City of Crystal Lake Economic Development Committee
April 27, 2010 – 7:30 a.m.
Municipal Complex – Council Chambers Executive Conference Room

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

Roll Call/Attendance
Members Affrunti, Feddersen, Fowler, Viger, and Riley were present. Members Bawolek, Johnson, and Haleblian were absent.

James Richter II, Assistant Director of Economic Development, Rick Paulson, Building Commissioner, Paul DeRaedt, Deputy Chief, and Jerry Larsen, Fire Prevention Bureau Chief, were present from staff. Gary Reece, President of the Crystal Lake Chamber of Commerce, Conor Brown with McHCAR and Tom Stephani with CC, Inc. were also present.

Approve minutes of the April 7, 2010 Special Meeting
Ms. Viger moved to approve the minutes from the April 7, 2010 Special EDC meeting as presented. Mr. Fowler seconded the motion. On voice vote, all members voted aye. Motion passed.

Public Presentation
Mr. Brown stated that he and Mr. Stephani were present to broadly cover an issue facing every community in McHenry County. He said the 2009 International Residential Code now requires newly constructed single family homes to have a fire suppression system. The cost may prohibit new buyers from purchasing new homes. They also believe this may infringe on property owners rights. Mr. Brown said they do agree that these systems are needed in certain places such as multi-family. He handed out information compiled by the McHCAR. Currently the fire suppression system for residential is located in the appendix which means it is not mandatory. They are in favor of the homeowner having the option. Mr. Brown said issues came up on Belvedere with the fire suppression system.

Mr. Stephani said this has been an issue for the local building association for years. It has always been an appendix until 2009 when it was imbedded into the code. He said the issue isn't necessarily the cost of the system but new construction is safer than older homes. Many older homes don't have working smoke detectors and people don't maintain what they have. Mr. Stephani said this is not the builders vs. the Fire Department. He stated he has never installed a fire suppression system in a residence as long as he has been in the building industry and doesn't have any personal experience with it. He continued stating that the cost of the system is based on the sprinkler square footage which is different than the square footage that is typically thought of with a home. Mr. Stephani said many people don't want the system because they are concerned with freezing pipes, leaking, etc. This is not a value.

Mr. Brown said there is a report from Scottsdale which most information is based on. He had sent the report to Purdue University's Social Research Department to review. The Scottsdale report can't be considered a study. It lacks evidence from a scientific standpoint. Mr. Brown stated that Scottsdale does require fire suppression system but the surrounding communities do not.

Mr. Reece said the information that was handed out shows a range in cost from $1.84 to $6.15 per square foot but there is no notation of the variables for each cost. Mr. Brown said he doesn't have the dynamics of

the bid but wanted to show real world examples. Mr. Stephani said the problem with these systems is the high maintenance costs.

Mr. Brown said they need to look at the economics. Mr. Stephani said it affects housing affordability. He said they are not advocating against safety but need to look at the costs.

Mr. Reece said everyone has a base line to build at but as far as safety – there is a base line everyone needs to build at. It's a level of detail and materials. Mr. Stephani said the Building Division, when they go on an inspection, looks for the same things whether it is for a home that is worth $150,000 or one that is valued at $500,000. The codes are the same. They need to educate the consumer about smoke detectors. People die from smoke more than from fire.

Mr. Richter said materials have changed significantly over the years. A 2 x 4 is no longer 2 inches by 4 inches and is less dense meaning it burns more quickly. The older lumber takes longer to burn. Mr. Stephani said he would prefer a new home because of the types of materials to be used – drywall, caulking, etc. Mr. Brown said the danger is in the other material items brought into the home such as carpet, furniture, etc. Mr. Stephani said if there is a provision to opt out of the fire suppression system, that would be ok. However, then there is the paper work that needs to be done so there is proof that the owners truly opted out.

Ms. Feddersen said she heard that homes need to meet a green code. Mr. Brown said that was a provision in a House bill recently considered but much of the language was removed. Mr. Stephani said the state has an energy code which was recently opted by the City Council. It adds value to the home while the sprinkler system does not. He said this mandate is not needed.

Mr. Affrunti asked what the annual cost to the homeowner would be. Mr. Brown said it would possibly be a back-flow preventer inspection.

Mr. Riley thanked Mr. Brown and Mr. Stephani for their information. Mr. Brown left at this time and Mr. Stephani remained.

