

City of Crystal Lake Economic Development Committee
January 27, 2015 – 7:30 a.m.
Municipal Complex – City Council Chambers Conference Room

Mr. Richter stated that both the Chairman and Vice Chair will not be attending the meeting and asked for a motion of nomination for an interim Chair. Ms. Maule nominated Mr. Affrunti as Interim Chairman. Mr. Dalzell seconded the motion. On voice vote, all members present voted aye. Motion passed.

Call to Order

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

Roll Call/Attendance

Members Dalzell, DeHaan, Leech, Maule, Saidler, and Affrunti were present. Members Haleblian, Reece, and Fowler were absent.

James Richter II, Planning and Economic Development Manager, and Elizabeth Maxwell, Planner, were present from staff and Vanessa Baker with Fast Forward Marketing was also present.

Approve Minutes of the October 28, 2014 Meeting

Mr. Dalzell moved to approve the minutes from the October 28, 2014 EDC meeting as presented. Mr. Leech seconded the motion. On voice vote, members Dalzell, DeHaan, Leech, and Saidler, and Affrunti voted aye. Ms. Maule abstained. Motion passed.

Public participation

There was no one present who wished to speak.

I Shop Crystal Lake social media update (Vanessa Baker)

Mr. Richter said the City's social media coverage for I Shop Crystal Lake has increased significantly since hiring Fast Forward Marketing. The City's Facebook followers have increased from 740 to more than 1300. He introduced Vanessa Baker with Fast Forward Marketing who is handling the I Shop media. Ms. Baker said on-line marketing can gauge many things. She shared the article from the Northwest Herald regarding the relocation of Aldi and received a high number of likes. Also Ms. Baker was pleased that in December their information "performed" better than Woodfield Mall. She said they are small but mighty.

Ms. Baker said she is currently adding photos of people from the community holding an I Shop Crystal Lake sign. Usually the photo is taken in a business or community building such as the photo that she took of the Crystal Lake Library Board after their meeting. She has been searching for Crystal Lake businesses on Facebook and plans to "like" those businesses. Ms. Baker said she had taken video of the Holiday Parade and downloaded it. She asked that if anyone knows of something special coming up in Crystal Lake to let her know so she can add the information.

Mr. Richter said we no longer maintain a website for I Shop Crystal Lake since it received low traffic. It was originally created for businesses to use at no charge but their engagement was very low if at all. He said Facebook and Twitter is where people are now. Mr. Dalzell said it takes a lot of work to keep a website current and businesses don't that that kind of time. Ms. Baker said she started on Twitter after Facebook and has received a high number of Tweets.

Ms. Maule suggested that Ms. Baker come to a Chamber Board meeting to get the word out about this. They can certainly help support this.

Mr. Leech asked how long the agreement is with Ms. Baker. Mr. Richter said it is until the end of this current Fiscal year – end of April. Ms. Baker said she would like to ask for a slight increase in the budget for social media next year.

Mr. Richter asked if the entries on Twitter and Facebook are two separate entries since they are so similar. Ms. Baker said she uses “Sprout Social” so she is able to post on several sites at one time. She added that Facebook is primary and Twitter is a gimmy.

Ms. Maule asked what they can send Ms. Baker. Ms. Baker said new business information, special events, and just about anything. Mr. Richter suggested that if you know of a unique local business – share it and we will pick it up.

Mr. Leech said a friend of his that owns a business posts everyday and that was getting too much so he “unfriended” him. We need to be careful that we are not posting too much. We don’t want people to get tired of us. Mr. Leech added that he has a magazine and receives information from the Community. He will be glad to pass it along to Ms. Baker.

Mr. Affrunti thanked Ms. Baker for coming to the meeting. He welcomed her and said this will be a great asset.

Manufacturer tour / Community Investment Award Update (Staff)

Mr. Richter said their last tour was last week at G & M Manufacturing who makes parts for Honda and Toyota. The owners of G & M brought up a few concerns about the City. He said they are talking about using the building next door for storage and connecting the two buildings. They are working with the Fire Department regarding Code requirements.

Mr. Richter asked who the Committee would like to contact regarding possible tours. He said they have contacted C-Ideas and they are currently very busy so that tour will be at a later date. Ms. Maule suggested the TC Industries site. Since they recently moved in, we should formally welcome them. Mr. Richter said the City will contact them. He said Chicago Plastics shares the building with TC Industries and they need more room.

Ms. Maule stated that General Kinematics has done a big shift with community involvement. They are trying to get their employees connect to Crystal Lake even if they don’t live here.

Ms. Maule suggested the McHenry County College Robotics Lab. Mr. Richter said the City will also contact them.

