



Economic Development Commission

**Wednesday, March 20, 2019
Council Chambers Room**

Commissioners Present

James Kucienski, Chairman
Patrick McCoy, Vice Chair
Rivak Albazi
James Berger
Myles Berman
Peter Dyer
Maureen Ehrenberg
Tim Garcia
Joe Spagnoli

Commissioners Absent

Staff Present

Anne Marie Gaura, Village Manager
Steve McNellis, Community Development Director
Charles Meyer, Assistant Village Manager
Douglas Hammel, Community Development Manager
Heather McFarland, Management Analyst
Daniel Peck, Community Outreach and Marketing Coordinator

Others Present

Barry Bass, Village President

1. Call to Order/ Quorum Declaration

Noting that a quorum of nine members was present in the room, the meeting was called to order by Chairman Kucienski at 8:00 AM.

2. Minutes Approval

Chairman Kucienski asked the Commission if any edits were to be made to the February 27, 2019 meeting minutes.

Hearing no corrections, Chairman Kucienski called for a motion to approve the minutes. Commissioner Albazi moved and Commissioner Ehrenberg seconded the motion. There was a consensus to approve the minutes.

Before beginning the branding agenda item, Chairman Kucienski reported the details of his presentation of the EDC's biannual report to the Village Board. He said that the work they had done over the past two years was well received by the Village Board. On a separate matter, he also reported that he received a request from Cook County to complete the annual "statement of economic interest." He wanted to be sure new Members were aware the County would be sending this form and that it needed to be completed. After some discussion about the fact that none of the other EDC Commissioners had yet received this form by e-mail or in the mail, staff was asked to follow-up with the County (staff later determined that only the Chairperson is required to complete this form and notified the EDC members of such).

3. Community Branding Follow-Up

Assistant Village Manager, Charles Meyer, was introduced to present revised branding concept designs. Assistant Manager Meyer briefly introduced the goals of the project before presenting the refined logos. He also introduced those who were part of the branding team and present at the meeting for input and to take questions. The specific goal of the revisions was to create more dynamic, unique, storytelling logos.

Assistant Manager Meyer introduced the first revised logo. He highlighted the prominence of Lincoln's profile and changing the brim of the hat to make it more appealing and look less like other logos. Commissioner Ehrenberg noted that the background design looked like a sail which would seem out of place in Lincolnwood. Commissioner Garcia was also confused by the choice of a pyramid-shaped background. Management Analyst, Heather McFarland, noted that the design feature was meant to represent an arrow pointing forward. Community Outreach and Marketing Coordinator, Daniel Peck, added it was also intended to represent a simplistic tree. Chairman Kucienski thought that the logo was just ok and there were better options, which was echoed by the EDC.

Assistant Manager Meyer moved on to the second revised logo. This logo was similar to the last one but added more detail to Lincoln's profile to make him more distinguished. Commissioner Dyer noted that while slightly better, the design features are not coming across as intended. Commissioner Ehrenberg mirrored the comments about being better but not what they want in the final design.

Assistant Manager Meyer presented the third revised logo as a "simple" and "clean" design that is easily recognizable. Commissioner Garcia inquired where the Village

would be implementing these logos. Assistant Manager Meyer said there is a list in the packet, providing some examples of where they would expect the logo to be displayed such as apparel, wayfinding signs, vehicles, and the letterhead. Coordinator Peck added this would likely lead to a style guide to be used for other applications as well. Commissioner Ehrenberg inquired as to why there was the addition of the squares next to the Village's name. She added that it seemed kind of like an "arts-and-craft" design. Assistant Manager Meyer said that they have, in general, received good feedback on that design element. Coordinator Peck said that he chose that kind of font to reflect what is seen on the Touhy overpass sign. Chairman Kucienski said that he liked this logo except for the fact that it didn't show movement, and that was something the EDC talked about. Commissioner Spagnoli liked the font but noted the colors don't pop as much. The EDC this design wasn't quite there yet.

