

City of Crystal Lake Economic Development Committee
September 23, 2014 – 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 Dalzell, Haleblian, Leech, Maule, Saidler, and Fowler were present. Members Affrunti, Reece, and DeHaan were absent.

James Richter II, Planning and Economic Development Manager, was present from staff.

Approve Minutes of the August 26, 2014 Meeting

Mr. Dalzell moved to approve the minutes from the August 26, 2014 EDC meeting as presented. Mr. Haleblian seconded the motion. On voice vote, members Dalzell, Maule, and Saidler voted aye. Members Leech, Haleblian and Fowler abstained. Motion passed.

Public participation

There was no one present who wished to speak.

Manufacturer tour / retention update

Mr. Richter said a tour schedule needs to be created. National Gift Cards' final occupancy has been delayed.

Mr. Fowler asked if staff has heard from G & M. Mr. Richter said no. Mr. Haleblian said he knows the owners and he has discussed it with them previously. He will contact them again.

Mr. Richter asked if there were any ideas for other businesses to tour. He said Cardinal Packaging has not renewed their lease. The building they are in is being sold and there is a new leasing agent. During their tour recently, the space they are in is larger than what they need. Mr. Richter said he will look for other building options for them before he contacts them.

Mr. Haleblian suggested TC Industries. Mr. Dalzell suggested Knaack. Mr. Richter said TC Industries is not within the City limits. Mr. Fowler suggested taking a tour there and hear about their plans for the newly acquired Crystal Lake site.

Ms. Maule said JA Frate is expanding. Mr. Richter said they are in Lake in the Hills but if it leads to an expansion in Crystal Lake it could be a good idea. Ms. Maule said she will contact them about the space they will need for their expansion.

Mr. Fowler said he likes Mayor Shepley making the anniversary presentations to the businesses. The EDC doesn't need to be up in front during the presentation. Mr. Fowler did suggest that the members sit together. Mr. Richter said there will be two more City Council dates for additional presentations. On October 7 the awards will be given to Rita Corporation, Paul Hyland Salon, R/K Autobody, Ralph Helm Inc, and Gulgrens Appliances. At the October 21 the presentations will be for Fox Valley Animal Hospital, Dobbie Marketing, and Village Squire. He added that if the members know when businesses started, please let us know so we can update our list. Mr. Haleblian asked that the list be e-mailed to the members.

Mr. Fowler said the McEDC Business champion awards nominations have been submitted. He suggested that a marketing company do the packets next year as well as a press release that they were nominated. Mr. Richter said that would need to be started in July.

Certified/shovel-ready sites program research (Jeff DeHaan)

Mr. Richter said progress has been made regarding the shovel-ready sites. There was a meeting recently with communities within the County. He said representatives from Huntley said all of their sites are PUDs but could promise a quick review process. Mr. Richter said every community had shovel-ready sites and it is just a matter of marketing them. Each municipality decides on the sites to be presented and they will be on the McEDC website. They understand that no other County is doing this. The State is working on it but doesn't have a time line for the program.

Mr. Saidler suggested that the information for our sites also be on our website with the link to the County website and the County should have a link to our site.

I Shop Crystal Lake (Keith Saidler)

Mr. Richter said they have discussed employing an intern to update social media but the hiring would be a greater challenge. He said there are companies that do this and he has contacted several for quotations. Three of the companies are in the area and one is from New York. Mr. Fowler suggested that the proposals be gone through the I Shop subcommittee and run with it. Ms. Maule said she knows each firm and there are different strengths to each. Mr. Richter said the I Shop program already has followers on Facebook and he hoped that could be expanded to other social media.

Mr. Dalzell moved that the I Shop subcommittee review the proposals and make a determination which company they should go with. Ms. Maule seconded the motion. On voice vote, all members voted aye. Motion passed.

Matching Grants Programs

Mr. Richter said there have been some grants that were approved that did not fulfill their obligations. He said the default rate is 1-2%. Mr. Fowler said the grant programs bring the City into conversations with potential businesses. He added that the program is incredible and essentially pays for itself. Ms. Maule the default rate for this program is far less than the average business defaults. Mr. Richter said the City is in the process of collecting the defaults. Ms. Maule said the City should let some of those go, due to legal costs. Mr. Fowler said it's not worth it when you factor in the costs of an attorney.

Mr. Haleblian suggested changing a minimum lease requirement to 4 or 5 years. Mr. Fowler suggested adding a personal guarantee, but the only problem with that is the larger national companies won't give you a personal guarantee. Mr. Richter said he would need to work on the ordinance to cover that.

Mr. Fowler said these programs need to continue and they should not be complicated. The members agreed.

Comments and suggestions from the Committee

Mr. Leech asked about K-Mart. Mr. Richter said they are owned by Sears Holdings and they are closing stores nation-wide. He added that there is time remaining on their long term lease which was signed in the 1980s. Mr. Leech said they never capitalized on the Wal-Mart moving. Mr. Haleblian said because it is a national company it's hard for the local stores to get any flexibility on advertising.

Organization reports:

Downtown Crystal Lake (Brian Fowler)

Mr. Fowler said Johnny Appleseed is this weekend. It is the largest fundraiser for Downtown Main Street. Also there is the Great Ball Race later in the afternoon. Mr. Leech said they will be having a pumpkin carving contest for the kids to be held at The Cottage.

McHenry County Economic Development Corporation (Staff)

Mr. Fowler said the annual dinner will be held on October 28th at the Holiday Inn. Mr. Richter said the City will be having a table so if any of the members are interested to contact him.

Chamber of Commerce (Mary Margaret Maule)

Ms. Maule said there were 200 people who saw Bruce Rauner, Republican candidate for Governor. She added that Paul Ballis, Democratic candidate for Lt. Governor, will be coming to Park Place on October 15th. Governor Quinn will not be able to come. Mr. Haleblian said the discussion with Mr. Rauner was very enlightening. Ms. Maule said they did receive verification from Mr. Rauner's camp that if he wins, he will come back to Crystal Lake.

Ms. Maule said a letter has been sent to the City requesting the ability to rename the Chamber building for Bob Blazier.

Mr. Richter said the Ambassadors' Summit did not have the turn out they were anticipating. He felt that the purpose of the summit was not communicated. Ms. Maule said for now the invitations need to be face to face or via a phone call.

City of Crystal Lake (Staff)

Mr. Richter said there was nothing to report.

Report to City Council

Mr. Richter will take care of the information that will be sent to City Council.

Adjourn

The meeting was adjourned at 8:35 a.m.