

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION
August 17, 2022

The meeting of the Libertyville Economic Development Commission was called to order at 7:31 a.m. at the Tesla store located at 1121 S Milwaukee Avenue, Libertyville, Illinois.

Members Present: Chairman John Cortesi and Commissioners Dmitry Dukhan, Brian Grano, Andrew Herrmann, Thomas Kreuser, Dan Marks, and Edward Werdell.

Members Absent: Commissioner Steve Martin.

Staff Present: Heather Rowe, Economic Development Manager.

Others Present: Mayor Donna Johnson, Trustee Jim Connell, Jennifer Johnson of Main Street Libertyville, and Marino Cecchi of Tesla.

Minutes: The Commission approved the minutes of the June meeting (Motion- Marks/Second-Dukhan).

Tesla Discussion

Chairman Cortesi thanked Tesla Operations Advisor, Marino Cecchi, for hosting, explained the Commission purpose and off-site business visit effort, and had the Commissioners make introductions. Mr. Cecchi welcomed the Commission and spoke to the local operations of Tesla and answered questions. Mr. Cecchi noted the following in response to Commission questions:

- Employment: 15 local employees, predominantly in service area. Employment openings in the service department continue to be a challenge, this is not unique to Libertyville.
- Sales: the facility has doubled its volume quarter to quarter. This past quarter is a bit flatter as they've focused more on service to existing customers than sales. The geography of their customer base includes northern Lake County, McHenry County, as well as the Milwaukee/Kenosha area. The State of Wisconsin law prohibits vehicle manufacturers to directly sell to customers without going through a dealership. Wisconsin sales account for nearly half the volume of the Libertyville store. Customers order their vehicles online typically but come to the facility for vehicle test drives, delivery, and servicing. Due to the distance customers travel from, many customers will stay in the community for a few hours and visit nearby restaurants and stores.
- State grants are available to encourage transition to EV usage, a federal program is coming soon.
- Challenges: Primary challenges are employment related impacts to servicing and production volumes.
- Reusable energy: Tesla encourages customers to incorporate reusable energy systems into their vehicle charging plan and sells solar charging systems at the store.

The Commission conversed about the automotive industry, EV operations and sales approach, and how it will impact land uses and the Libertyville Mile of Cars. The Commission and Mr. Cecchi also discussed and opined on the following:

- Anticipated movement to EV. It was stated that statistics suggest 30-40% of the vehicle sales market will be electric within 10 years.
- Impact on the electrical grid.
- The need for a charging grid for inter-state travel.
- Emergency response difference in EV fires
- Whether dealership building and land area will reduce in the future if vehicles are delivered to consumers by order and on demand.

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- How charging systems may be appropriately integrated into community and private office or retail facilities.
 - The potential to attract customers and employees if charging systems are available.
 - Several commissioners noted consideration has been given adding chargers at their properties.
 - Whether the community should consider more public charging stations. Whether these should be free or by fee managed through a larger EV charging system operator.
 - Caution was noted towards business and community financial investments on charging systems that may become obsolete overtime, and in short periods with quickly changing technologies.
- Whether families will reduce number of vehicles owned/leased if they have automatic driving potential that can drop someone off and return to assist other family members. Automatic driving capabilities could reduce need for parking lots (and related change zoning requirements) if people can be dropped off and vehicles returned to a base elsewhere. This could impact sales tax receipts on vehicle sales.

After additional conversation, Chairman Cortesi thanked Tesla for hosting the meeting and the stimulating conversation. He noted additional conversation on the subject and impacts to the larger community would likely be discussed at future meetings.

Other

At the Chairman's request, Ms. Rowe provided an overview of the plan for Business Listening Sessions in September and requested Commissioner assistance in moderating the sessions.

Given time, Chairman Cortesi noted that discussion of the Economic Development Strategy would be moved to the September Commission meeting.

With no further business, the meeting was adjourned at 9:00 AM (Motion-Kreuser/Second-Dukhan).

Respectfully submitted,

Heather J. Rowe, AICP, MLAI
Economic Development Manager