ECONOMIC DEVELOPMENT COMMISSION
MEETING NOTICE

DATE: Tuesday, September 24, 2019
TIME: 4:00 p.m.
PLACE: McHenry Municipal Center, 333 S. Green St.
(City Council Chambers - Main Entrance)
333 South Green Street, McHenry, IL 60050

AGENDA

1. Call to Order

2. Pledge of Allegiance

3. Roll Call

4. Approval of Meeting Minutes dated June 25, 2019

5. Public Input - (five minutes total)

6. Business Recognition Award – Mr. Don’s Cleaners 50th Anniversary

7. New Business Updates – Director of Economic Development

8. Small Business Grant Discussion/Recommendation

9. Committee Reports:
   a. Business Recognition Committee (Mrachek, Wolf)
   b. Outreach and Engagement (Bremer, Tenuto, Martin)
   c. Relationship Building (Schaefer, Pfeifer)
   d. Development Committee (Jessup, Bionda)

10. Strategic Economic Development Plan
    a. Open Discussion on Objectives / Deliverables
    b. Dependencies
    c. Dates and Communication
    d. New Commission Member Needed

11. Partner Committee Reports
    a. Riverwalk Foundation
    b. Chamber of Commerce
    c. Downtown Business Association
    d. Special Events Committee
    e. Landmark Commission
    f. Planning & Zoning Commission

12. Next Regularly Scheduled Meeting Date is Tuesday, November 26, 2019

13. Adjourn

The City of McHenry is dedicated to providing the citizens, businesses and visitors of McHenry with the highest quality of programs and services in a customer-oriented, efficient and fiscally responsible manner.
Chairman Jessup called the June 25, 2019 special meeting of the City of McHenry Economic Development Commission to order at 4:00 p.m. In attendance were the following: Bionda, Bremer, Jessup, Mrachek, and Tenuto. Absent: Pfeifer, Sterwerf, Schaefer and Jett. Also in attendance were: Director of Economic Development Martin and Economic Development Coordinator Wolf.

Commissioner Jessup welcomed new and prior members to the Commission and asked them to introduce themselves.

**Public Comment:** Mr. Greg Denny, Business Development Director for Deigan & Associates, Environmental Consultants located in Lake Bluff, Illinois, requested the Economic Development Commission consider allowing his company to make a formal presentation to them regarding how they can help coordinate and/or be a resource for future development projects in the City.

**Approval of Minutes**
Motion by Mrachek, seconded by Bionda, to approve the March 26, 2019 Regular Meeting minutes of the Economic Development Commission, as presented:

Voting Aye: Jessup, Mrachek, Bionda.
Voting Nay: None.
Not Voting: Bremer, Tenuto.
Abstaining: None.
Absent: Pfeifer, Schaefer, Sterwerf, and Jett.
Motion carried 3-0.

**Review of Draft Economic Development Plan**
Commissioner Jessup explained the draft Economic Development Plan prepared by Director Martin as a result of the SWOT Analysis initiatives and asked for comment.
Commissioner Tenuto liked the way the plan was broken down and noted that pride and passion of the residents in McHenry is an asset and unique in the County.
Commissioner Bremer is looking forward to partnering with the Commission and liked the direction noted in the draft plan.
Commissioner Jessup then identified the strategic initiatives noted in the SWOT Analysis as action items to guide the Commission’s actions in the future. Putting subcommittees together and including other representatives from the community is a key goal of the Commission in order to be more effective. The process of defining committee structure was discussed.
Building relationships with key influencers in the County is something all Commissioners and future sub-committee members can do to help build the City’s economy. EDC Business cards identifying the ED department, Mayor Jett and the Commission members were distributed to all present.
Commissioner Jessup spoke on the marketing initiative and how we can get the marketing videos that were made last year out to key influencers, developers, tourists, etc. as a way to introduce McHenry
and everything it has to offer! Director Martin suggested Commission members might look up an initiative done by the St. Charles, Missouri EDC called the Monday Morning Minute. Discussion ensued regarding social media and stories to be shared as a marketing tool and how the Commission can help City staff get the word out!

