City of Crystal Lake Economic Development Committee
October 22, 2013 – 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, Haleblian, Leech, Reece, Saidler, and Fowler were present. Mr. Hymes was absent.

James Richter II, Assistant Director of Economic Development, was present from staff.

Approve Minutes of the September 17, 2013 Meeting
Mr. Haleblian moved to approve the minutes from the September 17, 2013 EDC meeting as presented. Mr. Saidler seconded the motion. On voice vote, all members voted aye. Motion passed.

Public Participation and Comment
There was no one present at that time who wished to speak.

Business retention tours (updates from Committee calls)
Mr. Fowler said he had contacted two companies and will follow up with them soon. Mr. Haleblian said he had also contacted the companies he was assigned and has not received a return call. He will contact them again. Mr. Reece said he was having the same issue with the companies he contacted. Mr. Richter said he has not received any information from Mr. Hymes regarding contacting Cardinal. Mr. Richter will follow up with the people from Cardinal Packaging.

Mr. Fowler thanked the members for their efforts.

Manufacturer recruitment tour discussion
Mr. Fowler said there is a tour set up for tomorrow at a confidential company looking to relocate. They have been contacted by the company stating that they want no more than 4 people for the tour. Mr. Richter said he and Elizabeth Maxwell from staff will be attending representing the City. Mr. Fowler said he will attend representing the EDC and Mr. Reece will represent the Chamber. He said if things move along as they believe they will another tour will be conducted that all may attend.

I Shop Crystal Lake updates (Keith Saidler/Staff)
Mr. Saidler said the sub-committee suggested a division of the advertising budget and he met with Mr. Richter to review their suggestions. There will be ads placed in the Northwest Herald, Daily Herald – to get the surrounding communities, 15 second ads on STAR 105, and possibly Google ads for a total of $8,350. They will continue with the e-mail blasts, social networking, and posters will be created. Mr. Richter said the digital ads will contain the I SHOP link which will connect to the website.

The members thanked Mr. Saidler and his staff for taking the time to do all of the leg work.

Mr. Richter showed the new I Shop website which is now live. It will also show any Twitter feeds or Facebook information on the home page. He said they will add photos of smaller local businesses to add to the photos that rotate on the site. Mr. Richter showed the members the portion of the website that provides awareness of why it is important to shop locally. He added that people participating in the Holiday

Certificate Contest will be able to submit their information on-line. Mr. Haleblian asked if there is a risk for people to reuse the same receipts. Mr. Richter said if we notice that there are several entries received from the same e-mail address in a short period of time, we will be able to check them quickly.

Mr. Richter said the participating business portion of the site is incomplete. They need to reconfirm with the businesses if they want to be listed as they had been before. He said they can expect about 200 to 300 businesses to be listed on the website.

Mr. DeHaan suggested that we be careful how it is worded so people don't think that those "participating business" are the only businesses they can shop from to enter the contest. Mr. Richter said that was a good point and that he will make sure the wording is clear.

Franchise opportunities (Gary Reece/Staff)

Mr. Reece said he sent Mr. Richter a list of potential wealth manager, accountants, and entrepreneurs to contact possible franchisee availability in our area. He said he talked with Staff about possibly holding a matchmaking event at City Hall. Mr. Saidler said there was recently a franchisee expo held in Schaumburg. Mr. Affrunti said they hold that every year and it's across the board – home occupations, restaurants, etc. Mr. Fowler said a letter could be created to send to those contacts about various opportunities for investment. The letter could let them know that certain companies want to open businesses in Crystal Lake but are looking for franchisees. Even a post card would do and it would be less expensive to mail.

Mr. Leech said some restaurant owners are worried about how many new options are coming into Crystal Lake. Their businesses are already hurting. He asked if major companies such as Bennigan's don't have something in their system to attract potential franchisees. Mr. Dalzell asked if the companies are interested in Crystal Lake or only want us to find an operator for them for another location. Mr. Leech said we aren't their salesmen. He said there are restaurants struggling in town and the owners are concerned that the City is spending money to attract more restaurants.

Mr. Fowler asked when the next ICSC meeting will be held. Mr. Richter said in February. Mr. Fowler suggested they table this discussion until after that meeting. Mr. Reece suggested that when they ask us to look for franchisees for them we should ask questions and dig deeper to see if they really want to come here. Mr. Richter said that we will promote these opportunities on crystallakeretail.com.

Mr. Affrunti said he understands that most of the tax dollars are from car dealerships but asked if we know how much of the tax dollars are generated by franchise stores. Mr. Richter said we don't have that information.

Mr. Saidler feels we need to look at office uses. Those employees need to eat and they buy here. The building at 265 Exchange Drive is almost 90% full and some businesses have a couple of shifts. Their dumpster is always full of bags/containers from various restaurants and fast food.

