

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

July 23, 2009

A meeting of the EDC was held on Thursday, July 23, 2009.

The meeting began at 8:00 A.M.

MEMBERS PRESENT: Mike Giannelli, Don Olson, Tom Herbstritt, Nick Sisto, Perry DuBose (arrived 8:10AM), and Joe Penar.

MEMBERS ABSENT: Mike Briggs.

ALSO PRESENT: Jeff Eder- Community Development Director, Nicole Driskell- Community Development Administrator, Catherine Mick- Community Development Summer Intern, Mayor Barrett Pedersen (departed early), Jeff Harris- Village Planner/Zoning Administrator (arrived 8:14AM), Don Peelman- Donald E. Peelman Consulting, Arthur Kraft- KMI Construction Services Inc., Zachary Kafitz- Liston & Tsantilis, Peter Tsantilis- Liston & Tsantilis, Mousa Abuhadba- United Wholesale, Salko Dracic- Realtor-Sudler Sotheby's International Realty.

MOTION TO ACCEPT minutes from last meeting held on Thursday, June 25, 2009 as presented by Nicole Driskell, was made by Don Olson. Nick Sisto **SECONDED** the motion. **VOICE VOTE CARRIED.**

New Business:

6b Applications

- Two 6b applications were presented to the Commission.

2312 17th Avenue – KMI Construction Services Inc.

- Arthur Kraft and Don Peelman appeared on behalf of the application.
- Application is based on two (2) year vacancy rule.
- The building is 6,300 square feet situated on a 9,100 square foot site.
- Approximately \$40,000.00 in code mandated repairs and improvements are necessary.
- The business currently has nine (9) employees with four to five (4 to 5) more expected to be hired within the next two (2) years.
- This will be a job shop and the administrative office for the business.
- KMI Construction has been in River Grove for eighteen (18) years but now requires a larger facility.
- Mr. Sisto asked if they will be keeping their River Grove facility.
 - The River Grove facility will be sold.
- Mr. Sisto inquired about the company's current taxes in River Grove.
 - The current taxes are \$9,200.00.
- Mr. Penar inquired as to how the \$40,000.00 repair figure was deciphered.
 - Mr. Kraft informed the members that the \$40,000.00 number was derived from the code violations on the building, need for a new roof, need to update the office space, bathroom remodeling, work to the loading dock, and cutting and subsequent repair of holes to move in equipment.
- Mr. Sisto inquired if KMI will repair the roof on its new building.

- Mr. Kraft informed the members that he will hire a company to handle the roof.
- Mr. Giannelli inquired as to whether or not there is a contract for the property.
 - Mr. Kraft informed the members there is a signed contract for the property.
 - Mr. Eder noted there is a 6b contingency clause in the contract.
- Mr. Giannelli inquired about KMI's request to waive the 6b application fee.
 - Discussion commenced as the applicant had requested that the full fee be waived.
 - Discussion commenced on the reduced fee of a neighboring property due to the size and scope of that proposal and its similarities to this proposal.
- Mayor Pedersen inquired as to whether or not the shop is unionized.
 - Mr. Kraft informed the members the shop is unionized.
- Discussion commenced on the request for a waived application fee, the reduced fee granted to a neighboring property, and the Commission's willingness to reduce the fee to match the neighboring property's application due to the precedent that has been set.
- Further discussion commenced on the possible need for an ordinance reducing the required 6b application fee for smaller subject buildings/parcels.
- Discussion commenced regarding the members never hearing applications on such small buildings before and that the reduced application fee was merited.
- Discussion commenced on the members' being unaware of the reduced fee agreement on the last 17th Avenue 6b application and their surprise at the approach of this applicant to request the fee be waived.
- Mr. Giannelli led a discussion on a \$2,000.00 fee for this application based on the precedent set by the reduced fee for the previous 17th Avenue 6b application.
- Discussion commenced on the exterior building condition, the parking lot, sidewalks and other improvements to the property and general 17th Avenue area.
- Mr. Penar led a discussion on landscaping and proposed a \$1,000.00 minimum expenditure on landscaping.
 - Mr. Eder posed the question of where landscaping would be feasible on that parcel.
 - Mr. Penar cited examples of landscaping improvements to neighboring properties.
- Mr. Giannelli led a discussion on the brevity of the application packet and noted that the EDC should be provided with more information and greater due diligence should be performed on the part of the applicant.
- The members concurred that this is a good project and it will improve the area.

MOTION TO APPROVE KMI Construction 6b Application with the following conditions was made by Don Olson. Mike Giannelli **SECONDED** the motion. **VOICE VOTE CARRIED.**

Conditions:

1. Improvements to the exterior of the building similar to those of the neighbors immediately to the North and South of the subject property, and
2. Reduced application fee of \$2,000.00.