The four committees identified in the SWOT Analysis and the proposed action steps identified were discussed. Prior Commission meeting notes were asked to be distributed for discussion.

Implementing a Social Media Policy was discussed as well as the possibility of simply not responding at all to anything Commission members might be tagged in negative ways on their personal social media accounts. Commissioner Bremer shared the policy that is followed by the School Board in regard to social media posts. When asked for input, Director Martin stated it is important to relay a unified message and Commissioners responding separately to social media posts as representatives of the Commission may not lead to a unified message. It was agreed by all present that discussion on the social media process would fall under the direction of the Outreach and Engagement Committee. In the interim, it was agreed and directed that while a policy decision is being formalized by the Outreach and Engagement Committee, members of that Committee only, along with Staff, will control any posts and marketing mechanisms that go out publicly from the EDC and the remainder of the Commission members will not respond to any social media posts created and posted from the EDC or to responses from the public to those posts.

Commissioner Tenuto asked for clarification to be given of the role of Commission members in regard to their representation of the Economic Development Commission, perhaps in the form of bylaws. Commissioner Bremer made an effort to clarify how and when Commission Members might represent the EDC as Commission members versus as a resident, parent, or business owner in the community and suggested clarifying any discussions as being made in each person’s own personal opinion.

**Formation of Committees:** Business Recognition; Outreach and Engagement; Relationship Building; and Development Committees:
The following members volunteered or were suggested to represent on committees:

**Business Recognition Committee**  
(Length of Years in City and/or Significant Civic or Community Contributions to the City)  
*Mrachek, Wolf*

**Outreach and Engagement Committee**  
(Business Attraction, Retention, Branding, Marketing, Video Distribution)  
*Bremer, Tenuto, Martin*

**Relationship Building Committee**  
(Other City Committees/Associations, Businesses and Chamber Members, Tours)  
*Schaefer and Pfeifer*
Development Committee
(Recruiting a Full, Engaged Commission Membership)

Jessup and Bionda

Chairman Jessup and Vice-Chairman Mrachek agreed to reach out to Commissioners Pfeifer and Sterwerf, Alderman Schaefer, and Mayor Jett regarding the discussion on full committee representation by the members. They will also contact previous Chair Baehne regarding a suggested form that is used for recruiting committee members for the MCC board.

Business Recognition
The following businesses are known to have businesses anniversaries in 2019. Future follow-up will be under the direction of the Business Recognition Committee.

- Mr. Don’s – 50 yrs
- Chas Herdrich – 86 years
- Rietesel Boat – 80 years
- Joule Technologies – 20 years
- Tony’s Family Tailor – 30 years

Business Surveys
All members agreed future discussion and continuance of business surveys and questionnaires should be included and under direction of the Outreach and Engagement Committee.

Assignment of Committees:
Agreement was met on including discussion and coverage of representation on other City Committees and/or Associations under the direction of the Relationship Building Committee. For information purposes, the following members were identified as currently being active participants on other City Committees/Associations:

- Riverwalk Foundation - Mayor Jett
- Chamber of Commerce - Commissioner Mrachek
- Downtown Business Association – Commissioner Bremer
- Special Events Committee - Economic Development Coordinator Wolf
- Landmark Commission – Open (City Administrator Morefield?)
- Planning & Zoning Commission – Economic Development Director Martin

Discussion and Approval of 2019-2020 Meeting Schedule
Chairman Jessup presented the previously approved meeting schedule for discussion. All members present agreed to continue meeting with the schedule as presented noting tours or special meetings could be scheduled on an as-needed basis preferably during the “off” months.

Staff Report
The next Economic Development Commission regularly scheduled meeting is Tuesday July 23, 2019.
Commissioner Mrachek asked if the summary of the City Council SWOT analysis meeting could be shared with the Economic Development Commission when it is finished to ensure our initiatives are united and aligned.

