

City of Crystal Lake Economic Development Committee
September 25, 2012 – 7:30 a.m.
Municipal Complex – Training Rooms (P105 & 106)

Call to Order

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

Roll Call/Attendance

Members Affrunti, Dalzell, DeHaan, Haleblian, Reece, Riley, Saidler and Fowler were present. Mr. Hymes was absent.

James Richter II, Assistant Director of Economic Development and Erik Morimoto, Director of Engineering and Building/City Engineer, were present from staff.

Public Participation and Comment

There was no one present who wished to speak.

Downtown bike lane discussion

Mr. Morimoto said the City is working on a bikeway corridor through the City and specifically to connect various destinations around town. This was discussed at several public meetings to get feed-back from residents. He said they have also made a presentation to the Downtown Crystal Lake Main Street Board of Directors. Mr. Morimoto showed the map locating the bikeway corridors. One of the ideas proposed was to change the traffic flow on Grant Street between Brink Street and Woodstock Street from one-way traffic to two-way traffic to facilitate a bike route through downtown. The Council indicated they would prefer not to have a bike route through the downtown area and not to change the traffic flow on Grant Street to 2-way traffic. They felt it would be confusing to motorists to change the traffic pattern.

Mr. Fowler said the Downtown Board asked for the EDC to review the request for 2-way traffic on Grant Street and make a recommendation to the City Council. He added that the business owners support the change in the traffic pattern.

Mr. Morimoto said the concern from the City Council is the conversion to 2-way traffic on a portion of Grant Street. Mr. Reece stated it is only one block that would be changing. Mr. Affrunti said no parking will be eliminated. Mr. Morimoto added that there may be a few parking spaces gained by the new striping of the parking spaces, if the traffic pattern were changed, even without a signed bike route.

There was discussion regarding the existing bike routes in the downtown area including signage for the library, etc. Mr. Morimoto said when Main Street and Crystal Lake Avenue is reconfigured it will include wider sidewalks between Main Street and East Street to move the bike traffic off of the street. He said there currently is significant bike traffic through the downtown area on the Prairie Trail and they use Main Street to go north. Mr. Affrunti said if the bike traffic would go through the downtown area it would create a destination.

Mr. Reece moved to recommend to the City Council approving the change the flow of traffic on Grant Street between Brink Street and Woodstock Street from 1-way traffic to 2-way traffic. Mr. Affrunti seconded the motion. On voice vote, all members voted aye. Motion passed.

Due to Mr. Haleblian needing to leave the meeting, the photo of the group was taken at this time. Mr. Haleblian did not return to the meeting.

Approve Minutes of the August 28, 2012 Meetings

Mr. Riley moved to approve the minutes from the August 28, 2012 EDC minutes as presented. Mr. Saidler seconded the motion. On voice vote, members Affrunti, Dalzell, DeHaan, Haleblian, Riley, Saidler and Fowler voted aye. Mr. Reece abstained. Motion passed.

Economic Development Matching Grant Incentive Program for FY 2012-13

Mr. Richter stated that at the previous meeting, they had discussed three changes to the Grant Incentive Program for fiscal year 2012-13. The last section was the portion of the program open to existing businesses. This has been a very successful program. The staff has explored several options but feels it is better to keep this simple. It is easier for the businesses to understand and easier to explain. The proposed chart calculates the grant award based on the annual taxable sales for the business. Mr. Reece feels that the thresholds are too high but feels that this will benefit small businesses.

Mr. Richter said the grants approved would come out of the same budgeted \$80,000 as the other grants.

Mr. Reece asked if the overall sale tax revenue to the City has increased since the start of this program. Mr. Richter said yes, but couldn't say by how much.

Mr. Dalzell asked if they want businesses to clean up buildings or just expand or move to a larger space. Mr. Richter said that would mean paying prevailing wage which was the drawback in the beginning. Mr. Reece said many small business owners don't own the building they are in. Mr. Fowler said he would like to see this for the small business owner and reduce the thresholds.

