

APPROVED

ECONOMIC DEVELOPMENT COMMITTEE MINUTES
May 24, 2023 6:00 P.M.

Location: Fonda Cantina, 1735 Benson Avenue Evanston, IL 60201

Members Present (in person)

Councilmembers: Nieuwsma, Kelly, Burns, Wynne, Reid, Harris

Members: Member Pennisi

Absent: Member Dziekan, Klein

Staff Present: Paul Zalmezak, Neal Reeves, Katie Boden

1. CALL TO ORDER/DECLARATION OF A QUORUM

Call to order at 6:10PM. Quorum was declared.

2. APPROVAL OF MEETING MINUTES

A. Minutes from April 26, 2023

Motion by Reid. Second by Harris. Minutes were approved.

3. PUBLIC COMMENT

Nina Barrett, Owner of Bookends and Beginnings

Spoke in support of CM Kelly's request for two million dollars to support small businesses. She extended an invitation to the Economic Development Committee to host the meeting. Thanked the Committee for the grant and raised \$100,000 via Gofundme. She shared that they moved and are in a great location but the location isn't as compelling for people to visit and get foot traffic.

Cheryl Powell, Hecky's Barbeque

Spoke in support of CM Kelly's request.

Dave Glatt, Dave's Italian Kitchen

His written comment was in support of CM Kelly's request.

Kosta Douvikas, D&D Finer Foods

Provided a letter in favor of CM Kelly's request to support small businesses.

4. ITEMS FOR CONSIDERATION

There were no items for consideration.

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5. Items for Discussion

A. Community Member Economic Impact Presentation - 1621-31 Chicago Avenue

Presentation by Horizon Realities. Bob Pritcher and Bill Brown, Chair of Trustees Methodist Church

They discussed differences and assumptions made in the analysis that opposed their economic impact analysis findings. (1) Cash flow does not account for property tax amount loss (2) (3) new projects create a demand for 211k annual cost for two Evanston employees but are reduced to 91k and (4) discount rate is overly optimistic and should be 9%.

CM Reid

How do you make the assumption that impact is negative?

- Bob shared that its intuitively logical

Is it a fact that a building of this nature will have a definitive negative impact?

- Residents adjacent believe it will have a negative impact along with the church. The LUC voted not to approve. First Methodist Church believes the value is more intrinsic and the concerns of the congregations.

CM Nieuwsma

Are the projections scaled(scale) with the height of the building?

- Pritchard replied that the fee stream isn't that significant. As you reduce the height, he thinks it is linear with a first floor exception. He thinks it is "ball park linear." Economic impact to the city is not that great.

CM Burns

What is the negative economic impact to the City?

- Over time you will see a degradation to the property tax over time if projections come lower. According to Burns, the loss could be property and effect on property tax revenue.
- CM Nieuwsma asked if there is a building height that would be appropriate
 - Eight (8) stories. Staff recommended six to eight stories.
 - CM Reid pointed out that we've allowed eight stories but that doesn't mean it is the max or best height.

B. Minimum Wage Increase Discussion Referred by Referrals Committee Motion by Reid. Second by Harris

Presentation by Council Member Reid

Minimum wage would follow a tiered approach. Summarized tipping along with its impact and proposes that we increase the wage so that it is more equitable for all residents.

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Member Pennisi

Is the City of Chicago minimum wage currently \$15.40?

- It is. The ordinance will have it move closer to \$16 starting in July
- Spoke against the wage increase due to their current challenges
- Also spoke about the cost of doing business overall.

Councilmember Wynne

- Most restaurants see themselves as a small employer so they will be affected.
- We really need to engage with the business community who are feeling burdened. She has concerned about adding to the burden as they are still having challenges

Councilmember Nieuwsma

He is willing to have the conversation due to the cost but would like more input from the business community and ideally would have more business owners in the community. CPI has only exceeded 2.1 three(3) to four(4) times.

Councilmember Harris

Requests to have the businesses involved before they've made a decision

- Councilmember Kelly agreed with having input before Human Services.

Motion by Reid for staff to host at least two Economic Development Town Hall style meetings from the employer perspective. Second by Councilmember Nieuwsma.

- Burns shared that we should build a process to get feedback from those hard to a
- Friendly Amendment by CM Nieuwsma: Ask staff to come up with a suggestion and bring it back to the committee.
 - Declined by Reid
- Councilmember Harris suggested the EDD can reach out via email and host a meeting at City Hall as an additional option.
- Councilmember Kelly suggested a larger event is ideal for maximum outreach and impact

Manager Zalmezak explained that we can get feedback up to ten(10) different ways and we relay the information to the committee member.

Motion Passes by Unanimous Consent

C. 2023-25 Economic Development Strategic Planning (Work Plan) Framework Discussion
Motion CM Nieuwsma. Second by CM Wynne

Presentation by Manager Zalmezak

He explained the scoring matrix and the goal of the document along with the sections for each area.

Member Pennisi - Spoke to the removal of ARPA priority scoring option. The committee agreed.

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Councilmember Reid

- He is concerned about the urgency.
- Equity should be a category or a part of a sub category. Mentioned low barrier to entry type of business opportunity. CARP and Equity is fifth(5) category.

Councilmember Harris

How do we deal with our respective ward challenges?

- Councilmember Burns suggested subjective data that will help prioritize and weigh the scale. We have to use the honor system.
- Zalmezak challenged the committee to really be critical
- Councilmember Harris suggested everyone gets 1 priority/non negotiable item.

Councilmember Nieuwsma

He doesn't think the over indulgence is an issue

He asked if everything is ARPA eligible

- Yes. We don't need the ARPA category. We are going to drop ARPA Urgency as a category
- Wynne suggested we cap a number on the amount of scores we can give a category. For example, only four scores of five(5) are allowed per person.
- He asked if we should include SSA Managers
 - Zalmezak requested more direction on it but shared they were heavily involved in the process.
 - Nieuwsma shared that he'd ask the SSA Manager to prioritize the items in her area.

Councilmember Kelly

The goal was to help businesses on a time sensitive basis. The idea is getting lost with the plan and scoring etc.

- Burns shared that he would prefer to spend money in a way to get people more foot traffic etc than a one time grant
- The Treasury left it to municipalities to determine how they can spend to make the most economic impact.

Councilmember Nieuwsma

He would prefer to provide the businesses with traffic that would support their businesses while supporting them throughout.

6. COMMUNICATIONS

- A. Economic Development Activity Report 5.24.23
- B. Announcements from EDC Members

7. ADJOURNMENT

Meeting was adjourned at 8:28PM