

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

April 28, 2011

A meeting of the EDC was held on Thursday, April 28, 2011.

The meeting began at 8:01 A.M.

MEMBERS PRESENT: Mike Giannelli, Tom Herbstritt, Mike Briggs, Dan Olson, and Perry DuBose.

MEMBERS ABSENT: Kirk Allen and Bill Geary.

ALSO PRESENT: Jeff Eder- Community Development Director, Nicole Driskell- Community Development Administrator, Ron Heller- Village Comptroller (arrived 9:03 A.M., left 9:06 A.M.), Mark Lawton- Pioneer Press, and Tom Brimie- Village Trustee (left 9:06 A.M.).

MOTION TO ACCEPT minutes from last official meeting held on Thursday, March 24, 2011, as presented by Nicole Driskell, was made by Tom Herbstritt. Perry DuBose **SECONDED** the motion. **VOICE VOTE CARRIED.**

Mike Giannelli chaired this meeting.

New Business:

Seymour Area TIF(s)

Mr. Eder led a discussion regarding the proposed Seymour area TIF(s). He informed the members that the Illinois Job Recovery TIF Act creates jobs and eliminates the need to find blight in an area in order to qualify for TIF creation. Under this legislation, Franklin Park can offer more incentives and the increment gained can be reinvested into the area's infrastructure. Mr. Herbstritt inquired if a 6b can be granted to a property in a TIF district. Mr. Eder informed the members that a 6b can be granted to a property in a TIF district, but the two incentives tend to work against each other. Mr. Briggs inquired about the value of TIF. Mr. Eder informed the members that the system is based on the increment created by property taxes with new development. Mr. Eder discussed the infrastructure in the Seymour area. Mr. Giannelli led a discussion regarding job creation and spec building development in the area. Mr. Eder informed the members that end users must be lined up for new developments in the Seymour area TIF(s) and that any buildings built on spec would not receive as many development incentives. Mr. Eder also informed the members that multiple TIFs are proposed for this area and that he does not anticipate that this type of TIF will be renewed at the end of the year. Mr. Eder noted that Chuck Durham with Kane McKenna is involved with the creation of these TIF districts. Mr. Olson inquired about the boundaries of the Seymour area. Mr. Eder identified the two areas where TIFs are planned and noted that the Mannheim Road area will be reserved for commercial uses and the Carnation area will be reserved for industrial uses.

Mr. Eder discussed property that will likely be available in the Seymour area in the near future.

Mr. Briggs inquired about the impact TIF districts will have on the Seymour area. Mr. Eder informed the members that impacts will be minimal. The impact will occur to the way taxes are

collected: the differential between the base tax rate and the increment would go toward infrastructure improvements.

Mr. Giannelli inquired about how much property can be developed in the Seymour area. Discussion commenced on the area and the older, inefficient buildings that currently exist.

Discussion commenced on the Wirtz Company and their relocation decision.

Mr. Eder discussed business/development prospects for the Seymour area.

Discussion commenced on CenterPoint Properties, the property they own in the Seymour area, and potential tenants.

Direction of Manufacturing in Franklin Park

Mr. Eder led a discussion regarding his belief that 2011 will be a transition year for real estate and that 2012 will show improvement. He anticipates this will result in more spec building development, but with tenants in mind.

New Village Trustees

Mr. Eder informed the members that two new trustees were elected to the Village Board in early April. Discussion commenced. Mr. Eder introduced Mr. Brimie to the members.

Industrial/Commercial Foreclosures

Mr. Eder led a discussion regarding industrial/commercial foreclosures in Franklin Park. He cited the Motorola property (9401 Grand Avenue) and the Luxury Motors property (3311-33 Charles) as two examples of properties recently taken over by banks. Both properties are now owned by MB bank: the Motorola property was acquired by MB through their purchase of the bank that foreclosed upon the property and the Luxury Motors property was acquired by MB through traditional foreclosure.