Mr. Affrunti moved to recommend to the City Council approval of Amendments to the Enhanced Sales Tax Incentive Program Ordinance for FY 2012-2013 as follows:

Annual Taxable Sales	\$150 K - \$2.4 M	\$2.5 M – \$ 4.9 M	\$5 M – \$7.49M	\$7.5M+
Maximum Grant Award	\$5,000	\$10,000	\$15,000	\$20,000

Proposed eligibility criteria:

- (i) The program is open to any existing Crystal Lake sales-tax revenue generating business that will:
 - a. Expand its current location into vacant space by at least 10% in gross floor area, or
 - b. Relocate to vacant space larger than its current location, in a new building or into a different existing building not within the same shopping center.
- (ii) Applicant must meet minimum annual taxable sales threshold of \$150,000.
- (iii) The total eligible furniture, fixtures, and equipment must exceed \$10,000.
- (iv) The grant award amount cannot exceed 50% of the applicant's expenditures on eligible furniture, fixtures, and equipment.
- (v) Applicant's business must provide a stocked retail showroom for retail products.
- (vi) Applicant must provide written proof of FFE costs.
- (vii) Applicant must file an application for grant funding prior to commencing improvements.
- (viii) Grant recipient may re-apply after 10 years from the date of recipient's previous award.

- (ix) Award calculation may include both new employees and FFE costs, up to maximum award amount.
- (x) Approved applicants shall be required to maintain the FFE for the duration of the Grant Agreement with the City of Crystal Lake, which shall be at least four years.

Mr. Reece seconded the motion. On voice vote, all members voted aye. Motion passed.

New site selection website presentation

Mr. Richter said they have been promoting available space in town for a few years now but it was difficult to use. Ms. Bhide, Planner on staff, and her husband, have created a software, internet data base that will allow the City to promote available space on the site. It will include photos and videos of the space as well as brochures from the realtors and it is not just for retail space but will also have office and manufacturing space. Realtors will have the ability to add their own listings and information to the website. The City will have control of the website.

Mr. DeHaan asked if the possible tenants can contact the realtor electronically through the site. Mr. Richter said yes they can actually contact staff through the site. Also Staff will be able to track who visits the site. He will bring this back to the EDC at the next meeting.

I Shop Crystal Lake updates

Mr. Richter stated he has received quotes for advertising from various media outlets. He doesn't feel that they got any response from the Patch ads. Also included in the packet is information from Hoffman Estates who worked with a company that created a system for rewards points for businesses in their community. It is similar to what we wanted to do three years ago but found it too costly. Mr. Richter said the software that each business would need to purchase is approximately \$200 each. He doesn't believe that it's a good idea to ask the businesses to purchase the software. Mr. Reece said many businesses won't sign up for I Shop and that doesn't cost them anything.

Organization reports:

Downtown Crystal Lake (Brian Fowler)

Mr. Fowler said this weekend is Johnny Appleseed and the Great Ball Race. This is their biggest fundraiser of the year.

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

Mr. Fowler said the McEDC dinner will be October 11th. He asked if the City will be attending. Mr. Richter said yes.

Chamber of Commerce (Gary Reece)

Mr. Reece said the Community Harvest will be coming up soon. The library made a presentation to the Chamber regarding the proposed expansion. Mr. Reece congratulated Mr. Richter on being named one of McHenry County's Best Under 40.

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

Mr. Richter said M'Lady has completed their renovation and Brilliance Honda will be starting shortly. Mr. Fowler said during the tour of Aptar, they stated they were very impressed with the City services and because the permit process was so swift they were able to save \$6,000 on equipment they purchased prior to a price increase from the manufacturer. Mr. Richter said they are working on other business tours.

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Mr. Richter said the ICSC will be held in Chicago on October 3 and 4. Both Ms. Rentzsch and he will be attending. It will be held at Navy Pier this year.

Report to the City Council

Mr. Richter said he will be completing the report for Council. Mr. Fowler suggested focusing on the Aptar tour.

Comments from the Committee

There were no comments from the Committee.

Adjourn

There being no further business, the meeting was adjourned at 8:50 a.m.