

# MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

November 18, 2010

A meeting of the EDC was held on Thursday, November 18, 2010.

The meeting began at 8:00 A.M.

In the absence of Chairman Joe Penar, Mr. Don Olson chaired the meeting.

**MEMBERS PRESENT:** Mike Giannelli, Tom Herbstritt, Nick Sisto, Don Olson and Perry DuBose.

**MEMBERS ABSENT:** Joe Penar (Phoned in at 8:00 AM and hung up at 8:55 AM) and Mike Briggs (Phoned in at 8:03 AM and hung up at 8:20 AM).

**ALSO PRESENT:** Jeff Eder- Community Development Director, Nicole Driskell- Community Development Administrator, Jodi Ortiz- Operations Manager for eParts and More, Leo Grinya- President of eParts and More, Mark Lawton- Pioneer Press/Franklin Park Herald Journal Reporter (arrived 8:05 AM), and Barrett Pedersen- Village President.

**MOTION TO ACCEPT** minutes from last official meeting held on Thursday, September 23, 2010, as presented by Nicole Driskell, was made by Mike Giannelli. Nick Sisto **SECONDED** the motion. **VOICE VOTE CARRIED.**

## **New Business:**

### *6b Application – eParts and More, 10265 Franklin Avenue*

- eParts and more was started by Leo Grinya in 2007
- The company had 3 employees in 2008, 5 employees in 2009 and 7 employees in 2010 with an interest in hiring 1 more employee
- Sales in 2009 were \$1.6 million and projected sales for 2010 are \$2.2 million
- Their current Franklin Park warehouse location was purchased in 2009
- Discussion commenced on work/improvements that were done to the current location
- Discussion commenced on the new building
  - Approximately 12,000 square foot warehouse and office space on roughly .4 acres
  - Property has been vacant since December, 2009 and is currently bank owned
  - There are currently 2 pages of structural and cosmetic code violations
  - Current taxes on the property are \$50,000 based on 2008 figures
    - The 6b will cut the taxes approximately in half (\$25,000)
  - The applicant intends to bring the building up to code and beautify the property
- The applicant intends to hire an additional 5 to 9 employees in 2011 depending on sales
- Mr. Briggs inquired about the current taxes on the property
  - The applicant informed the Commission that the taxes are approximately \$49,000 annually and that he is unsure if the vacancy rate or full tax rate is being paid
- Mr. Olson informed Mr. Briggs and Mr. Penar (both teleconferenced) that the tax figures document was distributed to those present

- Mr. Penar verified that the application was filed under the Special Circumstances premise of the Cook County 6b tax incentive program and inquired about those special circumstances
  - Mr. Grinya informed the members that though the property has only been vacant 1 year, the code violations justify the Special Circumstances application
- Mr. Sisto inquired if the building has been vacant during a winter and if it has been winterized
  - Mr. Grinya informed the members that the building has been vacant during a winter but he is unsure if it has been winterized or if the heat has been running
- Mr. Herbstritt inquired if there are broken pipes in the building
  - Mr. Grinya stated he was unsure if there were broken pipes in the building
- Mr. Olson inquired about the repair costs on this building
  - Mr. Grinya informed the members that he estimates \$70,000 to \$80,000 in expenditures to bring the property back up to code
- Discussion commenced on the necessary roof repairs for this building
- Mr. Briggs voiced concern about setting precedent by granting a 6b under this interpretation of the ‘Special Circumstances’ premise
  - Discussion commenced on this issue and previously granted ‘Special Circumstances’ 6b approvals
- Mr. Sisto inquired about what eParts and More sells
  - Mr. Grinya stated that his company sells wholesale computer components, approximately 80% of which are used/refurbished and 20% of which are new
- Mr. Olson inquired if Mr. Grinya has purchased the property
  - Mr. Grinya informed the members that the property is under contract with an exit clause if the 6b is not granted
- Mr. Olson led a discussion on the property and the building
- Mr. Grinya informed the members that he intends to keep his current 3500 square foot warehouse in addition to the 12,000 square foot building being discussed
- Mr. Grinya informed the members that if the 6b is not granted, he will likely rent locally
- Mr. Sisto asked if this would be a cash deal
  - Mr. Grinya informed the members that he has bank financing for this purchase though his other warehouse was a cash deal
- Mr. Sisto inquired if Mr. Grinya would be applying for any state or federal grants
  - Mr. Grinya informed the members he would not be applying for grants
- Mr. Sisto inquired if Mr. Grinya would have a storefront at this location
  - Mr. Grinya stated he would not have a storefront at this location
- Mr. Sisto asked about Mr. Grinya’s shipping methods
  - Mr. Grinya stated he uses UPS and FedEx
- Mr. Sisto asked if the property has a dock
  - Mr. Grinya stated that his current facility does not have a dock, but the new facility has a forklift dock
- Mr. Giannelli stated that the application packet was weak. Discussion commenced on what further information as required including estimates for the roof work
- Mr. Herbstritt inquired if Mr. Grinya has obtained an estimate for the code mandated improvements
  - Mr. Grinya stated that he has obtained those quotes and will submit them to the EDC
- Mr. Penar noted that the code violation list was minor

