another entity that is not part of the City take over the incentive program – such as the Chamber. Ms. Rentzsch said the prevailing wage impacts the incentive agreements for 10 years. Whatever improvement the business owner does must be at prevailing wage for the life of the agreement. She said it doesn't apply to a TIF district. Mr. Reece said there is legislature pending to change that for TIF districts.

Mr. Richter said they will explore all options with the attorneys and he will report back to the members.

Retention and Expansion

Mr. Richter said the City tries to arrange one business tour a month. That allows the business owner to get to know us and what we can help them with. Recently they went on a tour of Covidien and were informed that they are possibly consolidating several of their locations into one. Crystal Lake is one of the areas they are looking into. He has asked how the DCEO has been involved on this project. Mr. McKeown said they are working with the business owner. Mr. Fowler asked if there are offers on the table for them since there is a timing issue. Mr. McKeown said he could not discuss it. Ms. Cumpata said they only want to know if something has been offered – not what was offered. Mr. McKeown said there was an offer made. Mr. Richter said that Covidien asked Staff to put together information on the community. He asked if the EDC would like to recommend that Covidien receive a Business Champion award through the MCEDC.

Mr. Affrunti moved to approve a Business Champion award for Covidien. Mr. Saidler seconded the motion. On voice vote, all members voted aye. Motion passed.

Mr. Richter said Aptar is an international business with their US headquarters in Crystal Lake. He said they are interested in consolidating their manufacturing and warehouses from McHenry and Cary into one location. They had contacted the Fire Department regarding regulations for storage of plastic items that they manufacture. In turn the Fire Department contacted us and we met with representatives from Aptar over the past month. Mr. Richter received confirmation yesterday that Aptar is taking 91,000 square feet of warehouse space in the Crystal Lake Business Center.

Mr. Saidler moved to recommend to the City Council approval of a matching grant for Aptar. Mr. Riley seconded the motion. On voice vote, all members voted aye. Motion passed.

Ms. Cumpata suggested that the EDC send a letter of congratulations to Frank Carroll of Knaack on his recent promotion. Mr. Fowler said they could mention the recent tour of the facilities and the award. Ms. Cumpata also suggested that he be invited to attend an EDC meeting. Mr. Carroll is very involved in other communities and may have ideas that were successful there. Mr. Reece mentioned that the Chamber has met with the new CED and that Steve Hagge would be happy to talk with us.

Mr. Richter said he was invited to attend a tour of Alpha Star that was put together by MCEDC for Don Manzullo. He feels the EDC should tour that facility as well. Also a request was sent to Food Warming Equipment regarding a possible tour but he has not heard back from them. Mr. Richter said Camfil Farr would like for the EDC to tour their facility but not until the weather is cooler since they don't have air conditioning.

Mr. Richter said General Kinematics recently announced that two employees received promotions and that letters have been created and ready for the members' signatures.

Mr. Richter said the City's Three Oaks Recreation Area (TORA) has been an incredible success and is a great tool for the City. Mr. Affrunti said everyone loves it. Mr. Haleblan said it is the City's crown jewel and asked if there is an award the City can receive for it. Both Mr. Reece and Ms. Whitfield relied that the PICA award is a possibility and explained the criteria and method for granting the award.

Ms. Cumpata said JA Frate is celebrating their 40th anniversary on September 15th and it will be held at TORA. Mr. Fowler said he would like to finalize the business anniversaries for an October Council meeting.

Organization Reports

Downtown Crystal Lake (Brian Fowler)

Mr. Fowler said there have been very good turnouts for the Lunch and Dinner in the Park. Ms. Rentzsch said the National Night Out was well attended at well. She said they are working on signs to clarify the parking locations in downtown. Mr. Dalzell asked about the parking garage situation. Ms. Rentzsch said there are many empty spots in the existing parking lots. She said the downtown parking committee meetings are held on the 3rd Thursday of the month and the last meeting there were only a couple of people.

McHenry County Economic Development Corporation (Brian Fowler)

Ms. Cumpata said things are moving forward and businesses are looking to hire but there is not a lot of experienced workforce for the jobs that are open. There was a forum recently held with the high schools and MCC to help move things forward. She said Bill Strause from the Federal Reserve will be coming in September. Manufacturing is very strong and they are leading the way out of this economic situation. Ms. Cumpata said the MCEDC annual dinner is November 3 and the speaker will be the President of Caterpillar who is a Woodstock High School graduate.

Economic Development Committee Appointments and Re-appointments

Mr. Richter said there are two members who are up for reappointment by the end of September and they are Mr. Affrunti and Mr. Dalzell. Mr. Affrunti said he would love to be reappointed and Mr. Dalzell said he would like to return if they want him. Additionally, Mr. Fowler asked to pass along the recommendation to appoint Mr. Reece in Ms. Feddersen's place. Mr. Richter said he will inform the City Manager's Office of their intentions.

Monthly Report to the City Council

Mr. Fowler said he will create a summary for Council using bullet points. He asked that he be e-mailed the draft minutes and he will create the summary. The members reviewed the keys to the meeting including a representative from DCEO was present; the EDC will be working closely with the Chamber to help each other. Ms. Rentzsch suggested that there be a "Save the Date" for possible tour information on the monthly report.

Public Participation and Comment

Mr. Groat said he is not familiar with the I Shop program but believes there could be a way to benefit the families who attend the McHenry County Youth Sports Association baseball tournament in July. They do have a core of businesses who give financial support to the organization. He hopes they give their support for the good of the community and not just for what they can get out of it dollar-wise.

Mr. Fowler asked if the City supports this with the hotel tax dollars. Mr. Groat said yes but the amount they received this year was cut. Mr. Richter said they could possibly have special promotions on the MCYSA and that way the families would not need to have a Rewards card. Mr. Fowler said they could follow up on this in January.

Mr. Affrunti asked about the two tournaments. Mr. Groat said they changed their affiliation from CABA to USSSA and they are the crown jewel of their program. This group attracts better quality teams and from all over the world.

Ms. Saidler asked if they could use more fields to expand the tournament. Mr. Groat said they could always use more fields but they can't afford it. He said the school districts are realizing they can make money by renting their fields. They are not sure they want to expand the tournament because if they add 6 teams it

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would cost them over \$4,000. Mr. Groat also said the money goes to the school district and not to the sports teams so no one knows exactly where the money goes.

Comments from the Committee

There were no additional comments from the members.

Adjourn

There being no further business, the meeting was adjourned at 9:10 a.m.