Mr. Eder introduced Mr. Jeff Harris, the Village's new Planner/Zoning Administrator, to the members. Discussion commenced between Mr. Harris and the members.

2017 N. 25th Avenue – United Wholesale

- Zachary Kafitz, Peter Tsantilis, Mousa Abuhadba, and Salko Dracic appeared on behalf of the application.

- Application is based on two (2) year vacancy rule.
- United Wholesale is a wholesale and distribution company dealing in specialty rugs.
 - The company has been in business for sixteen (16) years.
- Mr. Abuhadba anticipates purchasing the property in September, 2009.
 - The property features an approximately 47,000 square foot building on a 1.76 acre parcel.
 - The business is growing and Mr. Abuhadba is looking to purchase a larger facility to expand operations.
 - \$20,000.00 to \$40,000.00 in improvements are expected: bathrooms, office, walls, floors, parking lot, etc.
 - The property has been vacant for approximately two (2) years.
 - The current projected purchase price is \$1.2 million.
 - Contract is expected to be signed within the next few days.
- Currently, United Wholesale leases an approximately 15,000 square foot building in Chicago.
- Mr. Abuhadba anticipates hiring (8) to ten (10) more employees after the business has been relocated to Franklin Park.
- Mr. Giannelli inquired about the lack of an official contract.
 - Mr. Tsantilis informed the members that the earnest money and due diligence have delayed the signing of the contract.
- Mr. Sisto inquired if the sale price is locked in.
 - Mr. Tsantilis informed the members that the sale price is set and will not change as the buyer and seller have come to an agreement regarding the price.
- Mr. Penar inquired about the employee pay scale.
 - Mr. Abuhadba informed the members his employees are paid hourly, not less than ten dollars (\$10.00) per hour, with some benefits. Full time employees receive greater benefits.
- Mr. Giannelli inquired about the lack of sales tax from this company as it is a wholesale business.
 - A retail facility/showroom, incidental to the use, was discussed. This will provide sales tax to the Village whereas the wholesaling portion of the business will not.
- Mr. Sisto inquired about the age of the building.
 - The building is approximately twenty-five (25) to thirty (30) years old.
 - Mr. Giannelli inquired if the applicant is guessing with regard to the building age.
 - The building age is an approximation.
 - Mr. Giannelli also noted the lack of a formal site improvement proposal in the application packet.
 - Discussion commenced and it was mentioned that the roof was replaced two (2) years ago.
 - Discussion commenced on the anticipated improvements to the offices and bathrooms.
- Mr. Giannelli took issue with the lack of information provided to the members for this application.
- Mr. Olson inquired as to whether or not Mr. Abuhadba intended to use the rail contiguous to the property.
 - Mr. Abuhadba has no real use for the rail access.
- Mr. Herbstritt inquired about the plans to reconfigure the building to accommodate a public showroom.

- The applicant informed the members that walls will need to be relocated to form a retail showroom. Discussion commenced.
- Mr. Sisto inquired about signage to invite walk-in sales.
 - Discussion commenced on allowed signage for that building and that signage inviting walk-in sales is allowed.
- Mr. Olson inquired about cleaning up the vegetation on the East end of the property.
 - The applicant informed the members of his intentions to clean up that area.
- Mr. Olson inquired as to where the rehabilitation funds will be spent.
 - The applicant informed the members of his intent to use the funds to clean up the property, relocate walls, and repair the parking lot in the future.
- Mr. DuBose inquired as to whether or not the facility has docks.
 - The facility has three (3) docks.
 - Mr. Eder informed the members that the docks are almost unusable due to the location of the neighboring property's fence. The tight space makes it extremely difficult to direct an eighteen-wheeler (18) through the site.
 - The neighboring property has a thirty (30) foot easement that has lapsed which still appears on the property title.
 - Mayor Pedersen inquired if an interruption of easement letter has been sent.
 - Discussion commenced regarding the lack of cooperation from the neighboring property regarding the easement.
 - Discussion commenced on the neighboring property's use of the easement or lack thereof.
- Mr. DuBose inquired about truck movement on the property, the type of trucks used and containers.
 - Mr. Eder warned the applicant about the difficulty of docking a truck on the site.
- Mr. DuBose inquired about the number of truck loads delivered per week.
 - The applicant informed the members he expects two to three (2 to 3) deliveries per week.
 - It was suggested that the applicant test truck mobility and docking on the site before the closing date.
 - Mr. Sisto requested clarification of the truck docking situation on this parcel and suggested modifying the building for angled docks.
 - It was suggested that containers would be easier to dock than full semi-trucks.
 - Mr. Abuhadba informed the members that he deals mostly in containers that are approximately twenty (20) to forty (40) feet long instead of the fifty-three (53) foot long trailers.
- Mr. Harris inquired as to how deliveries are sent out.
 - The applicant informed those present that he utilizes trucking/shipping companies and that he would be able to instruct those companies to bring smaller trucks to accommodate the truck mobility and docking issues of the property.
- Discussion commenced on the following topics:
 - The easement between the property in question and the neighboring property.
 - The Village's desire to annex that easement into municipal boundaries as it is currently unincorporated.
 - The positive aspects of having this building occupied.
 - The positive improvements to the Village of Franklin Park due to recent 6b applications.

