

**ECONOMIC DEVELOPMENT COMMITTEE MEETING MINUTES  
JANUARY 27, 2021 6:00 P.M.**

**Members Present: Ald. Rue Simmons (Chair), Ald. Wilson, Ald. Braithwaite, Ald. Wynne, Ald. Rainey, Lisa Dziekan, Scott Ogawa, Peter Issac**

**Members Absent: Kelly Gallagher**

**Staff Present: Paulina Martínez, Paul Zalmezak, Katie Boden**

**1. CALL TO ORDER/DECLARATION OF A QUORUM**

Quorum was declared at 6:02 p.m.

**2. SUSPENSION OF THE RULES**

Ald. Wilson moved to suspend the rules. Ald. Wynne seconded. Motion carried unanimously.

**3. APPROVAL OF MEETING MINUTES**

A. Minutes from December 2, 2020

Ald. Rainey moved to approve the minutes. Ald. Wynne seconded. Motion carried unanimously.

**4. PUBLIC COMMENT**

Mr. Carlis Sutton expressed support for financial assistance to Haliburton Funeral Chapel and opposition to funding the Kane McKenna and Associates TIF study during these economic times when a 5th Ward plan has been voted on. He would like to see this money invested into black businesses in the 5th Ward.

Ms. Tina Paden opposes the TIF study since previous concerns of 5th Ward residents have not been addressed. She would like the community to provide input on what is needed and to see this money directed to Black businesses rather than another study.

Ms. Priscilla Giles expressed concern that the money being spent in the community was not properly addressing the homeless and underemployed populations.

Ald. Wilson responded that this issue is always at the forefront and one purpose of the Economic Development Committee is finding ways to help businesses and create jobs with appropriate wages, and other ways to support residents.

Ald. Braithwaite stated that these issues are a top priority, as is creating policies that will help these residents.

**5. ITEMS FOR CONSIDERATION**

A. Approval of Entrepreneurship Emergency Assistance Grants

Ald. Simmons inquired whether the applicants were in fact two separate entities. Ms. Martinez confirmed that they are two separate entities, though they are brothers and have similar entity names.

Ald. Rainey expressed concerns on whether these entities had already received other COVID-19 financial assistance. Ms. Martinez clarified the applicant had actually not received any additional assistance. During her review of the applications, Ms. Martinez confirmed the applicant had not received any other assistance related to COVID-19. Applicants who have received any previous assistance are not eligible for this program since the intent is to help those who have not received any other assistance.

Ald. Rainey asked for additional information regarding the process, specifically whether staff verifies if the money requested is really owed.

Ms. Martinez explained that while she does not verify every expense, she does require copies of leases or invoices and will sometimes ask for letters from landlords.

Ald. Rainey stated she wanted to ensure there was a secure process and proper verification. Ms. Martinez explained she spoke with both applicants and verified verbally that they were two separate entities.

Mr. Scott Ogawa asked why there were no additional applicants. Ms. Martinez answered that there were other applicants, but they had either received other COVID-19 financial assistance or were previous Entrepreneurship grant recipients.

Mr. Paul Zalmezak explained that staff does market this program, but will make sure to continue getting the information out to the business community.

Ald. Wilson said he was satisfied with the staff's due diligence.

Ald. Rainey moved approval. Ald. Rue Simmons seconded the motion. Motion passes unanimously.

#### B. Approval of Recommendation to Reinstate the Evanston Storefront Modernization Program

Ald. Braithwaite commented that if the goal of this program is to support smaller businesses, he couldn't think of a better way to fund this program than using TIF. TIF can only be used within boundaries, so there is no use of the TIF funds outside of the respective areas. He recommended increasing the program's budget in order to help more businesses, provided recipients are small businesses (not franchises) and code violations are prioritized.

Ald. Rainey inquired about the original budget.

Mr. Zalmezak will research the original program budget. Due to current budget constraints, the updated program is focused solely on exterior repairs and improvement. There may not be

additional funding available in the Economic Development budget but TIF funds could be used up to the balance of the TIF.

Ald. Braithwaite said other programs expect business to bring in up to 25%. However, if businesses experience code violations there is a real opportunity to bring more assistance to essential businesses in our community.

Ald. Rue Simmons asked if this would interfere with pursuing other TIF funded projects that fall within the TIF guidelines and whether the \$50,000 would preclude the aldermen from using additional TIF funds.