Hearing a desire to move forward Assistant Manager Meyer introduced the fourth revised logo. He pointed out how they revised the tree to look more vibrant and actually hid a Lincoln top hat into that design. Also, they added a skyline to describe their proximity to Chicago and added a more refined pathway design. Chairman Kucienski thought that the logo looked like it was in the middle of the city and need a more clear component of being in the Village. Several members made the comment that the hat design gets lost in the logo's other components. Vice Chairman McCoy asked if they used the same font in this logo as the last, noting it looks nicer than before. Coordinator Peck said it was the same font but without the blocks on either side.

Moving forward Assistant Manager Meyer introduced the fifth and sixth revised logos. He noted that the sixth was the same as the previous one but with slight alterations to the background to be more minimalist. There was a consensus that neither design was as good as the previous one.

Assistant Manager Meyer then revisited a previous logo before presenting the EDC with the seventh design. The revised logo included the Chicago City skyline on the left side. Commissioner Spagnoli noted that if the goal was to have a sunrise the city and the Village would have to switch sides. Coordinator Peck said that the design was an attempt to convey bridging the North Side with the Northshore. The EDC expressed that they thought that this was the best design that has been presented thus far. Several commissioners also added some stylistic critiques to the wording below the logo. They suggested that the artistic blocks next to "THE VILLAGE OF LINCOLNWOOD" be removed and that it could just read "LINCOLNWOOD." It was also discussed that there should be a reduction in the thickness or perhaps entirely eliminating the top border arch. The eighth design was the addition of a top hat and it was generally thought to be not as good as the original.

Assistant Manager Meyer then presented the final logo design. The EDC was concerned that some of the design elements were left up to unnecessary interpretation. They suggested a few other iterations to clarify the design elements. Commissioner Ehrenberg asked about the possibility to have multiple logos; one as the main logo and then several others as auxiliary logos. Assistant Manager Meyer said that is something they had been working on.

Assistant Manager Meyer lastly opened up the conversation about potential slogans. He reminded the EDC that the most popular slogan from the last meeting was “Bridging Community and Opportunity.” Commissioner Ehrenberg voiced concern that using the word bridge and then having it in the logo could make it “trite.” Assistant Manager Meyer said that it is a fine line between overuse and a coherent message, and that the goal is to build an identity. When asked for final comments Commissioner Berman pointed out that final bullet point should read “20 Minutes...” instead of “20 Miles...” Assistant Village Manager Meyer and Chairman Kucienski thanked everyone for their time and comments.

4. PEP Grant Request for 7250 North Cicero Avenue

Chairman Kucienski asked Director McNellis to provide the EDC background information on the PEP Grant request for 7250 North Cicero Ave. Director McNellis gave a short description of the office building that is undergoing renovations and noted the property owner, Jean Kotin, was present at the meeting. He then provided pictures of the property noting the updated exterior aesthetics, achieved by repainting the building from a dated beige color to a more contemporary gray color. Additionally, he noted the large amount of green space in front of the building provides significant potential for landscaping improvements.

Director McNellis then provided the EDC a review of the PEP program goals and mechanics. The funds are to incentivize comprehensive exterior improvements that are visible to the public. The grant includes a 50-50 match in funds, up to a cap of \$25,000. However, with the end of the fiscal year fast approaching, the program only has approximately \$15,000 in funds remaining.

The improvements that would occur if the PEP grant is awarded would involve updating the landscaping design, with the addition of native planting species, and diversifying the landscaping away from the current monoculture, with one evergreen yew species dominating the landscaping in the front yard. Director McNellis showed examples of the plants that would replace and supplement the existing landscaping including native grasses, decorative trees, rose bushes, and several varieties of flowers. There would be a layering effect along the building foundation with low perennial planting beds in front of taller native grasses. He noted that the applicant has also proposed a monument sign

which would require that there be landscaping around the base. The current proposed design of the sign base landscaping does not provide the code-required “winter and summer interest”. Therefore, Director McNellis suggested, while the proposal is to remove much of the existing evergreen species elsewhere in the front yard, around the sign base evergreen plantings would need to be added to the design.

