

**City of Crystal Lake Economic Development Committee**  
**October 28, 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 Affrunti, Dalzell, DeHaan, Haleblan, Leech, Saidler, and Reece were present. Members Maule and Fowler were absent.

James Richter II, Planning and Economic Development Manager, and Elizabeth Maxwell, Planner, were present from staff. Ms. Maxwell arrived just after 8:00 a.m.

**Approve Minutes of the September 23, 2014 Meeting**

Mr. Reece noted that there is an error in the voting for the minutes from the previous meeting.

Mr. Haleblan moved to approve the minutes from the September 23, 2014 EDC meeting as amended. Mr. Affrunti seconded the motion. On voice vote, members Dalzell, Haleblan, Leech, and Saidler voted aye. Members Affrunti, Reece, and DeHaan abstained. Motion passed.

**Public participation**

There was no one present who wished to speak.

**Manufacturer tour / retention update**

**Business Anniversaries / Community Investment Awards**

Mr. Richter stated that at the last meeting there was discussion regarding Cardinal Packaging. At the EDC's suggestion, he contacted the owners and put them in touch with the owner of the building that formerly housed Brown Printing. Mr. Richter is happy to report that a multi-year lease has been signed by Cardinal Packaging and they will be staying in Crystal Lake.

Mr. Richter asked if contact had been made with companies for a tour of their facilities. Mr. Haleblan said he has spoken with the son of the owners of G & M. They are possibly going to put an addition on the building and had questions about the sprinklers. Mr. Richter said they definitely need to get a tour so they can talk with the owners about their addition.

Mr. Leech said he spoke with the owner of Anderson Motors and they would be happy to give a tour of their facility.

Mr. Richter asked about possible tour times for businesses we will be giving Community Investment Awards to. It was agreed that since the Crystal Lake Brewery doesn't open until 4 that it would be best to have that in the afternoon. The remaining tours can be in the morning. Mr. Richter said in their packets are draft Community Investment Awards for the businesses they will be touring. Usually there is a month and year on the award but the drafts show only the year since no dates for the tours have been scheduled at this time.

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

Mr. DeHaan said he has not received any additional information since the last meeting with the McEDC. Mr. Richter said McEDC has created an application and designed a website that is still being tested. Mr. Richter said he gave them information for property north of Congress Parkway and east of Main Street. As

of October 27<sup>th</sup>, this is the first property McEDC has received and they will be able to test their website using that parcel.

### **I Shop Crystal Lake (Keith Saidler)**

Mr. Saidler said there will be a meeting of the sub-committee Thursday, October 30, 2014 to review social media proposals.

### **Matching Grants Programs Review and update**

Mr. Richter said there is a proposed ordinance noting changes to the current grant program. There have been several grants that were approved and issued that have not satisfied the grant agreement requirements. The way the grants are set up is that over the life of the grant, the City will recoup their money in tax dollars that are generated from the business. Mr. Richter reviewed the possible changes and said that no decision needs to be made at this meeting. The budget discussions will be coming up soon so a decision will need to be made shortly.

Mr. Richter reviewed the businesses who have received the grant money. Mr. Haleblian asked what the percentage of default is. Mr. Richter said it is less than 5%. Mr. Haleblian said that is a better than the national average for new businesses. Mr. Reece asked if the “pay back” is based on the sales tax the business generates. Mr. Richter said they do check the sales of the businesses who receive the grants. Currently the sales threshold is \$100,000 in annual sales. He has suggested that it be bumped up. Mr. Leech suggested a tier scale based on the size of the business. Then it would still help the smaller “mom and pop” stores as well as the larger businesses. Mr. Reece said it could be based on their cash flow projections.

Mr. Richter said staff has proposed to eliminate the provision that allows recipients to re-apply after 5 years for another grant. Mr. Reece feels that \$500,000 is a tough threshold for new businesses to make. Mr. Haleblian asked what a reasonable threshold would be. Mr. Reece said when he was at the Chamber, the average retail sales were \$350,000 annually depending on the type of business. Mr. Richter suggested a \$250,000 threshold.

Mr. Reece suggested that since we have the release form to check on businesses that have received grants that we check them to find the average sales for each type of business such as clothing, restaurant, general retail, etc. That would give them a better idea of what those types of businesses are generating. He said that would also tell us what business categories we are lacking. Mr. Richter said he will bring the information to the next meeting.

### **Comments and suggestions from the Committee**

Mr. Leech asked about Sears and K-Mart. Mr. Richter explained that K-Mart still have several years left in their lease at Crystal Point Shopping Center. We have no idea on the future of Sears.

Mr. Dalzell again suggested that the sales tax be reduced.

### **Organization reports:**

#### **Downtown Crystal Lake (Brian Fowler)**

Mr. Dalzell said the downtown spaces are full. They are gearing up for the Holiday Season.

#### **McHenry County Economic Development Corporation (Staff)**

Mr. Reece said the annual McEDC dinner is tonight at the Holiday Inn.

Chamber of Commerce (Mary Margaret Maule)

No report.

City of Crystal Lake (Staff)

Mr. Richter said there is a proposal for banning e-cigarettes that is similar to the ban for regarding cigarettes. Ms. Maxwell said there is information that they are not as safe as originally thought. There is still an odor and some of the water vapor can get into the lungs and cause other issues. She added that the Police are concerned that the e-cigarettes can be modified to use liquid cannabis. There are several communities that have banned the use such as Chicago, Deerfield, and St. Charles and there are many that are considering a ban.

Mr. Leech said that several of his customers are bothered by the e-cigarette vapors.

Mr. Affunti asked about video gambling. Mr. Richter said the City Council has opted out of video gambling. Mr. Dalzell said it would allow the City to reduce their sales tax. Mr. Leech said there was an article in the newspaper about video gambling and it was the newspaper who contacted him. He did not contact the newspaper. He believes it would be beneficial to have a discussion about the subject. Mr. Leech feels the City should look at all forms of possible revenue. Some municipalities charge \$10,000 per machine annually. Also some municipalities have increased their liquor license to \$10,000 annually.

**Adjourn**

The meeting was adjourned at 8:25 a.m.