

City of Crystal Lake Economic Development Committee
September 27, 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, Reece, Riley, and Fowler were present. Mr. Saidler was absent.

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

Approve Minutes of the August 23, 2011 EDC Meetings

Mr. Haleblian moved to approve the August 23, 2011 EDC minutes as presented. Mr. Affrunti seconded the motion. On roll call, members Affrunti, Dalzell, DeHaan, Haleblian, Riley, and Fowler voted aye. Mr. Hymes and Reece abstained. Motion passed.

Public Participation and Comment

There was no one present who wished to speak.

Economic Development Committee Appointments and Re-appointments

Mr. Richter said at the last City Council meeting both Mr. Affrunti and Mr. Dalzell were reappointed until 2014 and Mr. Reece was officially approved to the EDC. Mr. Fowler welcomed Mr. Reece as an official member of the Committee. Mr. Reece thanked the Committee for allowing him to be a part of the group.

Chamber of Commerce Committee for Business Support follow-up discussion

Mr. Richter said after last month's EDC presentation from the CBS they will be changing their name to Forum for Business Support. He said the group was appreciative of being included in future business visits and is also open to participating in the City's forum that is held for businesses. Mr. Richter said we will hold the event on a Wednesday morning which is the normal time for the FBS to meet. Mr. Reece said the name is being changed so more business owners can be involved. They don't need to be part of the committee.

Business Champion Awards Nominations

Mr. Fowler said in addition to Covidin he had contacted GKI Cutting Tools and Sequoia regarding the possibility of being nominated for the Business Champion Award through the McEDC. Sequoia said they were too busy to go through the nomination process. Mr. Fowler said he had also filled out the necessary paperwork to nominate GKI Tools yesterday. He said the City will be well represented in the nominations for this year.

Mr. Reece said the Chamber has two tables and has 3 spots remaining at the second table if anyone is interested since the rate is less than if they contacted the McEDC for tickets. Mr. Haleblian said he would take a ticket. Mr. Richter said several members asked if the City would pay for their ticket or have a table at the event but it was not budgeted for this fiscal year. He said they could add that to the budget for next year if the members are interested.

Mr. Richter thanked Mr. Fowler for filling out the necessary paperwork for the nominations.

Mr. Riley moved to nominate Sequoia Automatic and GKI Tools for the Business Champion Award through the McEDC. Mr. Haleblian seconded the motion. On voice vote, all members voted aye. Motion passed.

STAFF UPDATES

I Shop Crystal Lake Update

Mr. Richter said he had received several proposals from independent contractors and marketing firms to recruit businesses for the I Shop CL Rewards program. After reviewing the proposals, Dobbe Marketing was the most qualified business for this project. Mr. Richter said he met with Ms. Dobbe to discuss goals and setting benchmarks for the number of businesses to be contacted in a month. She felt the goals were too difficult to meet and only wanted to do general marketing for the program so she was not interested. Mr. Richter said staff has taken on the task of contacting businesses and get them started with the Rewards program.

As referenced by Mr. DeHaan in his latest e-mail, Mr. Richter said people are expecting a general discount when they show their cards at businesses.

Mr. Richter said that the Planning and Economic Development Department will be recruiting businesses for the program. Ms. Rentzsch said staff can help with maintaining the website entries and they can work to sign up a number of businesses in time for the holidays. Some businesses are happy to keep the same discount and others want to change it up.

Mr. Haleblian asked if we can send out an e-mail to the Rewards card holders telling them there is a change in a Reward and check the website. Mr. Richter said staff does not get notified if there is a change or an additional reward added to the site. Ms. Rentzsch said they could send out an e-mail blast stating there is a new business in town and check them out.

Mr. Fowler asked if Staff will be required to contact a certain number of businesses per month. Mr. Richter said Staff has divided a list of 300 businesses which were the original list of participating I Shop businesses and are contacting them first. Mr. Fowler said there should be goals set for staff as well such as number of calls or visits per week. Mr. Haleblian suggested a sales call sheet noting comments made by the business about the program, etc.

Mr. Dalzell said people with the card expect to get a discount when they show it at a business. He doesn't feel this is a positive. He feels businesses should be charged a fee to be part of the program so it can go back to certificates like it was in the beginning. Mr. Richter said they still receive calls asking if we will be doing the certificates again this year. He is proposing \$5,000 in prizes and/or gift certificates for the holiday program this year.

Mr. Reece asked why not have the program be year-around and not just at holiday time. The winners could be featured in future ads or in the City newsletter. He said this is a great program but not used properly. Mr. Haleblian said there is a big difference between the original program and the current program. The first was consumer driven and now it is business drive and staff is not getting any cooperation. It needs to go back to consumer driven.

