

City of Crystal Lake Economic Development Committee
August 28, 2012 – 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, Riley, Saidler and Fowler were present. Members Hymes and Reece were absent.

James Richter II, Assistant Director of Economic Development was present from staff.

Approve Minutes of the July 31, 2012 Meetings

Mr. Haleblian moved to approve the minutes from the July 31, 2012 EDC minutes as presented. Mr. Affrunti seconded the motion. On voice vote, all members voted aye. Motion passed.

Public Participation and Comment

There was no one present who wished to speak.

Economic Development Incentive Programs for FY 2012-13

Mr. Richter said that they had started discussing the incentive programs at the last meeting but the time was getting late and it needed to be tabled. He said that Mr. Reece had sent an e-mail outlining his thoughts for the incentive programs which was given to all of the members. Mr. Richter recapped Mr. Reece's suggestions of having a \$3 million sales, a \$175,000 minimum project cost, and a maximum amount of 50% of the total project cost.

Mr. Dalzell said he would prefer using ½ of that minimum taxable sales threshold amount which would help small businesses. He said the big box users come and go. Mr. Haleblian said the big box user will not be swayed one way or the other with that incentive. Mr. Richter said it would apply to some businesses.

Mr. Affrunti said if they cut the amount necessary to apply, that would increase the number of applicants received. Mr. Dalzell said that would help decent-size small businesses. Mr. Richter said the original intent of these programs was to attract new businesses to Crystal Lake. Mr. Dalzell asked what the average size space available. Mr. Richter reviewed the variety of vacant spaces within the City. Mr. Dalzell said with the restrictions, it won't fill the small spaces.

Mr. Fowler believes that small businesses benefit from the grant program since they get the funds up front when the business is starting out.

Mr. Fowler said the two ESTIP programs for the new and existing auto dealership are ok. The members agreed. Mr. Fowler asked how many of the new businesses who received the 50% targeted development zone fee waiver also received a matching grant. Mr. Richter said there were 9 out of 19 that received grants.

There was a brief discussion regarding eliminating the façade program, leaving the ESTIP program alone, and concentrating on the small business grants. Mr. Haleblian said a starting small business needs the money up front.

Mr. Fowler said they should possibly do more research on enhancing our grant programs.

Mr. Haleblian suggested that the City release grant funds over time saying initially and after 1 or 2 years. Mr. Richter said that the program may lose its luster.

The members decided to discuss the Matching Grant program at their next meeting.

Mr. Haleblian moved to recommend to the City Council approval of the Economic Development Incentive Programs for FY 2012-2013 A. Amendments to the Enhanced Sales Tax Incentive Program Ordinance; C. Maintaining the Targeted Development Zone Incentives 50% Fee Reduction Program; and D. Eliminating the Façade and Commercial Tenant Improvement Programs as represented in the agenda supplement. Mr. Riley seconded the motion. On voice vote, all members vote aye. Motion passed.

Mr. Fowler stated that section B - Amendments to the Matching Grant Incentive Programs Ordinance will be discussed at the September meeting.

I Shop Crystal Lake program updates

Mr. Richter said there were just over 2400 applications received with only 268 people generating the applications, which is approximately 9.06 applications per customer. Mr. Fowler asked how we can expand our base. Mr. Dalzell suggested radio ads.

Mr. Dalzell suggested getting the STAR 105 morning people to interview James about the program. Also we could do radio ads but tell them how much you want to pay for each ad. It's better to talk with them now than closer to the 4th quarter. Mr. Fowler suggested we do radio ads just before Halloween, just after Thanksgiving, and during December.

Mr. Saidler suggested contacting companies to possibly do coop ads for the holidays. The members agreed.

Mr. Richter showed the cut out of "Chris" for the "I SPOT CHRIS" internet contest. People can take their picture with "Chris" and post it on Facebook or Twitter. He has spoken with 5 businesses and they are very interested in having the cut out at their establishment they would give away \$25 gift cards for selected winners. Mr. Saidler suggested that the logo of the company be put on the I SHOP shopping bag as a sticker. The radio ads can include the "Chris" program.

Mr. Fowler saw in the report that there were only 12 clicks on the Crystal Lake Patch site on the internet. Mr. Dalzell suggested that they put that money into Google ads.

Mr. Richter said they have received calls from people who have received e-mails from Gov QA with links to coupons that don't work. Mr. Saidler said he received that at home and the link did not work. Mr. Fowler said it looks like spam and that it has a virus. He would prefer that it be stopped immediately.

Open Meetings Act training status

Mr. Richter said there are several members who still need to go through the on-line training. It takes about a ½ hour and must be completed before December 31, 2012. He will be sending out a reminder to complete this training and we also need either a copy of the certificate of completion or the PDF file that is sent to them when it is complete.

Organization reports:

Downtown Crystal Lake (Brian Fowler)

Mr. Dalzell said this is a very quiet time downtown. Mr. Richter said the Johnny Appleseed event will be coming up the end of September. Mr. Fowler said that is well attended and is a big fund raiser for the Downtown Association/Main Street.

McHenry County Economic Development Corporation (Brian Fowler/James Richter II)

Mr. Saidler said there was an event last Thursday at the Raue Center that was well attended. Mr. Richter said the nomination for the McEDC Business Champion Awards have been sent in. Also they are busy putting together the next business tour. As soon as things are firmed up, he will let the members know.

Chamber of Commerce (Gary Reece)

Mr. Affrunti said the Chamber has decided to discontinue putting the Chamber newsletter in the Northwest Herald. He is not pleased with that decision since it is seen by non-Chamber members. Mr. DeHaan said having it in the paper gets non-Chamber members to read it.

City of Crystal Lake (James Richter II/Michelle Rentzsch)

Mr. Richter said in the articles packet sent to the members is a copy of the Chapter in the City's Comprehensive Land Use Plan regarding Economic Development.

Report to the City Council

Mr. Richter said he will be completing the report for Council.

Comments from the Committee

It was suggested that the photo of the EDC be taken at the next meeting since there were members missing. The members agreed.

Adjourn

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