Certified/shovel-ready sites program update (Jeff DeHaan/Staff)

Mr. Richter said McHenry County Economic Development has been working on a shovel-ready website for the County. Municipalities were asked to give then information on a site or two as a trial run for the site. He said the City provided Main Street Crossing as our test information. The site went live yesterday. Mr. Leech asked what determines a shovel-ready site. Mr. Richter said there are criteria/standards and he will have that list at the next meeting.

Matching Grant Program annual review and update (Staff)

Mr. Richter said there have been several changes suggested for this program and they have been provided to the Committee. As this program has progressed, there have been several things they discovered that need to be revised. In 2013-14 they used \$75,000 of the \$80,000 budgeted. For this fiscal year, that ends on April 30, they have used \$50,000 out of the \$80,000 budgeted so far. There have been issues with businesses that have received the grant money and have gone out of business prior to the end of their 4-year grant agreement commitment.

Mr. Richter suggested that instead of City-wide grant program perhaps we could target certain areas for retail and manufacturing. Also suggested is to increase eligibility from \$100,000 to \$250,000. Another change is that have the new businesses buy their FFE from Crystal Lake businesses rather than Lake in the Hills of Algonquin. Some have purchased items from Home Depot and Best Buy but not from the Crystal Lake locations. Mr. Richter proposed that another change could be to establish a verification period for businesses that project sales just above the minimum threshold and money would be given to the owner after they have been open for 15 months. Ms. Maule said that might be a problem for the businesses to get a bank loan. If the bank sees that they are receiving a grant that might just put that business owner over the threshold of what they need to get the loan.

Mr. Richter showed the map of potential targeted areas. Mr. Dalzell said he would not care for tax dollars being used to elevate or promote one location other than one that he owns. That puts him at a disadvantage. Ms. Maule suggested that if X% of an area is vacant that it can be an approved area and not a specific chosen location. Mr. Saidler agreed. Vacancy rates are always changing. Ms. Maxwell said the ordinance does not call out specific areas but only notes the map. That can be amended more easily with Council approval. Mr. Leech said he isn't sure he wants to tell a new business where they can be located to be able to apply for the Grant. That would be discrimination. Ms. Maule added that the fight should be between municipalities and not the property owners within the City.

Mr. DeHaan asked what percentage of grant recipients have closed prior to meeting their 4-year agreement. Mr. Richter said less than 5%. Mr. DeHaan said that is very low. Ms. Maule said they need to focus on what is gained – number of new businesses and successful use of the grant money, and not what is lost.

Mr. Richter said they are suggesting new eligibility requirements. Mr. DeHaan asked if those requirements were in place, which businesses from the past two years would have been rejected. Mr. Richter reviewed the list and there would be 5 or more that would not have been eligible. He added that even with the current requirements several applicants did not qualify. Mr. DeHaan suggested a sliding scale. That leaves it open for smaller users. Mr. Dalzell said that small things can turn into big things. Mr. Leech said that could help more businesses. Mr. Dalzell said that would also start a good relationship with the City. Ms. Maule said that sweetens the pot for small independent retailers.

Mr. Richter said he will take the feedback provided and will come back to the Committee with changes.

Mr. DeHaan asked why the threshold for existing businesses is higher. Mr. Richter said when the Grants were originally suggested for new businesses only, and the Committee suggested that something be available for existing businesses too. He said they can replicate the sliding scale for new retail.

Mr. Richter reviewed other possible changes such as re-application, commencement date of the business' 4-year commitment, etc. He said the revisions will be brought back to the Committee at the next meeting.

Comments and suggestions from the Committee

Mr. Dalzell suggested that the sales tax rate be lowered.

Mr. Saidler asked about possible residential developments. Mr. Richter said it is mostly infill. Ms. Maxwell said there is one possibly by Ashton Pointe.

Organization reports:

Downtown Crystal Lake (Brian Fowler)

Mr. Dalzell said the Slidewalk Days were better received this year than in the past, possibly because of the weather.

McHenry County Economic Development Corporation (Staff)

Mr. Richter said McEDC is still working on the shovel-ready site.

Chamber of Commerce (Mary Margaret Maule)

Ms. Maule said the State of the Community lunch will be held at the Crystal Lake Country Club on February 6th at 11:30. They are also requested information from other taxing bodies such as the school districts, library, etc. to provide information for a handout for those in attendance to know give an overview of current and future endeavors as well as meeting information, where minutes can be found, and who to contact.

City of Crystal Lake (Staff)

Mr. Richter said the District 155 request for a Special Use Permit and Variations for Crystal Lake South High School has been set for the February 4, 2015 Planning and Zoning Commission meeting. Mr. Affrunti asked how many people can fit on those bleachers. Mr. Richter said approximately 2,000.

Mr. Richter said staff has contacted many property owners whose property is currently surrounded by Crystal Lake and extended an invitation to annex. They are moving forward with those requests.

Adjourn

The meeting was adjourned at 9:05 a.m.