Mr. Fowler suggested a winner every month and then only the winning entry needs to have their receipts checked. If those don't meet the requirements, then pick another winner. Mr. Affrunti said the Rewards program on the website and the certificates can go on at the same time. Therefore the card becomes valuable.

Mr. Fowler suggested 5-\$100 winners instead of 1-\$500 winner. Mr. Hymes said they need to have the businesses do something with the card. Mr. Haleblian said if the card is important to the consumer than the card will become important to the businesses. Ms. Rentzsch said it takes years for programs such as this to build and obtain a following. Mr. Affrunti believes it is better to have 5-\$100 winners than 1-\$500 winner. Mr. Riley said the winner can be announced on the website. Mr. Reece suggested that this needs to be marketed so use some of the funds available for prizes and some on advertising. Mr. Dalzell said businesses will see how successful this is and in a year or two it will be easier to get businesses to contribute certificates, etc. Mr. Reece feels that the immediacy of every month is important.

Mr. Richter said the threshold is \$200 of receipts from City businesses and that includes services not just retail. They will need to send us the original receipts so we are certain they are not using them multiple times. They can mail or drop off the receipts with an application including their contact information including e-mail address. Mr. Dalzell suggested having them sign the application with a disclaimer so their photos, etc. can be used in future advertising.

Mr. Haleblian suggested they this all start in November. Mr. Reece said the sooner the better. Ms. Rentzsch said they could do that. Mr. Fowler said that is a great start and the program can go from there.

Mr. Reece said the receipts must be from that month such as from November 1 to 30, 2011. Mr. Fowler said the information must be received by December 15 and the drawing will be on December 16. Mr. Reece said they need to make a big splash with the first one and the potential is great.

Mr. Richter said they are checking with attorneys on the contest or lottery aspect of things.

Mr. Richter said the revamped I SHOP CRYSTAL LAKE website is almost ready. He said they will change the color scheme to match what has been used in other advertising. There will be rotating photos of people shopping in Crystal Lake.

Incentives summary

Mr. Richter said they are working with Hulland and Fuight, a Chicago a law firm to update the grant program in response to the prevailing wage requirements handed down by the Illinois Department of Labor. Since the money used is tax dollars, the work must be done at prevailing wage. They want to keep the program going but need to eliminate the improvements part of the requirements to circumvent this legislation. Mr. Fowler asked if the amount for the grant be given in the form of a credit to be used on City services such as building permit fees, water bills, etc. Mr. Richter said the law firm is checking into that as well.

Retention and Expansion

Mr. Richter said there are several manufacturing businesses that will be expanding in Crystal Lake. One of them will need to have significant improvements made to the building including Covidian and Aptar. They have also contacted Alpha Star, FWE and Camfil regarding possible tours of their facilities. Camfil said they would like to do it in October. Mr. Fowler said the City Council needs to be informed about the expansions of the manufacturing businesses when they are announced. This is a big deal.

Mr. Fowler asked if there was any follow up from the last meeting with the DCFO. Mr. Richter said they received some information from Mr. McKeown and will be sending it to the members shortly.

Organization Reports

Downtown Crystal Lake (Brian Fowler)

Mr. Fowler said this past weekend was the Johnny Appleseed Festival. Mr. Haleblian said it was fun and his grandchild enjoyed it. Mr. Dalzell said there were a lot of people downtown and this is one of the largest fund raisers for the downtown.

McHenry County Economic Development Corporation (Brian Fowler)

Mr. Richter said he attends the round table events when it is possible with his schedule. He said there is good communication with the McEDC.

Chamber of Commerce (Gary Reece)

Mr. Reece said the Chamber is working on a Governmental Affairs policy which is a big step for the chamber. He will send it to the members after it is finalized. The Community Harvest is coming up soon and will be held in the former Joanne Fabric space in the Commons Shopping Center. They have also started plans for next year's Business Expo. Mr. Reece said there is a lot happening at the Chamber.

Monthly Report to the City Council

Mr. Fowler said he will again create the bullet point report for the City after he receives the draft EDC minutes.

Business Anniversary Acknowledgement

Mr. Richter handed out a memo listing six companies who have been in business in Crystal Lake for over 20 years. Mr. Fowler said they should add J.A. Frate to the list. They just celebrated their 40th year in business.

Mr. Riley moved to approve Accumation Machines parts (40 years), GKI Cutting Tools (40 years), Players Bench (35 years), Service Master by Pletz (25 years), 1776 Restaurant (20 years), Charles River Development (20 years), and J.A. Frate (40 years) to receive anniversary acknowledgements at the October 18, 2011 City Council meeting. Mr. Affrunti seconded the motion. On voice vote, all members voted aye. Motion passed.

Comments from the Committee

There were no other comments from the members.

Adjourn

There being no further business, the meeting was adjourned at 8:45 a.m.