**Motion to Adjourn by Bremer; Seconded by Mrachek**
All members in favor. Meeting adjourned at 5:15 p.m.

Respectfully submitted,

______________________________
Rob Jessup, Chairman
Economic Development Commission
CITY OF CRYSTAL LAKE

Retailer Facade and Commercial Tenant Improvement Program

MATCHING GRANT APPLICATION FORM

2017-2018 Fiscal Year

ADMINISTERED BY:

CITY OF CRYSTAL LAKE
PLANNING & ECONOMIC DEVELOPMENT
100 W. WOODSTOCK STREET
CRYSTAL LAKE, IL 60014
CITY OF CRYSTAL LAKE
Retailer Façade and Commercial
Tenant Improvement Grant Program

In its continuing effort to support the development of the business community and our workforce, the City of Crystal Lake has created a Retailer Façade and Commercial Tenant Improvement Grant Program for new and existing retail business owners. This Program is comprised of the New Retailer Improvement Program and the Existing Retailer Improvement Program. The City Council will review applications and award grant funds to eligible new and existing retail businesses who complete façade improvements or purchase furniture, fixtures and equipment.

This booklet is intended to provide general information regarding these programs. The actual terms and conditions of each program, qualifications for participation and further limitations may be found in Chapter 228 of the City Code of the City of Crystal Lake, and are subject to change by the City Council. For more information, please contact the Planning & Economic Development Department at (815) 356-3615.

Program descriptions and eligibility requirements:

<table>
<thead>
<tr>
<th>New Retailer Improvement Program</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ELIGIBILITY</strong>¹</td>
</tr>
<tr>
<td>Applicant must occupy vacant commercial space within Crystal Lake, Illinois, or construct a new building in the City;</td>
</tr>
<tr>
<td>Applicant’s business must be new to the City limits of Crystal Lake;</td>
</tr>
<tr>
<td>Applicant’s business must meet a minimum annual taxable sales threshold of at least $150,000/year;</td>
</tr>
<tr>
<td>Applicant must file an application prior to commencing improvements.</td>
</tr>
</tbody>
</table>

¹ See detailed eligibility criteria below. See also Section 228-23 of the City Code for New Retailer Investment Program

² $80,000 of available funding for these programs is shared with the City’s other matching grant incentive programs. All awards are subject to the financial limitations established by the City’s appropriation ordinance from time to time.
NEW RETAILER INVESTMENT PROGRAM ELIGIBILITY CRITERIA

(i) The program is open to any new sales-tax revenue generating business that will occupy vacant retail space or a building or that will construct a new building for its business.
(ii) Applicant must meet minimum annual taxable sales threshold of $150,000 and sustain or exceed that amount for five years.
(iii) Applicant’s business must provide a stocked retail showroom for retail products.
(iv) Applicant must provide written proof of façade construction costs and/or FFE costs.
(v) Applicant applying for funds for façade improvements must pay prevailing wages.
(vi) Applicant must file and have City Council approval for grant funding prior to commencing improvements.
(vii) Grant recipient may apply after 5 years from the date of recipient’s previous award for the Existing Retailer Improvement Program.
(viii) Applicant’s business must be new to Crystal Lake city limits; in-town relocations are ineligible.
(ix) Applicants are required to complete and submit an Illinois Department of Labor Authorization to Release Sales Tax Information form to City Staff as part of the required application documentation.
(x) Award calculations may include both façade construction and FFE costs, up to maximum award amount.
(xi) Eligible FFE includes, but is not limited to, shelving, racks, tables, chairs, point-of-sale systems, fixed computer equipment used in business operation, office furniture, and appliances.
(xii) Façade improvements must comply with all applicable codes and ordinances.
(xiii) Eligible façade improvements include, but are not limited to; exterior brick cleaning; exterior tuck pointing; exterior painting; wall façade construction, repair, and treatment; original exterior architectural features repair or replacement; interior/exterior demolition; and historic renovation to interior/exteriar.
(xiv) Approved applicants shall be required to maintain their improvements and the FFE for the duration of the Grant Agreement with the City of Crystal Lake, which shall be five years from the date the funds are received by the applicant.
**Existing Retailer Expansion and Relocation Program**

