

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

November 19, 2009

A meeting of the EDC was held on Thursday, November 19, 2009.

The meeting began at 8:01 A.M.

MEMBERS PRESENT: In Person – Mike Giannelli, Tom Herbstritt and Don Olson. Via Conference Call – Joe Penar, Mike Briggs, Perry DuBose and Nick Sisto.

MEMBERS ABSENT: None.

Mr. Olson chaired the meeting as Mr. Penar was not available in person.

ALSO PRESENT: Jeff Eder- Community Development Director, Nicole Driskell- Community Development Administrator, Brian Liston- Liston & Tsantilis, Zach Kafitz- Liston & Tsantilis, Jim Billard- Hill Mechanical, Bob Krier- Hill Mechanical and Warren Hill- Hill Mechanical.

MOTION TO ACCEPT minutes from last official meeting held on Thursday, September 24, 2009 as presented by Nicole Driskell, was made by Tom Herbstritt. Mike Giannelli **SECONDED** the motion. **VOICE VOTE CARRIED.**

New Business:

6b Application

- One 6b application was presented to the Commission.

11100 Belmont Avenue – Hill Mechanical

- Brian Liston, Zach Kafitz, Jim Billard, Bob Krier and Warren Hill appeared on behalf of the application.
- Hill Mechanical is currently located at 11045 Gage and is the largest trade contractor in Illinois.
- The application is for abandonment within twenty-four (24) months under special circumstances with a purchase for value.
- The 19.5 acre site is adjacent to Hill's existing property and consists of three (3) buildings:
 - 11100 Belmont Avenue: 4.63 acre parcel with 83,670 square foot cold storage facility
 - 3201 Wolf Road: shares 10.4 acre parcel with 3205 Wolf Road and has a 71,306 square foot industrial building
 - 3205 Wolf Road: shares 10.4 acre parcel with 3201 Wolf Road and has a 15,400 square foot industrial building
 - East side of the site contains 4.4 acre parcel of vacant land
- Approximately \$8 million in renovations are anticipated: this figure is more accurate and detailed than the original figures presented in their preliminary presentation.
- Discussion commenced on the 11000 Belmont refrigerated facility: it is unlikely that this facility will be usable for cold storage due to the condition and cost of repair, estimated at \$2.8 million, for the refrigeration system.

- Hill Mechanical is considering two (2) alternative options for this property:
 - Convert the entire building to office space
 - Use the building as dry storage
 - The renovation cost presented reflects both use options.
 - The building will likely be used as dry storage.
- Hill Mechanical representatives informed the members that the prefabrication work conducted at their facility is increasing, and is therefore dictating the need for more space.
- Mr. Sisto asked if Hill Mechanical is looking to go outside of Illinois for expansion.
 - Mr. Krier informed the members that there is potential for other functions of their company to work out of state.
- Mr. Giannelli inquired about the expenditure range proposed for renovations.
 - Hill Mechanical representatives informed the members that demolition is included in these figures and that these numbers are fairly accurate.
- Mr. Penar asked if all existing buildings will remain.
 - Mr. Krier informed the members that all existing buildings will remain, but the façade on the Wolf Road side may come down due to poor condition.
 - Hill Mechanical plans to lease one (1) to two (2) buildings for storage purposes if possible. Otherwise, the company will use those buildings for its own purposes.
 - Overall, each building will be renovated inside and receive a facelift outside.
- Mr. Herbstritt inquired about the existing fencing around the property.
 - Mr. Krier informed the members that the fencing will be addressed and that some fencing (namely that near the retention pond on the property) is necessary and considered an “attractive nuisance.”
 - All fencing in poor condition will come down and landscaping will be done.
- Mr. Sisto inquired about plans for the vacant 4.4 acre parcel on the site.
 - Mr. Billard informed the members that Hill intends to keep the vacant land for their own needs. A master plan of the entire complex will eventually be developed and the best use for that land will be deciphered at that time.
- Mr. Giannelli inquired about the personal property being declared in the transaction.
 - Mr. Liston informed the members that personal property will be declared, but a definitive amount has yet to be deciphered. Early estimates put the figure at approximately \$3 million.
 - Discussion commenced on the items that will likely be declared as personal property, namely racking and an overhead crane, and the seller’s position regarding the personal property.
- Mr. Giannelli inquired about the total square footage to be used for Hill Mechanical’s purposes and the total square footage intended for lease.
 - Mr. Krier informed the members that Hill estimates approximately 50% of the space will be dedicated to their own uses initially.
- Mr. Krier led discussion regarding the large prefabrication presence of new companies.
- Mr. Giannelli showed concern for the lack of information regarding personal property in the application packet.
- Mr. Olson inquired about a rendering/master plan and if that will be forthcoming.
 - Mr. Krier informed the members that it is difficult to develop a master plan without knowing exactly what space Hill will retain for its use and what space will be leased out.
- Discussion commenced on Hill Mechanical’s two (2) wind turbines and their expected completion date: December, 2009.