Mr. Dalzell said he believes that whether you purchase a car in Crystal Lake or in Chicago you are charge the sales tax for the City you reside in. Mr. Richter believes the City only gets 1% of the sales tax. Mr. Fowler asks where the rest of the money goes.

Mr. Leech asked how do we attract apparel stores. Mr. Reece said it is mostly demographics. They go to Algonquin because they have a higher income level. Mr. Fowler said the biggest problem is major roadways – interstates, etc. Mr. Haleblian said this is a good opportunity to start a higher end clothing/shoe store to

show the other companies what Crystal Lake will purchase. Mr. Richter said that apparel stores locate based on co-tenancies.

Mr. Fowler said he had attended the Crystal Lake Plaza event this past weekend and it was very well attended. It has been beautifully renovated and several of the businesses are doing very well.

Mr. Affrunti asked if there has been an increase in sales tax revenue to the City. Mr. Richter said yes there have been gains.

Site selection website overview

Mr. Richter showed the members the Crystal Lake Retail.com site. Mr. Fowler asked how do we get people to this site. Mr. Richter said there are a few changes that need to be completed and it has not been promoted yet. He showed how the site works and they need to add a search engine optimization. This will be marketed soon. Mr. Reece said we need to get this out there. Mr. DeHaan asked if there will be links to this site on the various Crystal Lake sites. Mr. Richter said yes. Mr. Saidler said search engine optimization is not difficult.

Incentive updates

Mr. Richter reviewed the grant requests for this fiscal year. Mr. Fowler asked if there are more applicants can we request more money from the City Council. Mr. Richter said yes and the applicants will need to be sure to meet or exceed the requirements. He added that the bridal shop that had received approval for funding will no longer be coming to Crystal Lake. The owners were not able to receive financing for their venture so that $10,000 will be available. He will need to inform the City Council of that so those funds will be available again.

Committee appointments

Mr. Richter said Mr. Riley's resignation was accepted by the City Council and Paul Leech was appointed to take his place. Also Members DeHaan, Haleblian, and Saidler were reappointed. He thanked everyone for their continued support of this committee. With the resignation of Mr. Riley, who was the Vice Chair of the Committee, that leaves a vacancy in that position. It would not have to be determined at this meeting. The members can appoint someone or leave it vacant and if a Vice Chair is needed at a meeting they can vote on a temporary Chair at for that meeting. Mr. Reece said he would be able to do it.

Mr. Dalzell moved to appoint Mr. Reece as Vice Chairman. Mr. Affrunti seconded the motion. On voice vote, all members voted aye. Motion passed.

Mr. Fowler asked Mr. Richter to review the attendance requirements for the Committee. Mr. Richter said members need to regularly attend meetings (3/4 of the regular meetings) in a calendar year with not more than 3 consecutive absences. Members are required to notify staff if they will not be able to attend a meeting. Also the Committee members are able to determine what happens if attendance is a problem. Mr. Richter added that the Mayor and City Council make appointments to this Committee.

Comments and suggestions from the Committee

Mr. Richter reminded the members that the next EDC meeting will be held on Tuesday, December 10, 2013 at 7:30 a.m.

Mr. Dalzell said he is not sure that the City is receiving the tax dollars that are due to them whether it is from a temporary store like the Halloween stores or permanent stores. Mr. Richter said they would need to get the

business owners written approval to check the dollars collected from their store. When a grant is given out, they are required to sign the form. We require the Halloween stores to provide proof of point of sales tax collection to Crystal Lake.

Mr. Dalzell asked if the UDO section covering used merchandise would be amended since it has no teeth. It just slows people down. Mr. Richter said there are several amendments to the UDO that are being suggested and modification of that particular section is one of them.

The members discussed gambling that surrounding communities allow. Mr. Richter said there was a letter sent to City Council from several business owners regarding that subject and the Council may reconsider the matter of video gambling.

Organization reports:

Downtown Crystal Lake (Brian Fowler)
Mr. Fowler said Johnny Appleseed Festival was very well attended. They appreciate the volunteers that helped make the event a success.

McHenry County Economic Development Corporation (Brian Fowler/Staff)
Mr. Fowler said the MCEDC annual dinner will be held at the Holiday Inn on November 5.

Chamber of Commerce (Gary Reece)
Mr. Reece said they are rolling with Expo and early bird prices are good until October 31. Also the Community Harvest will be coming up shortly. Gable Point will hold its ribbon cutting shortly.

City of Crystal Lake (Staff)
None

Report to the City Council

Mr. Richter said he will create a report highlighting the major points discussed during this meeting. Mr. Fowler suggested covering the I Shop marketing plan and the confidential tour.

Adjourn

There being no further business, the meeting was adjourned at 9:00 a.m.