EDC Projects

I Shop Crystal Lake for 2010-2011 fiscal year

Evaluation results – business member and consumer surveys and Planning and strategy creation

Mr. Richter said with the reduced budget for the next fiscal year, the EDC needs to think about creating a strategy that maximizes a return on our investment. He said they don't need to make a determination today but it is something the members need to think about. He recommended that we begin by analyzing the data from shoppers and businesses through the surveys.

Mr. Riley said most of the shopper responses were from the vehicle certificate recipients. Mr. Richter said about $110,000 were given in rebates for the vehicles. Mr. Riley said it seems that the people who received the vehicle rebate were much happier possibly because most of them got the check. Ms. Feddersen asked what the tax dollars received were vs. what was spent on the certificates and ads. She said the comments were very interesting. They need to find a way to make this process clearer. Ms. Viger said there still seems to be confusion, so if we do any gift certificate programs again in the future, we need to better educate participants on how and where to use the gift certificates.

Mr. Richter said the Council seemed to be open to considering vehicle program this year. He said he is still receiving e-mails asking how to use the certificates and where they can be used. Mr. Reece said even if staff were to go to each store and explain the certificates the information would not get to all of the correct people.

Ms. Viger said she wants to be certain that I Shop keeps going. Ms. Feddersen suggested sending post cards since they are more reasonable and we don't have complete and accurate e-mail addresses.

Mr. Richter reviewed the business member comments made in the surveys. He said the coupons on ishopcl.com are not widely used but that 84% said that they would be interested in cooperative advertising and 96% want the City to continue promoting shopping in Crystal Lake. Ms. Feddersen said newspaper ads seem to have done well. Mr. Reece said the Chamber is going back to print form with some e-mails. People want hard copies of things. Ms. Viger said the Park District is also in discussion about the program brochures. Mr. Richter said there still are a good number of hits on the website for I Shop. He said staff was thinking that possibly they could feature a different shopping center every month on the website and highlight the various stores in that center. Also the restaurant videos are on the website now. Mr. Affrunti asked if we have more than 12 centers in Crystal Lake. Mr. Riley said instead of pulling a name out of a hat - go by the number of stores located in the center.

Mr. Fowler said staff has a lot of stuff to do currently and it is not fair to give them more things to do. We need to evaluate what resources that are needed for this project. Ms. Viger said the project is good but the businesses need to keep people coming in. Mr. Riley suggested we highlight in the newsletter the people who have won in the cling contest as well as the businesses. Mr. Fowler said the businesses need to be more involved.

Mr. Richter said they will discuss this again at the next meeting.

Unified Development Ordinance revision updates

Mr. Richter said the City Council made some modifications to the UDO. Mr. Stephani suggested we include other green incentive standards. The alternative is more cost effective.

Mr. Richter mentioned some of the changes to the UDO including additional signage for corner units and eliminating permits for real estate signs.

Development & Business Advocacy Workshop: April 28, 2010 at 1:00p

Mr. Richter reminded the Committee that the workshop is the next day at 1:00 p.m. He said that this is a great opportunity for staff to discuss our procedural enhancements and get feedback from the development community.

Economic Development incentives update

2009-2010 Façade / Tenant improvements incentives summary

Mr. Richter said the breakdown was in the packets the members received.

Final review – proposed 2010-2011 Façade-Commercial Tenant Improvement program

The members reviewed the proposed Council summary. Mr. Fowler asked to reword the award for new employees that it is $2,000 per new employee with a maximum of 5 employees.

Ms. Feddersen said she spoke with a gentleman who is currently building on Congress Parkway. He spoke highly of the City's process.

Staff projects

Financing commercial projects

Mr. Richter said there are businesses who want to open in Crystal Lake but they are having difficulty getting financing. He asked if there is anything the members feels the City could be doing. Mr. Fowler said there are many reasons banks do give out loans. Mr. Richter said there are several programs the City can give information on. Mr. Riley feels it is dangerous for the City to be involved with noting to future business owners specific banks that are giving loans.

Review e-marketing strategy – 2010 Economic Development Goal Setting

Mr. Richter said this will be discussed at a future meeting since Mr. Johnson wasn't in attendance and he asked to discuss this topic.

EDC business cards

Mr. Richter said the members will be receiving business cards and will have e-mail addresses through the City. He said details will be forthcoming.

Community Investment Award presentations

Mr. Richter said there are several awards that are ready to be given since the Final Occupancy has been granted by the Building Division. He will inform the members when the dates for the presentations are.

Organization Reports:

Because of the lateness of the meeting, these reports were not given.

Comments from the Committee

Mr. Fowler asked that a request be sent to Council asking them to please fill the two vacancies for this Committee.

Adjourn

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