Mr. Zalmezak explained that the program is proposing different sources of funds: Economic Development funds, TIF funds, and CDBG funds.

Ald. Rue Simmons spoke about the importance of projects that fall outside of TIF boundaries and asked for staff to revise the language to make these clarifications.

Ald. Rainey commented that these businesses need much more than storefront improvements and operating costs are their biggest concern. She mentioned that while this program is good, it is not necessarily the most important need. She asked staff to streamline the process and requirements.

Mr. Zalmezak responded that this program doesn't address the immediate operating needs or solve the COVID relief issue, but it can at least help provide some relief on the backend down the road.

Ald. Wilson commented that eligibility could be a little more focused on operating businesses, not unoccupied properties.

Mr. Zalmezak explained in the previous program, the landlord could apply if they have public facing storefronts. Ald. Wilson asked if the program could be tailored more towards existing small businesses to address the more critical issues.

Ald. Rue Simmons asked about the eligibility for start-ups and whether they can apply if they are moving into a storefront that needs improvement. Mr. Zalmezak clarified they would be eligible.

Ald. Wynne brought up that applicants are required to have a 5 year lease to make sure the business will be sustained and also that a new business could step in. She asked what the balances are in the TIFs. She commented that excess TIF money should be used as much as possible for Economic Development business relief. Businesses do not always know what is available to them.

Ms. Dziekan expressed support for the program and the retention efforts. She asked whether interior improvements would be considered down the line or if the program would stay focused solely on improvements facing the public way.

Mr. Zalmezak explained that the exterior improvements will help our business districts recover faster if we can help them look less vacated.

Ald. Rue Simmons asked whether operating loans or expenses are TIF eligible expenses. Mr. Zalmezak said operating expenses are not TIF eligible at this time. Any changes would require advocacy efforts at the state level.

Ald. Rainey said she has written a letter asking for a temporary emergency amendment to TIF legislation to allow for TIF funds to be used for expenses that would help businesses survive.

Mr. Zalmezak asked for direction on whether this item needs to come back to committee with revised language for review. The committee agreed that funds could be used for indoor or outdoor improvements, with a priority on code violations.

Mr. Zalmezak explained that funds will go really fast if the program includes interior improvements as well. He suggested keeping interior projects to TIF located properties so TIF funds could be utilized.

The committee provided staff direction to make the suggested revisions and move the item to the City Council.

Ald. Braithwaite moved approval. Ald. Wynne seconded the motion. Motion passed unanimously.

#### C. Financial Assistance for Exterior Building Improvements for Haliburton Funeral Chapel

Mr. Zalmezak introduced the item and explained there was a previous program in place to address these types of projects which was eliminated due to budget constraints. Staff has recommended that we bring that program back to help small businesses especially in the light of pandemic. In response to a complaint, City staff determined that exterior repairs were required. Mr. Haliburton is not in a financial position to make these repairs and staff is recommending that the City extend a loan, half of which would be forgivable.

Ald. Rue Simmons agreed that Mr. Haliburton provides an essential service to the community as well as many additional community services to youth and residents. He is a staple in the community and a prime example of a legacy Black business. She explained during this economically challenging time, there should not be undue pressure put on Mr. Haliburton for these repairs, especially since he has helped subsidized services for the community over many

years at his own expense. She also expressed her gratitude to City staff for their attention and work on this proposal.

Mr. Haliburton explained that the new financial obligation of greatly increased real estate taxes based on the new assessments had put him in a financial bind. They had previously been reduced by a small percentage, but he will still be paying nearly \$60,000 in taxes now. Due to the increased unexpected financial tax burden, he feels it may be hard to stay in business without assistance. He was in the process of renovating his building but was not able to complete it all. He is only asking for assistance now because of this financial bind.

Ald. Braithwaite expressed his gratitude for the services Mr. Haliburton has provided to the community, as well as his support for the request. He also mentioned they have all been experiencing the large tax increases and will look at ways to share resources and fight the tax increase.

Ald. Rainey expressed her support for Mr. Haliburton and the essential services he provides.

Ald. Fleming explained that they have worked on how to get some county relief but unfortunately funeral homes were not eligible for county relief and instead looked for ways to provide City relief. She will continue to work with Mr. Haliburton to reduce property taxes.

Ms. Dziekan asked about the storefront program and the 50/50 cost sharing requirement. Mr. Zalmezak said that the 50 percent would be in the form of loan, and the other 50 percent would be forgiven. The storefront program had required upfront payment of projects with reimbursement, but that was not a viable option in this case due to the new tax burden and pandemic. This consideration was also made due to the many services Mr. Haliburton has provided for the community during the pandemic at no cost.

