

**Village of Gurnee
Economic Development Committee Minutes
February 16, 2017**

The meeting was held in Conference Room A, Gurnee Village Hall, 325 N. O'Plaine Road, and called to order at 5:40 P.M.

Members Present: Chairperson Thorstenson, Tom Henderson, Jim Sula, Michael Deney

Members Absent: Terry Waddell-Moenter, Roneida Martin

Other Officials Present: Ellen Dean, Economic Development Director

Guests Present: Doug Wightman, Gurnee Resident

1. Approval of Minutes

October 27, 2016 Meeting Minutes – Mr. Sula made a motion, seconded by Chairperson Thorstenson, to approve the October 27, 2016 regular meeting minutes.

All voted 'aye'. Motion carried.

2. New Business

2017 EDC Meeting Schedule

Chairperson Thorstenson noted that the December 2016 meeting had been cancelled due to lack of quorum and inquired of the group whether it would be preferable to move this date to November. Mr. Deney confirmed with Director Dean that the flexibility exists to change this date in the future if needed.

Mr. Deney moved, seconded by Mr. Henderson, to adopt the 2017 EDC Regular Meeting Schedule as proposed. All voted 'aye'. Motion carried.

East Grand Avenue – FY 2017/18 Budget Recommendation

Director Dean explained that the Village Board would soon begin its review of the 2017/18 budget and that EDC's comments and input are welcomed. She noted that the FY 17/18 budget is expected to be tight given overall sales tax trends and the closure of Key Lime Cove for one year due to construction. Therefore, staff was cognizant of these constraints in preparing budget recommendations, including those for East Grand Avenue. She proceeded to summarize several recommendations made by the Urban Land Institute Technical Assistance Panel in its 2016 report and explain how the 2017/18 budget will begin to address these areas.

East Grand Streetscape Improvements – Unified Image: The ULI report recommended banners and signage for Corridor branding; stamped crosswalks; pedestrian-scale lighting; and street trees. Staff's proposed 2017/18 budget for East Grand streetscape improvements includes \$100,000 in the Capital Fund for the following: sidewalk edging/grinding/cleaning; soil and turf replacement in barren areas; sidewalk mudjacking to level; shotcrete repair of curb and gutter spalls; replacement of broken sidewalk panels; re-stripping of pavement markings; code enforcement of nuisance items; and, if funding is available, the purchase of movable planters to provide seasonal color/interest. She further explained that the light poles on East Grand Avenue Corridor do not lend themselves to banners, which were recommended by ULI and are commonly used in business district branding; therefore, at such time as funds are available, staff would research freestanding banner frame options, e.g. semi-permanent structures that could be mounted in concrete, visible to drivers and pedestrians.

Chairperson Thorstenson inquired what was meant by “code enforcement of nuisance items” and emphasized that this should be cooperative rather than punitive.

Mr. Sula confirmed with Director Dean that the Village’s .5% home rule sales tax, dedicated to capital infrastructure, is the funding source that makes this type of investment into East Grand possible.

Village’s Role – Raising the Corridor’s Profile: The ULI report recommended that the Village establish an East Grand Corridor Committee of business owners and residents to be champions of the Corridor. This Committee would develop its own agenda to include branding, marketing, special events, business-to-business peer support, and recommendations for future infrastructure projects. Staff’s proposed 2017/18 budget for this component includes \$5,000 in the General Fund (in Economic Development Marketing) to provide startup support for an informal Corridor Committee of East Grand business owners, property owners, and residents. The City of Waukegan will be invited to participate.

It was further recommended by ULI that the Village of Gurnee and City of Waukegan work together toward consistent standards – possibly via establishment of a Joint Overlay District – for cohesive site and building design, streetscape, wayfinding, and signage. Staff is not recommending this is a priority for 2017/18.