Director McNellis then directed the EDC to the three bids that have been received for the proposed scope of work, with a low bid of \$27,233. These bids include the cost of removal of old landscaping, preparation of the planting beds, installation of the new landscaping, and seeding and mulching in the areas that are disturbed. He noted that it has been the Village’s practice to award funds based on the amount of the lowest bid of at least three bids unless the applicant can show there are extraneous circumstances. Hearing nothing from the applicant regarding such circumstances, staff is recommending a PEP grant in the amount of \$13,616 be awarded, subject to the following conditions: 1) The applicant provides an updated Landscape Plan that includes evergreen landscaping around the base of the monument sign, and 2) Satisfactory completion of the project, per the plans submitted. Director McNellis then asked Ms. Kotin if she would like to address the EDC with any additional information.

Ms. Kotin first thanked the EDC and the Village for creating a program like this, which provides a point of collaboration between business owners and the Village. She then highlighted how the improvement projects she has undertaken have increased the business interest in her property, which is mutually beneficial. Chairman Kucienski asked what kinds of interior improvements have been made. Ms. Kotin indicated that they have created a marketing center, installed a sprinkler and fire alarm system, new HVAC, updated common corridors, and introduction of a modern aesthetic, including loft-style ceilings. Commissioner Dyer asked if the monument sign had already been installed, and if not, why she didn’t include evergreen plantings in the proposed landscaping. Ms. Kotin indicated that the sign had not yet been installed. The reason she didn’t include evergreen plantings was that she didn’t want to design a traditional monument sign and landscaping at the base, but because of Village Code requirements, the sign designers will need to go back to the drawing board. Commissioner Ehrenberg asked if the proposed Canadian Berry trees will produce fruit or if it was just a berry tree in name only. She noted concern about berries over the front entry steps into the building. Ms. Kotin said that they will produce a small hard berry, but that they will be positioned to minimize any problems on the walkways. Vice Chairman McCoy raised a concern to Ms. Kotin about Cicero Avenue getting a substantial amount of salt in the winter, and so the vegetation should be very hearty to deal with those conditions. Ms. Kotin indicated she was aware of the potential issue and when designing the landscaping the designer took that into consideration. Several commissioners expressed their appreciation for the aesthetic improvement.

Commissioner Berman inquired as to how much of the property is currently under lease. Ms. Kotin indicated that they currently don't have any leases. Commissioner Berman asked the EDC if the PEP grant was success dependent. Chairman Kucienski said that there is a five-year clawback provision in the PEP Grant requirements that states that if the property is sold or they move out then there is a percentage of the grant that is returned to the Village depending on how much of the five years has elapsed. Director McNellis further clarified that the clawback is not related to the commercial success of the property. Chairman Kucienski indicated his belief that after the improvement is made the commercial viability of the property will increase. Commissioner Berman responded by saying that is a reasonable assumption but was still hesitant by saying it's not the same as having signed leases. Commissioner Ehrenberg noted that given the track record, by and large, the PEP program has been highly successful. Director McNellis voiced his confidence in the success of this building especially given the property owner has already invested in the building. Commissioner Berman then asked if the grantee is unable to maintain the landscaping does the Village have a right to intervene? Director McNellis indicated that the Village would be able to intervene but only for code violations. He further clarified that the PEP grant would not give the Village extra authority in property maintenance.

At the end of Director McNellis's report Chairman Kucienski noted there was a suggested motion in the staff memo, and he would be open to entertaining a motion of approval as presented. Commissioner Berger moved to approve the recommendation as presented and it was seconded by Commissioner Spagnoli.