- Improvements that need to be made to the Village and the property in question.
- The need for landscaping at the property in question and the general lack of landscaping for that area.
- The list of required items for a 6b application with the Village of Franklin Park and the required fee for application.
 - The need for a complete application with the appropriate due diligence was discussed and stressed by the members.
- The lack of a signed purchase contract and whether or not the 6b application should be continued to a later meeting pending signed contract.
 - It was determined that the application should not be continued because of the lack of a signed purchase agreement due to the current economy and because Mr. Eder informed the members that he believes both parties will sign the contract.
- The verification that rehabilitation projects presented to the EDC via a 6b application have been completed as described.
- How conditions placed on a 6b application approval are enforced.
 - Landscaping versus code compliance enforcement issues.
 - Proposed topic for a future meeting: enforcement of 6b approval conditions.

MOTION TO APPROVE United Wholesale 6b Application with the following condition was made by Nick Sisto. Tom Herbstritt **SECONDED** the motion. **VOICE VOTE CARRIED.**

Condition:

1. Copy of purchase contract must be submitted to Mr. Eder and the members upon signature of the buyer and seller.
- Mr. Penar led a discussion regarding Mr. Abuhadba's plans for landscaping and exterior improvements to the structure. Mr. Herbstritt inquired about parking lot improvements.
 - Mr. Sisto inquired about the customer base for this business.
 - Mr. Abuhadba informed the members that his customer base is all over the country.
 - Mr. Sisto also inquired as to why Mr. Abuhadba chose to re-locate his business to Franklin Park.
 - Mr. Abuhadba informed those in attendance that his decision was based on logistics and the fact that he lives nearby.
 - Mr. Abuhadba informed the members his rugs come from Turkey, Belgium, China, and other countries.
 - Further discussion commenced regarding truck mobility on the property in question.

Old Business:

Business Retention Visits

Ms. Mick informed the members about six (6) retention visits she arranged for the months of August and September. Mr. Olson requested that these visits be delineated in an email to the members so they may check their calendars for availability. Mr. Penar encouraged the members to set aside time to attend the visits.

Division of the Plan Commission/Zoning Board of Appeals

The letter drafted on behalf of the Economic Development Commission in support of dividing the Plan Commission/Zoning Board of Appeals was discussed and signed by those members in attendance. Mr. Briggs had already informed Mr. Eder and Ms. Driskell that he would sign the letter as soon as possible. Mr. Eder informed the members of Mr. Briggs' support. The letter will be submitted to Mayor Pedersen upon signature by Mr. Briggs.

Project Updates:

Elgin O'Hare Western Bypass

Discussion commenced on the Bypass project. Mr. Eder informed the members of the Village's intent to support "Option D" which would result in the bypass construction East of the Union Pacific rail bridge in Franklin Park. He also informed the members of the Village's intent to require water detention/retention improvements and improvements to Franklin Avenue in exchange for Village support of the project. Discussion commenced regarding the right-of-way and layout for "Option D" and the storm water management potential with this option. Mr. Eder informed the members approximately ten (10) industrial buildings will be removed to allow for construction. Discussion commenced regarding the buildings that are vacant in the proposed bypass right-of-way as was the timeframe for the project, expected expenditures, and other general items.

Other Items:

Mr. Eder passed on the regards of Mr. Mike Mullen with CenterPoint to the members. Discussion on CenterPoint and their status as the largest landowner in the Village commenced.

The speaker for the 9th Annual Business Appreciation Luncheon was discussed.

A more formal introduction of Jeff Harris took place and further discussion commenced between Mr. Harris and the members.

Being no further business before the Commission, Nick Sisto **MADE A MOTION** to adjourn. Don Olson **SECONDED** the motion. **VOICE VOTE CARRIED.**

Meeting adjourned at 9:30 A.M.

Respectfully submitted,
Nicole Driskell