Immediate Placemaking: The ULI report recommended installation of amenities that will improve the pedestrian experience on East Grand Avenue including: stamped crosswalks, continuous sidewalks, decorative banners, plantings, and benches. It further recommended the Village work with Corridor property owners to reactivate large, unused spaces by enabling pop-up retail venues and hosting community events. Staff’s proposed 2017/18 budget for this component includes \$5,000 in the General Fund (in Economic Development Marketing) for an outdoor music/food truck event to be organized with the help of the new Corridor Committee.

The Committee expressed its support for the FY 2017/18 budget recommendations for East Grand Avenue, summarized as follows:

Capital Infrastructure	\$100,000
General Fund – Marketing	\$ 10,000

Development Opportunities: The ULI report noted that new development on East Grand Avenue is unlikely in the near term because current market rents are not high enough to deliver the Return on Investment required by most developers. It recommended near-term investments in transportation and streetscape improvements and rejuvenation of interest in the corridor by raising its profile.

The ULI report did note that the Handy Handy building, now owned by Uhaul, offers one of the best opportunities for reuse/redevelopment along the Corridor. Director Dean indicated that staff will be contacting Uhaul to assess its plans for the property.

3. Informational Items

Strategic Plan – February Progress Reports

Director Dean explained that the Village Board receives periodic updates on staff’s progress toward meeting goals and objectives established as a result of the Strategic Plan update process of 2015/16.

She reviewed the Economic Development goals which fall under the headings of Fiscal Sustainability (attraction/retention of businesses and East Grand revitalization); High Quality Lifestyle (encouraging independent/boutique retail and working with Pace on enhanced transportation options); and Well Maintained Infrastructure (East Grand Avenue business recruitment/property redevelopment).

Director’s Report

Chairperson Thorstenson explained that Gurnee Mills, Key Lime Cove, and Six Flags are central to the Village’s fiscal stability due to the volume of sales tax, food & beverage tax, amusement tax that they

generate. In addition to the direct revenue generation, the 'halo effect' on other businesses is significant. The presence of these major destinations enables other businesses to also be successful. It's important to understand this context when reviewing incentive agreements like the ones recently adopted by the Village Board.

Director Dean summarized highlights of the two incentive agreements recently adopted by the Village Board:

Key Lime Cove / Great Wolf Lodge

- Great Wolf would invest minimum \$65 million in construction to add water park space (inside and outside), new amenities, and re-theme the property
- Amendment to existing Key Lime Cove agreement – no change in term or dollar amount
- Current Key Lime Cove agreement provides for sharing of 100% resort tax + 30% of hotel tax
- Mirrors Key Lime Cove agreement up to \$550,000 (adjusted by CPI each year); above that amount, 100% sharing of both hotel and resort tax with Great Wolf Lodge
- Food & Beverage tax and Sales Tax are not shared, and these revenue sources are expected to increase significantly

Gurnee Mills

- \$6+ million Interior/Exterior Renovations including flooring, overhead ceiling, paint, Dine-o-Rama Food Court remodel, lights, signage
- Village contribution is up to \$1 million (16.5%), payable over four years in equal amounts
- Interior renovations to be done in corridor between former TJ Maxx and Sears + food court and common area in front of Neiman Marcus
- Necessary to attract new tenants for Sports Authority and TJ Maxx spaces
- Targeted tenants expected to generate \$280,000/year tax revenue
- Public-private partnership encourages corporate investment
- Consistent with resident feedback, e.g. favoring the upgraded Macy's wing

Projects in Progress

Chairperson Thorstenson noted that the new Projects in Progress report is appreciated and has helped answer residents' questions about "what's happening" in town. Mr. Sula added that the design is conducive to quickly identifying what's new or updated. She suggested that social media and other means be used to share information about incoming businesses – restaurants, stores, office tenants – as soon as we know about them.

Mr. Sula made a motion, seconded by Mr. Deney, to adjourn the meeting at 7:14 P.M.

Respectfully Submitted:

Ellen Dean
Economic Development Director