The recommendation was approved by an 8-1 roll call vote as follows:

Ayes: Albazi, Berger, Dyer, Ehrenberg, Garcia, Kucienski, McCoy and Spagnoli

Nays: Berman

Vice Chairman McCoy wanted to address something that Commissioner Berman may have been alluding to. He asked what maintenance provisions are associated with the PEP grant. Director McNellis said he was unaware of any additional provisions but can check with the Village attorney and report back. Vice Chairman McCoy would be interested in discussing whether or not in the future they should include a provision that the grantee must keep the improvement maintained. Director McNellis said that he will review it and if there isn't anything that speaks to that that he will have language prepared by the Village Attorney that the EDC can consider.

Commissioner Ehrenberg inquired as to the language in staff's recommendation that states that they are required to have an updated plan that shows evergreen plantings at the

monument sign foundation planting bed, but that language did not explicitly state that that plan would have to be approved prior to, or by, the Village Board. Director McNellis said that the revised plan would need to be submitted prior to the Village Board vote, and staff would confirm it meets Village requirements.

5. Presentation & Discussion on Economic Incentives

Chairman Kucienski introduced the next speaker, Robert Rychlicki, Village Consultant from Kane, McKenna, and Associates. Chairman Kucienski hoped that the EDC can use his expertise to better understand how municipalities choose and implement economic incentives.

Mr. Rychlicki introduced the presentation as an overview that is structured based on the frequency of use by the municipalities they have worked with. The order being Tax Increment Financing (TIF), Business Districts, Cook County Re-Classifications (tax abatements), and Special Assessment Districts or Special Service Areas (SSAs). He added as an aside that the Village also has the option of sharing sales taxes absent a designation like a Business District because of home rule authority.

Mr. Rychlicki started by introducing the TIF program. He noted that the advantages from this option are its flexibility in the types of projects that it can finance, use of incremental taxes from redevelopment, municipal control in the process, and it can be combined with different techniques. Some potential disadvantages discussed were that the public investment may not offset the new tax revenue, its relative complexity in setting up. Lastly, he discussed the financing options which include revenue bonds, general obligation bonds, and pay-as-you-go. These financing options help shift the risk to the private sector. Commissioner Berman asked if the financing was tax exempt. Mr. Rychlicki said that is the most prevalent though there are some taxable issues, but in general they are tax exempt. Before moving on he wanted to note that TIFs are generally used on large projects or areas.

Mr. Rychlicki introduced the EDC to the use of Business District designations. He noted that the use of this method has really caught on in the last ten years because the State changed its laws to allow for the designated “carved-out” area to increase their tax rate by up to one percent. Vice Chairman McCoy inquired to the specificity of the definitions presented, as to whether they’re State-specific, US-specific? Mr. Rychlicki said that all of the definitions are specific to Illinois. The advantages of this designation are its flexibility, quicker timeline, about 1/5 of the upfront cost of a TIF, and even more municipal control. One reason this hasn’t been as popular is that volatility in the business market could affect the revenue actually collected. More potential disadvantages are that its ability to generate revenue is less than a TIF, as it’s only on general merchandise sales

(not for car sales, or food & drug sales), and requires a formal finding of “blighted” conditions.

Mr. Rychlicki presented the tax abatement mechanism. He said that his experience is they are used primarily for industrial properties. He also said that tax abatements generally only work when they are used in conjunction with other incentives, such as a business district designation, since the Village’s portion of property tax is minimal in comparison with the School Districts portion. In order to really work, you would need the cooperation of the School District, since they are such a large part of the tax bill. Mr. Rychlicki discussed the disadvantages of a tax abatement including its limits in time (10 years) and dollar amount (\$4,000,000). Commissioner Berman asked if the term of the agreement could be extended. Mr. Rychlicki said that it wouldn’t be able to because it is a statutory limitation, with a few exceptions for special uses. Commissioner Ehrenberg inquired as to whether or not a municipality could create their own “opportunity zone.” Mr. Rychlicki said that those are designated by the State only, not municipalities. Returning to the advantages and disadvantages he said that while this option is limited it is part of a municipality’s tool kit.