<table>
<thead>
<tr>
<th>ELIGIBILITY¹</th>
<th>MAX AWARD</th>
<th>AWARD CALCULATION²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant must expand its business into vacant commercial space by at least 20% in gross floor area, or relocate its business to vacant space that is 20% larger than its current location. (not required for businesses generating over $7,500,000 in annual taxable sales);</td>
<td>Annual Taxable Sales</td>
<td>Maximum Grant Award</td>
</tr>
<tr>
<td>Applicants applying for façade improvement funds are not required to expand or relocate.</td>
<td>$150K - $2.49M</td>
<td>$5,000</td>
</tr>
<tr>
<td>Applicant’s business must meet a minimum annual taxable sales threshold of at least $150,000/year;</td>
<td>$2.5M - $4.99M</td>
<td>$10,000</td>
</tr>
<tr>
<td>Applicant must file an application prior to commencing improvements.</td>
<td>$5M - $7.49M</td>
<td>$15,000</td>
</tr>
<tr>
<td></td>
<td>$7.5M+</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

¹ See detailed eligibility criteria below. See also Section 228-23 of the City Code for New Retailer Investment Program

² $80,000 of available funding for these programs is shared with the City's other matching grant incentive programs. All awards are subject to the financial limitations established by the City's appropriation ordinance from time to time.

**EXISTING RETAILER IMPROVEMENT PROGRAM ELIGIBILITY CRITERIA**

(i) The program is open to any existing Crystal Lake sales-tax revenue generating business that will:

a. Expand its current location into vacant space by at least 20% in gross floor area (not required for businesses generating over $7,500,000 in annual taxable sales), or

b. Relocate to vacant space that is 20% larger than its current location, in a new building or into a different existing building not within the same shopping center (not required for businesses generating over $7,500,000 in annual taxable sales), or

c. Complete façade improvements to the existing space.

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CITY OF CRYSTAL LAKE – PLANNING AND ECONOMIC DEVELOPMENT, 100 W. WOODSTOCK STREET, CRYSTAL LAKE, IL 60014  PH 815.356.3615 - FAX 815.479.1647 - WWW.CRYSTALLAKE.ORG
(ii) Applicants must meet a minimum annual taxable sales threshold of at least $150,000 over the previous 12-month period prior to the date of application.

(iii) Applicant’s business must provide a stocked retail showroom for retail products.

(iv) Applicant must provide written proof of façade construction costs and/or FFE costs.

(v) Applicants applying for funds for façade improvements must pay prevailing wages.

(vi) The grant award amount cannot exceed 50% of the applicant’s expenditures on eligible furniture, fixtures, and equipment.

(vii) Applicant must file an application for grant funding prior to commencing improvements.

(viii) Grant recipient may re-apply after 10 years from the date of recipient’s previous award.

(ix) Award calculation may include both façade construction and FFE costs, up to maximum award amount.

(x) Eligible FFE includes, but is not limited to; shelving, racks, tables, chairs, point-of-sale systems, fixed computer equipment used in business operation, office furniture, and appliances.

(xi) Façade improvements must comply with all applicable codes and ordinances.

(xii) Eligible façade improvements include, but are not limited to; exterior brick cleaning; exterior tuck pointing; exterior painting; wall façade construction, repair, and treatment; original exterior architectural features repair or replacement; interior/exterior demolition; and historic renovation to interior/exterior.

(xiii) Approved applicants shall be required to maintain their improvements and the FFE for the duration of the Grant Agreement with the City of Crystal Lake, which shall be at least four years after receiving the funding.

**Eligible Properties and Applicants**

All retail-operated, sales tax revenue-generating businesses in the City of Crystal Lake are eligible for the Retailer Façade and Commercial Tenant Improvement Programs. Applicants who apply for funding after commencing the improvements are ineligible. Only improvements to facades that directly front a public right-of-way are eligible. Retailers who apply for grant funding must provide a retail show-room open to the public and cash-and-carry retail services to their customers.

