

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION:
SPECIAL MEETING

December 22, 2010

A special meeting of the EDC was held on Wednesday, December 22, 2010.

The meeting began at 10:01 A.M.

MEMBERS PRESENT: Mike Giannelli, Tom Herbstritt, Perry DuBose, Don Olson, Mike Briggs and Nick Sisto (arrived 10:03 AM).

MEMBERS ABSENT: Joe Penar.

ALSO PRESENT: Jeff Eder- Community Development Director, Nicole Driskell- Community Development Administrator, Mark Lawton- Pioneer Press Reporter (arrived 10:07 AM), Brian Liston- Liston & Tsantilis, Zach Kafitz- Liston & Tsantilis, Mark Giannelli- G3 Capital Partners/Cortina Tool, Jeff Giannelli- G3 Capital Partners/Cortina Tool, and Barrett Pedersen- Village President (arrived 10:03 AM).

Mr. Olson chaired the meeting in Mr. Penar's absence.

MOTION TO ACCEPT minutes from last official meeting held on Thursday, November 18, 2010, as presented by Nicole Driskell, was made by Perry DuBose. Tom Herbstritt **SECONDED** the motion. **VOICE VOTE CARRIED.**

New Business:

6b Application – G3 Capital Partners, 10750 Grand Avenue

- G3 Capital Partners is owned by Mark Giannelli, Jeff Giannelli and a sibling
- They are applying for 6b based on occupation of an abandoned property for less than 24 months continuous vacancy with a purchase for value, substantial rehabilitation and special circumstances
- They intend to purchase the property and lease: 70,000 square feet of space to Cortina Tool (looking to expand) and 20,000 square feet to a warehouse/manufacturing/distribution user
 - Cortina Tool
 - Manufactures and warehouses plastic injection mold products
 - In business since 1969 and have been in Franklin Park since the 1980s
 - Intend to keep their existing two facilities and use this facility to grow their fulfillment distribution division
 - Currently have 120 employees
 - Intend to hire ten to fifteen new employees to staff the new facility with plans to have approximately forty employees at that facility within five years
- Property is approximately five acres with a 90,00 square foot building that has been vacant since September, 2009
- Three phase development planned:
 1. Rehab the building, obtain occupancy and resolve flooding issues on the property
 2. Install three dock doors and perform internal buildout and improvements

- i. Applicant estimates Phases I and II will cost \$417,210.00
 - 3. Install new parking lot and new roof within three to five years
 - i. Applicant estimates Phase III will cost \$500,000.00
- Purchase price is \$2.1 million
- Proposed uses for building/property are consistent with Franklin Park
- Mr. Jeff Giannelli led a discussion regarding the items Cortina Tool produces
 - He discussed Cortina's efforts to diversify as their market has changed including the production of highway safety cones, wheels/casters, expansion of their fulfillment distribution division and logistics/distribution
 - Originally started as an OEM supplier
- Mr. Jeff Giannelli informed the members that they are in the middle of their due diligence and admitted that though the purchase is not practical, it is functional due to the proximity of Cortina's other two facilities (across the street)
- Mr. Briggs asked if the Giannelli's had any idea on how to deal with the flooding on the property
 - Mr. Jeff Giannelli informed the members that they intend to place all Cortina inventory on racks to get it off the floor in the event of flooding
- Mr. Olson asked if there was an engineering study done on the area/property
 - Mr. Eder informed the members that a regional engineering study has been performed, but a site specific study has not been performed
- Discussion commenced on flooding and the most recent flooding events in Franklin Park
- Mr. Eder led a discussion regarding The Christopher Burke Company working with MWRD (Metropolitan Water Reclamation District) to model Franklin Park and the general area and subsequently address flooding issues
- Mr. Olson verified the size of the space intended for general lease
 - Mr. Jeff Giannelli informed the members that G3 Capital Partners intends to lease out approximately 20,000 square feet to a warehouse tenant and that G3 does not own Cortina Tool
- Mr. Mike Giannelli discussed the "pros and cons" of expanding Cortina Tool into a third facility versus putting the entire operation in one facility
- Mr. Herbstritt inquired if the Larry Roesch Auto Group (former occupant and seller of the property in question) has a 6b on this property
 - Mr. Eder informed the members that Larry Roesch Auto Group does have a 6b incentive on the property
 - Mr. Liston informed the members that the vacancy rate is active for the property and that Roesch's 6b is inactive due to their vacating the property
- Discussion commenced on the manufacturing industry's chances of surviving in Cook County
- Mr. Pedersen led a discussion regarding the recent decrease in the commercial tax rate for the county
 - Mr. Olson noted that future assessments are dramatically higher than in past years
- Mr. Jeff Giannelli and Mr. Pedersen led a discussion regarding the current trend of manufacturing companies moving their operations back to the United States
 - Discussion commenced on China's increasing overhead costs causing businesses to move back to the United States
- Mr. Mike Giannelli noted that he is likely to be paying over \$1 million in property taxes for his Franklin Park facilities soon
- Mr. Olson led a discussion of the landscape drawing
- Mr. Jeff Giannelli led a discussion regarding the site plan and their intended improvements including landscaping

- Mr. Pedersen asked if Mr. Jeff Giannelli would contact Andy Smolen (Franklin Park Street Division employee) regarding tree plantings
- Mr. Eder asked if Mr. Jeff Giannelli would contact Dave Talbott (Franklin Park Village Engineer) regarding flood issues
- Discussion commenced on the neighboring properties of 10750 Grand Avenue, which are within Village limits and which are unincorporated properties
- Mr. Sisto asked if the sale of the property is conditional on the 6b being granted to G3 Capital Partners
 - Mr. Jeff Giannelli informed the members that the sale is conditional on the 6b being granted
- Mr. Mike Giannelli led a discussion on: the condition of the building in question, the Roesch Auto Group's treatment of the property, the lack of improvements to the property (including the roof repairs) which the Larry Roesch Auto Group committed to performing when they were granted their 6b, and the taxes and value of the property
- The members discussed the following topics:
 - The condition of the property/building and the improvements that will increase the value of the property and the area
 - Purchase price
 - School District 83's interest in this property

A UNANIMOUS MOTION was made to approve the 6b application of G3 Capital Partners. **A SECOND** was unnecessary. Mike Giannelli recused himself from this vote due to his relationship to the applicants and to his company's involvement (Cortina Tool) in this application. **VOICE VOTE CARRIED.**

Mr. Eder informed the applicants that their application will be presented at the January 3, 2011 Board of Trustees meeting.

Discussion Items:

Mr. Eder led a discussion regarding the Delta Institute workshop being held in the Mayor's Conference Room on February 2, 2011 at 8:00 AM. He informed the members that this entity can assist with energy audits that can help justify the expenses of energy efficiency improvements.

Mr. DuBose led discussion regarding various heat and air conditioning options.

Mr. Pedersen informed the members that the City of Chicago will forego the water rate increase for this year.

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

Meeting adjourned at 11:00 A.M.

Respectfully submitted,

Nicole Driskell