Mr. Haliburton explained revenue was down because the amount spent on funerals during COVID has greatly reduced with limited capacity, but he is trying to do as much as he can to cut expenses.

Ald. Wilson asked whether he was working with everyone he can regarding the tax issue. He commented that the reassessment has been hurting a lot of business and renters, and made for an inequitable situation. He expressed his support in helping to maintain the building and providing assistance.

Ald. Rainey moved approval. Ald. Rue Simmons seconded. Motion passed unanimously.

D. Recommendation to engage Kane McKenna & Associates for a new west Evanston TIF district eligibility study and plan

Mr. Zalmezak briefly shared the study area during preliminary review. He pointed out this is a new TIF district, not new plan, and would be a new financial tool. Staff recommends using this to

help implement the West Evanston plan. It is adjacent to existing West Evanston TIF and the new increment generated can be moved into the original district to help generate new development.

Mr. Zalmezak explained that sites developed within the district, including the Civic Center which currently generates no taxes, has the potential to generate new revenue which could be used to help fund improvements for Family Focus, Foster Park, and the business district. Additionally, 50% of development costs for affordable housing is TIF eligible and TIF financing could be used in conjunction with reparations money to fund renovations. The TIF plan will take approximately four to six months to complete.

Ald. Rue Simmons reiterated this is not a community plan, but would provide a financial tool to help bring economic development opportunities to areas not currently located within or benefitting from TIF.

Mr. Bob Rychlicki from Kane McKenna stated the importance of being able to use TIF for housing and that no other program can do that and retain local control.

Mr. Zalmezak inquired about the amount of revenue potentially generated over the 23 year life of TIF. Mr. Rychlicki answered that City input on potential projects along with organic growth would give a general idea of the amount of revenue that could be generated.

Mr. Zalmezak explained the focus of this new TIF would be on workforce development, business district maintenance, housing repair and maintenance, and Foster School.

Ald. Wilson expressed support of this TIF district. He emphasized this would not be used as a tool to displace residents or tear down housing but rather to support the community and residents of the neighborhood.

Ald. Rainey clarified that no recent Evanston TIF has torn down existing housing to build other projects.

Mr. Ogawa inquired about the cost of the study. Mr. Zalmezak explained that hiring a consultant is necessary to handle the details and time consuming public meeting process.

Mr. Ogawa asked if there was a chance the money would be spent and the TIF district does not move forward. Mr. Zalmezak responded that the preliminary study confirmed potential eligibility, although there is potential for community opposition and that the City Council could ultimately decide not to move forward. He summarized other projects Kane McKenna have worked on with the City and emphasized there are still many public meetings prior to final TIF approval.

Ms. Dziekan said she is happy to see the City being proactive and thinking long term of how to leverage future projects.

Ald. Rue Simmons moved approval. Ald Braithwaite seconded the motion. Motion passed unanimously.

## 6. ITEMS FOR DISCUSSION

### A. Recent Restaurant Closures and Affordable Dining Options Downtown

Ald. Wilson introduced the item. In conversation with a student at Northwestern, they discussed the lack of late night dining options and how he would like to engage the downtown area for new potential dining opportunities to address the needs of students and those working later hours.

Mr. Jacob Brown, a NU student, explained he reached out to Ald. Wilson and Ald. Braithwaite to discuss ways the NU community could work with the City Council and Economic Development Committee to understand the demand for cheaper and later night dining options and whether there were opportunities there. He commented part of the appeal of Evanston is that it is not a typical college town but it is lacking places to dine cheaply late at night and there are not many fast food options. He asked how NU and the City could work together to address the demand for these dining options.

Ald Wilson said this is an ongoing conversation and he will continue to pursue this topic to figure out what the downtown experience should be.

Mr. Zalmezak invited Mr. Brown to continue the conversation with him and Annie Coakley, the Executive Director of Downtown Evanston.

### B. Evanston Saturday Artist Market at 1800 Maple Avenue

Ms. Lisa Degliantoni, Executive Director of Evanston Made, said she would like to expand the options for Evanston makers in warmer weather by creating a Saturday artist market. She has received many inquiries about how Evanston Made can host artisans. She gave a brief overview of the recent Makers Market in October held at Maple Ave. Garage.