- Mr. Billard stressed Hill Mechanical's desire to be in compliance with Village Code and keep the property in good shape.
- Mr. Olson led a discussion regarding Hill Mechanical's tollway exposure.
- The campus type facility resulting from this property purchase was discussed.
- Mr. Penar inquired about the type and pay scale of the twenty-five (25) to fifty (50) new jobs proposed by this expansion.
 - Mr. Krier informed the members that these jobs will be trade level wage rates and professional jobs due to the need for virtual computer construction requiring someone with field experience (trade level) to have an office position (professional job).
 - Mr. Billard informed the members that a majority of the jobs will be journeymen at a base rate of \$40 to \$42 per hour and approximately \$70 to \$80 after benefits.
- Mr. Penar inquired about the health and welfare rates of field employees.
 - Hill Mechanical representatives informed the members that field rates are better than office rates.
- Mr. Sisto asked if improvement costs were developed internally or externally.
 - Mr. Krier informed the members that both external consultants and internal knowledge were used to develop the rehab figures.
- Mr. DuBose informed everyone that he believes this is a good project and voiced concern over a potential conflict of interest due to his/National Lift Truck's relationship with Hill Mechanical.
- Mr. Hill informed the members that he foresees high paying professional jobs moving to the suburbs in greater numbers.
- Mr. Krier informed the members that within ten (10) years, Hill will likely have to be a full service shop offering services from consultation and development to construction and installation: all phases of mechanical engineering will be under one (1) company.
- Mr. Giannelli voiced concern for the apprentice jobs and their training.
- Mr. Briggs inquired as to whether or not the Village supports this plan.
 - Mr. Eder informed the members that the Village does support the plan and feels it is a great use for a difficult property.
- Mr. Briggs also asked if the EDC was setting a precedent because of how other prospective buyers of the Centrella property were addressed.
 - Mr. Eder does not believe there will be a problem as Hill Mechanical meets all the requirements and have provided an extensive budget for renovations.
- Mr. Sisto stated that Hill Mechanical has an advantage in that if the extra space does not lease, the parcel is large enough to be divided up and sold individually. In addition, Mr. Sisto appreciated that Hill is improving for the future and further imbedding itself into Franklin Park. He believed this is a good project.
- Mr. Giannelli voiced concern regarding the personal property figures. Discussion commenced.
- Mr. Sisto led discussion regarding roof costs.
- Mr. Sisto also stated that companies use personal property numbers to depreciate the property and this is considered a smart business practice in real estate and development.
- Mr. Penar inquired about landscaping renderings.
 - Mr. Olson informed Mr. Penar that none are available right now, but they can be requested. Everyone agreed that they trust Hill Mechanical to execute a landscaping plan and provide it in a timely manner.

- Mr. Sisto led a discussion regarding placing a condition on the application approval requiring Hill Mechanical to inform the Village and EDC of any lessees on the property.

MOTION TO APPROVE Hill Mechanical's 6b Application was unnecessary as was the **SECOND** since the vote was unanimous. **VOICE VOTE CARRIED**. Mr. DuBose abstained from voting due to his/National Lift Truck's business dealings with Hill Mechanical. One (1) condition was placed on the application:

1. Hill Mechanical must inform the EDC of any leased out property and the lessees.

Discussion commenced on the "campus" and the nice setup Hill Mechanical will have after the property transaction and all rehab work is complete.

Old Business:

None

Project Updates:

None

Other Topics:

Mr. Eder informed the members that the Village is looking to cut \$2.5 million from the budget. Mayor Pedersen would like the input of the EDC members. The Budget will be emailed out to the members for comment shortly.

Being no further business before the Commission, Tom Herbstritt **MADE A MOTION** to adjourn. Mike Giannelli **SECONDED** the motion. **VOICE VOTE CARRIED**.

Meeting adjourned at 8:56 A.M.

Respectfully submitted,

Nicole Driskell