Mr. Rychlicki then provided the EDC with an overview of the Cook County Incentive Programs. They are used based on the needs of a specific property instead of a geographic area like a TIF would be. While limited, he did point out some examples in the Village where using this mechanism was successful.

Lastly, Mr. Rychlicki addressed the use of Special Assessment Districts and Special Service Areas. Commissioner Ehrenberg noted that these often lead to public pushback. Mr. Rychlicki agreed but said that in some instances they are successful. A few areas where these have worked are in downtowns (garages, marketing, etc.) and places with homeowners associations. Director McNellis added that he has seen it be useful when an older unincorporated area wishes to be annexed, perhaps because they would like to have water supplied by a municipality, then the costs to build those mains, and also possibly bring streets in that area up to the municipality’s standards would be sought through an SSA. But, of course, that is not a scenario that would occur in Lincolnwood, with no unincorporated areas on our borders. A potential downside is that 50% of taxpayers and voters can derail the project. Commissioner Berman asked for more explanation on the process of an SSA getting voted down. Mr. Rychlicki clarified that the SSA didn’t need to be voted on to be approved, but may be voted down. This would happen during the 30-60 day public comment period. Vice Chairman McCoy asked if, in hindsight, there were any projects in the Village that could have been better financed through one of these programs. Mr. Rychlicki said there weren’t really any projects in the Village where it would have been better to use a program different than the one used.

Commissioner Ehrenberg asked about what a reasonable time frame is to satisfy the “but-for” requirement that some of the mechanisms required to implement. Mr. Rychlicki noted that it is not always clear but the District 1860 project is a clear instance of that given the properties history. Village Manager Anne Marie Gaura added that a project to consider for an SSA relates to the three private roadways in the Village and how to maintain them. This would be a policy decision of the Village Board and EDC, but this is something that will be on staff’s radar. Mr. Rychlicki further noted that there are other options like fee waivers and state or federal grants. He further noted that all of the programs have some advantages and disadvantages. In reviewing all of the options Commissioner Ehrenberg added that she is familiar with SSA’s working to help rural areas develop technology access. Director McNellis asked if the SSA would be assessed on a person’s tax bill. Mr. Rychlicki confirmed that it would show up as a line on their tax bill. Commissioner Albazi said that they still have SSAs in Chicago. He said that instead of the residents voting on it, it is voted on by a neighborhood committee. Commissioner Ehrenberg noted that ultimately, depending on your environment, it becomes clear pretty quickly what choice you should make.

Mr. Rychlicki reiterated that because the Village has Home Rule that there are more options open than otherwise would be. Chairman Kucienski noted that the EDC actually recommended a few years back that the Hotel Tax be set at a specific rate assuming that the future developer of the Purple Hotel site would ask for an abatement of some sort. The EDC thanked Mr. Rychlicki for his thorough and comprehensive presentation, which will be very helpful in considering future incentive requests.

6. Reports

No business was discussed.

7. Other Business

No business was discussed.

8. Public Forum

Chairman Kucienski asked if there was any public comment. Mr. Craig Klatzco, owner of the Bunny Hutch, addressed the EDC about the branding project. He was interested in what the overall cost would be to change all of the signs, stickers, and logos. Director McNellis noted that all of the members of the Committee had already left the meeting, but he said that he would be surprised if that hasn’t been discussed. Commissioner Ehrenberg added that these changes are often phased in over time as well to reduce the price shock. She added that different departments would be able to be phased in at different times because they would have slight variations to suit their needs. Basically, as you’re buying something new, such as letterhead, that’s when you make the change, so you’re not wasting existing materials.

9. Prospective Businesses Forum

No business was discussed.

10. Adjournment

Vice Chairman McCoy moved for adjournment and was seconded by Commissioner Berger. By consensus, the meeting was adjourned at 9:40 am.

Respectfully submitted:

Henry Wright
Community Development Intern