Ms. Degliantoni mentioned merchants have commented having a storefront is too expensive and not accessible for small artisans. This market would provide a platform and location for artists and makers of all kinds. The only requirement is the products must be made themselves and they must be present. It will also support job creation by employing teens to host events and take tickets.

Ms. Degliantoni said she is working to correspond with the farmers market as a tandem event. She stressed that Evanston Made is an advocacy organization and they would like to create more partnerships with City departments and business district organizations.

Ald. Wynne said the market looks great, people are craving experience. She expressed her support of tandeming this event with Farmers Market and that it provides a great opportunity to those who have started to get creative during the pandemic.

Ald. Braithwaite and Ald. Rue Simmons expressed their support.

### C. Bookman's Alley Design Concept

Mr. Steve Rogin gave a brief overview of the concept of Bookmans Alley. The idea is to build upon the history of this alley and create placemaking opportunities in alleys. This is a project that will take some time and so they are planning ahead during the pandemic. He has been working on this concept for many years and garnered a lot of community support.

Mr. Rogin said he is looking to create opportunities to open up the alley with small shop space to make a much more inviting and engaging space that creates something unique.

Mr. Zalmezak asked whether committee members think this is an amenity they support and what is the process for Mr. Rogin to gain control of the alley space. He also highlighted some potential partnerships, investment, and new ways to bring people to downtown Evanston with this project.

Ald. Rue Simmons mentioned that there is also a historic landmark church, the Second Baptist Church, that should be included in community outreach as priority.

Mr. Rogin explained that he had spoken with Rev. Nabors, who was supportive of the project and asked whether the whole alley could be used, at least with clean up and engagement.

Ald. Rue Simmons agreed that there are reports of alleys being underutilized real estate space. She is supportive of the vision, but curious about the actual ask.

Mr. Zalmezak explained that we would need to coordinate with Public Works and engineering to determine whether this would be an easement and what the operational aspects of deliveries and trash pick up, etc. involve. Direction is needed from the committee if there is enough interest for Mr. Rogin to continue planning.

Ald. Rue Simmons said she is supportive of the idea, but would need to get additional information on utility infrastructure. It would be premature to okay selling the alley if not possible.

Ms. Dziekan expressed support for this concept and would like to see more placemaking and engagement opportunities. She has visited similarly activated alleys in Detroit. While there will need to be considerations, she would like to see this vision happen downtown.



Mr. Ogawa expressed his support of this vision.

Ald. Wynne said she is also supportive of this vision and that the City needs more outdoor space, especially something that is right downtown and away from traffic. There are a number of considerations, but this project could bring some charm to Evanston's downtown. She inquired whether this might work for other alleys as well.

Ald Wilson agreed with previous comments and support. He commented this type of project could help bring people outside and together.

Mr. Jack Weiss from Evanston Design spoke on his support for this project.

Ald. Rainey mentioned that this is a T-alley, which could make the sale of the alley possible.

Mr. Rogin clarified his interpretation of the conversation with Rev. Nabors was to clean up the whole alley. This project has many layers and the goal is to work through any issues.

Ald. Rue Simmons mentioned that there is a process in place to protect the residents and community, since this would go through DAPR.

#### D. Financial Wellness Program Update

Mr. Tognarelli provided a brief overview of the 2020 Financial Wellness Program, the tracks they provided, website analytics, available resources, and future programming.

Ald. Rue Simmons expressed gratitude for the program and asked how the City can support and promote this program. She asked if Mr. Tognarelli could provide this information to all EDC committee members so they are able to share.

Mr. Zalmezak asked Mr. Tognarelli to explain FNCU's credit sense program. Mr. Tognarelli explained how the program worked, and how people can use a savings program to build credit.

Ald. Rue Simmons asked whether FNCU offered an incentivized checking or savings account. Mr. Tognarelli answered that they do offer those types of accounts and that the total incentive available is \$200.

## 7. COMMUNICATION

### A. Monthly Economic Development Communication

- I. Economic Development Activity Report
- II. Economic Development Initiatives Report
- III. RETT Reports

Ms. Dziekan inquired why liquor taxes were down. Mr. Zalmezak explained that the City waived payments for specific businesses, but will follow up with committee members with additional information.

B. Announcements / Updates from EDC Members

8. ADJOURNMENT

Ald. Rainey moved to adjourn the meeting. Ald. Wilson seconded. The motion carried unanimously.

Meeting adjourned at 8:27 p.m.