Businesses filing applications must meet a minimum annual taxable sales threshold of $150,000 to be eligible for grant funding. New business applicants shall provide sales projections with their applications. The City of Crystal Lake will verify minimum taxable sales thresholds are met using Illinois Department of Revenue reports. The sales data can be verified approximately fifteen months after the business opens.

Any building with a zoning, building code, or fire/safety code violation is not eligible for the program. Any commercial building owner, or business owner (tenant) with building owner
authorization (a lease or other agreement), may apply for the grant. Grant recipients can re-file a subsequent grant application no sooner than 10 years from the original grant approval date.

**Ineligible Projects**
The Retailer Job Creation and Investment Grant Program will not provide funds for working capital, debt refinancing, inventory acquisition, application fees, permit fees, legal fees, or signage.

**Grant Agreement**
As a condition of the award of grant funds, eligible and approved applicants will be required to enter into an agreement with the City in a form to be approved by the City Council. The Agreement will contain terms and conditions of any grant award which would be made, including a requirement that the applicant repay some or all of the grant money in the event that the business for which the grant was approved does not remain in continuous operation for at least five years. The sample form of Grant Agreement attached to this application form contains sample provisions of the Grant Agreement and is for reference only, please do not file this document with your application, as it is only a sample. In the event that it is determined that you are eligible for a grant award, an original form of Grant Agreement will be provided to you by the City.

**Administration**
Applicants are encouraged to submit complete applications to City Hall in person or via e-mail. Applications for the City’s grant programs will be accepted on a first-come, first-served basis. Only completed applications that include all required submittal documents and information will be accepted. The City’s Community Development Department will review the application for accuracy and will determine if it meets the requirements for funding.

If the application is determined to meet the requirements of the program, the application will be forwarded to City Council for review within 21 days. If the application receives City Council approval, the applicant must enter into an agreement with the City. Matching grant funds will only be disseminated to the applicant after the following items are completed:

- A) Documented proof regarding the payment of the construction costs for materials and labor for façade improvements and that prevailing wages were paid is submitted;
- B) The furniture, fixtures, and equipment have been purchased and implemented within the business;
- C) Receipts and cancelled checks or credit card statements for the purchase of the approved furniture, fixtures, and equipment are submitted;
- D) The applicant has received a final certificate of occupancy and is open for business.
- E) One-year of sales tax data has been collected and reported to the State of Illinois.

If grant funding for a current funding cycle is completely distributed, applicants may be placed on a waiting list to be considered for a grant when funds become available.
Questions
A grant application and submittal requirements are included with this packet. If you have further questions regarding the Improvement Programs, please contact the City of Crystal Lake Planning and Economic Development Department.
CITY OF CRYSTAL LAKE  
Retailer Façade and Commercial Tenant  
Improvement Grant Application  

Please completely fill out this application and return it to the City of Crystal Lake with the items listed in the checklist on page 2.

<table>
<thead>
<tr>
<th>Applicant Information</th>
<th>Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mailing Address</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td>Federal Tax ID#</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Information</th>
<th>Address for building for which grant is sought:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Identification Number(s)</td>
<td>Phone</td>
</tr>
</tbody>
</table>

Check one:

- [ ] New business occupying vacant retail space
- [ ] Existing retail business making improvements to my building or tenant space

Description of furniture, fixtures, and equipment to be utilized:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Continued on the next page
Application Checklist

The following items must be submitted with the Improvement Application form (Page 1):

- Completed and signed Crystal Lake Improvement Grant Application;
- Written estimates for the furniture, fixtures, and equipment to be purchased;
- Written estimates for the façade improvements;
- A floor plan, illustrating the locations for the furniture, fixtures, and equipment (drawings do not have to be architectural renderings, but should be to scale so that the City can understand the scope of the proposed project);
- Written description of the scope of the proposed project (letter to the Mayor and City Council);
- Taxable sales records and/or projections.

I agree to comply with the guidelines and standards of the City of Crystal Lake Job Creation and Investment Program and I understand that this is a voluntary program, under which the City has the right to approve or deny any project or proposal or portions thereof.

Applicant(s) Signature _______________________________ Date ________________