- Mr. Grinya stated that he would like to have the back office sprinkled
- Mr. Sisto inquired if the building is ADA compliant
  - Discussion commenced on what is required for ADA compliance
- Mr. Grinya led a discussion on the layout of the building
- Mr. Giannelli reiterated the Commission’s desire for a complete packet with proposed work and estimates
- Mr. Herbstritt led a discussion on the price per square foot of the building
- Mr. Sisto inquired about the age of the building
  - Mr. Grinya stated the building was constructed in the 1960s
- Discussion commenced on the odd layout of the building
- Mr. Olson inquired about the office space square footage
  - Mr. Grinya estimated that the office space is 2,000 square feet with the warehouse being approximately 8,000 to 9,000 square feet
- Discussion among the members commenced on the following topics:
  - The previous company that occupied the building in question
  - The layout of the building making it difficult to sell the property
  - The property taxes being high for the size of the property and building
  - Additional work estimates that will be required for approval
  - Concern for precedent if the Commission does not require estimates for the work the applicant is committing to completing
  - The rarity of an applicant presenting a 6b application without an attorney and the quality of the application without the assistance/guidance of an attorney
  - Any environmental concerns for the work Mr. Grinya’s company does
  - Improvements done to the applicant’s current location
  - The application and the Commissions options for approval
  - The remaining application requirements necessary for approval
    - Estimates on code violation repairs, HVAC, roof repairs and sprinkler system
  - A conditional approval of this application pending the receipt of estimates for HVAC repairs, roof repairs, sprinkler system, etc.

**A UNANIMOUS MOTION** was made to **CONDITIONALLY** approve the 6b application of eParts and More. **A SECOND** was unnecessary. **VOICE VOTE CARRIED.** The conditions of the approval were:

1. Estimates for roof repairs, HVAC, sprinkler installation and any larger code violation repairs be submitted to Mr. Eder
2. Photos of the interior of the building in question

Mr. Eder informed the members that the additional requirements are needed by November 30 or December 1.

*Discussion on Potential TIF District: Waveland and Seymour Area (Former Central Grocers Site)*

Mr. Eder led a discussion regarding a proposed TIF district on the former Central Grocers site in the Seymour Avenue area. The area is in desperate need of infrastructure improvements including sidewalks, improved detention, road condition and configuration improvements and truck turning radii. Mr. Eder informed the members that Kane McKenna has been hired to study that area.

Mr. Eder noted that the Village intends to use the Illinois Job Recovery Act to create the TIF district. As such, TIF funds must include a job training program, the area does not need to be identified as 'blighted,' and money from that TIF district can be used to support improvements in the area around the TIF district. Discussion commenced on using TIF districts as a redevelopment tool. Mr. Eder informed the members that he intends to put the former Central Grocers site in the TIF district and let the rest of the area benefit from the Illinois Job recovery Act allowance for TIF money to be used in the area surrounding the TIF district. Mr. Eder led a discussion regarding the likelihood of putting multiple TIF districts in that area as properties are redeveloped. Mr. Eder described the differences between a normal TIF and a TIF under the Illinois Job Recovery Act. Mr. Olson inquired if properties in that area will still be able to apply for and receive 6b's.

Discussion commenced on the Life Fitness (Reebie) TIF district.

Mr. Eder discussed the next steps needed to initiate the TIF district in the Seymour Avenue area and noted that the TIF can make the area viable 20 to 30 years from now.

Mr. Herbstritt inquired about the Wirtz company. Mr. Eder informed the members of the situation and other potential interests and uses for the site.

Mr. Eder informed the members of MWRD's interest in expanding detention/retention in the Seymour Avenue area.

Mr. DuBose led a discussion regarding the potential impacts to properties in the area if land needs to be taken from them to improve the turning radii.

### **Old Business:**

### **Project Updates:**

Mr. Pedersen led a discussion on the businesses that have taken occupancy in Franklin Park since May, 2009 and the average number of employees those businesses bring.

Mr. Eder led a discussion regarding a new recycler coming into Franklin Park.

Mr. Eder informed the members that he is working with CenterPoint and Fresh Express to advance that project. He also noted that there is potential for plans to grow from the original proposal. The final lease could be signed soon.

Mr. Eder informed the members that he attended the ICSC Chicago show and noted that the retail mood was upbeat. In addition, Mr. Eder noted that there was great interest in the Grand Avenue/Mannheim Road project.

Mr. Pedersen discussed his attendance at the Basic Economic Development Course and his visit to Washington, D.C.

Discussion commenced on the benefits of the Elgin O'Hare Western Bypass project for the Village.

Mr. Pedersen led a discussion on property taxes and home rule in Franklin Park.

Mr. Olson led a discussion on the Thompson Steel property.

Mr. Eder led a discussion on the status of the Super 8 on Mannheim Road. He informed the members that he is trying to get a court order to demolish the building. Currently, the bank does not hold the title to the property and the property owner does not appear at court hearings regarding the parcel. Mr. Eder believes the bank will want to sell the property to the Village once it takes possession.

Discussion commenced on the December EDC meeting and the Business Appreciation Luncheon.

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

Meeting adjourned at 9:29 A.M.

Respectfully submitted,

Nicole Driskell