

**Observer:** Julianne Dieterich**Meeting began:** 7:10 pm**Meeting Ended:** 9:05 pm**Aldermen Present:** Fiske (chair), Braithwaite, Tendam, Wynne, Rainey, Matt Rodgers (Zoning Board of Appeals), Terry Dubin (Plan Commission), Jeannemarie Sierant (At Large)**Staff Present:** Johanna Leonard, Paul Zalmezak, Cindy Plante, Paulina Martinez, Marty Lyons**Media Present:** Evanston Now, Roundtable, Daily Northwestern**Citizen comment:** None.

1. CALL TO ORDER / DECLARATION OF QUORUM

2. INTRODUCTION OF NEW ECONOMIC DEVELOPMENT SPECIALIST – Paulina Martinez

3. APPROVAL OF MEETING MINUTES OF March 23, 2016

4. ITEMS FOR CONSIDERATION

A. Annual Funding Request from Chicago's North Shore Convention & Visitors Bureau – Committee approved recommended funding of \$78,810 for the period 7/1/16-6/30/17. The dues are calculated by formula based on expected hotel occupancy. With the opening of the Hyatt House Hotel, the funding request for next year increased by \$15,000.

B. Sunshine Enterprises Quarterly Update and Request for Funding – As agreed in the fall, Sunshine reported on the winter cohort of its entrepreneurship training program and requested release of the \$50,000 in previously approved funding. The winter cohort had nearly 30 graduates, mostly Evanston residents or businesses, with all wards represented except the 4<sup>th</sup>.

Committee approved release of \$50,000 for the winter cohort and authorized funding of up to \$50,000 for the summer cohort to begin June 4.

C. Next Steps for Vacant City-Owned Howard Street Properties – In March, staff put out an RFP to solicit interest in developing 633 Howard St. (former police outpost) and 727-729 Howard St. Separately, staff have been working with Strawdog Theater to find temporary office/rehearsal/storage space for the company to move into when its current Chicago building is demolished in June. Efforts to develop a space for Strawdog in the 700 block of Howard are underway but won't be complete for at least 13-24 months. Strawdog has secured use of a temporary performance space on the Chicago side of Howard St. The attempt to use the Noyes Cultural Arts Center as a temporary office/storage/rehearsal space for Strawdog proved impractical, so staff turned to using 633 Howard. But staff did not withdraw the RFP for 633 Howard, and Good to Go Jamaican restaurant submitted a proposal to relocate from its current space opposite the old police outpost on the Chicago side of Howard. Because of the urgency to find a space for Strawdog, staff--with Rainey's strenuous support—recommended setting aside Good to Go's proposal. The legal department is preparing a short-term lease for Strawdog that is expected to go before Council soon.

For the other property, 727-729 Howard, Evanston residents submitted a proposal to develop a live music/dining venue. Staff recommended proceeding with exploration of the concept, but noted that the financial projections submitted were outdated and will need to be revised. The committee eventually approved this recommendation.

The discussion of these proposals, centered mainly on 633 Howard, was long and convoluted. Rainey opened with her view that it wouldn't be the best use of the former outpost to relocate an existing, successful restaurant; she also stated misgivings about "poaching" from the Chicago side of Howard. The restaurant is owned by an Evanston couple, and has been a success for over 14 years. The owner spoke to their long-standing interest in the outpost property, their hope to expand to a larger space in the neighborhood where their customer base is (a previous attempt to open a second location in Downtown Evanston failed), their preliminary approval of financing for the project, and their ultimate desire to own the property. The proposal had included plans for a rooftop terrace for which financing was not available, and Rainey had objected to funding such a project; but the owner indicated that those plans could be set aside.

Many on the committee were sympathetic to Good to Go's desire to relocate to Evanston and rejected Rainey's view that it would be "poaching," as the city did not initiate. However, staff and Rainey asserted that there is no other suitable space in Evanston for Strawdog. Not wanting to jeopardize the negotiations for a Howard St. theater, the committee recommended that staff work with Good to Go to find an alternate suitable location in Evanston. But if Good to Go fails to relocate by the time Strawdog vacates 633 Howard, the committee directed staff to give first consideration to Good to Go's proposal. This compromise carried with only Tendam in dissent (he had voiced strong support for Good to Go's proposal).

D. Financial Assistance for Sara's Kitchen, Ltd. (dba Dave's IK) – This was a late addition to the agenda, based on Paul Zalmezak's outreach after Dave's Italian Kitchen closed unexpectedly after 40+ years in operation. The owner, Dave Glatt, is filing for bankruptcy after a number of failed business decisions associated with operating the large space on Chicago Ave. Mr. Zalmezak contacted him to see whether the city could help retain the business in Evanston, and put him in contact with the property owner of the former DMK Burger on Noyes. Glatt negotiated favorable lease terms and discounted purchase of equipment left by DMK, and secured some funding to reopen as Dave's IK, a much smaller restaurant that Glatt believes would be sustainable. To fill the remaining gap in his financing, staff recommended consideration of a \$30,000 loan (5-year term, 6% interest rate) from the Business Retention/Expansion Fund. Zalmezak's justification of the loan, despite Glatt's current financial situation, was that "character counts." Several aldermen spoke fondly of Mr. Glatt and Dave's Italian Kitchen, while also noting the need for staff to perform due diligence on the loan before it would be presented to Council on May 9. Only Matt Rodgers took exception to the proposed loan, noting the volatility of the restaurant business and the need for financing to carry costs for up to a year while a new restaurant is being established. While Zalmezak had emphasized that the loan would be secured by the equipment that Glatt would purchase, Rodgers noted that the city would carry costs in trying to dispose of such equipment in the case of default. Despite this cautionary note, the committee approved (7-1) forwarding the proposal to Council.

## 5. ITEMS FOR DISCUSSION

A. Annual Update from Downtown Evanston – Annie Coakley updated the committee on Downtown Evanston's progress over the last year and its new strategic plan.

B. Update on Business District Awards Process – Cindy Plante provided a brief update on plans for a new business district awards program. There will be two categories of awards – one for new businesses (less than 3 years in operation) and one for sustaining businesses (3 or more years in operation). Residents and

organizations (but not City staff or elected officials) can nominate firms for their contributions toward making Evanston the “most livable city.”

## 6. COMMUNICATIONS

A. Monthly Economic Development Communication

B. Real Estate Transfer Tax Report

C. Announcements/Updates from EDC Members

## 7. ADJOURNMENT