MB is struggling to market the Motorola property. They are willing to clean up the property, but hesitate to do many repairs. Mr. Giannelli inquired about when the Village will enforce the necessary repairs. Discussion commenced. Mr. DuBose inquired about the size of the property. Mr. Eder informed the members that the parcel is four acres. Mr. Olson asked for clarification regarding what property was foreclosed upon as the Motorola property is attached to a building immediately to its south. Mr. Eder clarified that the foreclosure only includes the office building that fronts Grand Avenue. Discussion commenced on what type of business would work best at the Motorola property and the likely demo costs.

Mr. Eder informed the members that a deal is developing for the Luxury Motors property. A local company is looking to expand and has expressed interest in the property. Mr. Giannelli led a discussion regarding the property and its current layout. Mr. Eder informed the members that the potential new occupant is waiting for bank approval and will likely be before the EDC with a 6b application shortly.

Goals for the Economic Development Commission

Mr. Eder led a discussion regarding direction and goals for the EDC. Mr. Briggs noted that business attraction and retention for industrial and retail should be a priority. Mr. Giannelli noted that the major thoroughfares need cleaning and beautification. Discussion commenced on the retail facilities in the downtown area versus Grand Avenue. Mr. DuBose led a discussion regarding the setbacks of Grand Avenue properties and how they affect the area. Mr. Briggs noted that the Village must continue their “business friendly” approach and furthermore, organizational guidelines must be set in order to maintain this principle. He also suggested that the Village find a way to promote the “business friendly” environment. Mr. Brimie discussed an online rating system his business uses and suggested that the Village use a similar system to increase visibility and promote the Village. Mr. Herbstritt suggested that the Village approach CenterPoint Properties, since it is the largest landowner in the Village, for testimonials/assistance in promoting the “business friendly” approach. Mr. Giannelli suggested that the Village approach CenterPoint tenants for assistance in promoting the “business friendly” approach since they occupy space in the Village of Franklin Park. Mr. Giannelli also suggested that the EDC continue the Business Retention Program and conduct follow-up visits. Mr. Olson suggested that the EDC follow-up on 6b applications. Discussion commenced on the businesses that are benefiting further from their 6b because they have not created as many jobs or have not fully developed their property as discussed during their application.

Mr. Eder discussed the differences between attracting industrial development and retail/commercial development and the difficulties therein. Mr. Eder noted that it is more difficult to promote retail space because retailers tend to be more transient, so space can cycle through occupancy and availability regularly.

Project Updates:

Discussion commenced on the on-going Fresh Express deal.

Discussion commenced on the former Central Grocers site that was purchased and renovated by Hill Mechanical. Mr. Eder informed the members that renovations are complete, but went over budget. The two extra buildings on the site are available for lease.

The Elgin O’Hare Western Bypass project was discussed. Mr. Eder informed the members that the project is stalling due to finances.

Discussion Items:

Mr. Giannelli led a discussion regarding the recent lack of 6b applications being presented to the EDC. Mr. Eder noted an increase in real estate interest in Franklin Park and that activity is increasing. Discussion commenced on whether or not this recent interest is due to business relocation/consolidation/downsizing or general investment in real estate. Discussion also commenced on the recent trend of landlords signing shorter leases with tenants.

Mr. Herbstritt clarified the 10800-900 Belmont building that was discussed at the last meeting. Mr. Eder informed the members that interest in this property is on the rise and there is currently one company interested in taking occupancy.

Mr. Herbstritt led a discussion regarding the GCC Drum building. Mr. Eder informed the members that the owner will continue to hold the property until the proper tenant is found. The owner does not carry a mortgage on the property, so carrying costs are manageable.

Discussion commenced on the former Kmart facility on Grand Avenue. Mr. Eder informed the members that CBRE is managing the marketing for the facility and that the owner would prefer to re-lease the property, but will sell to a good buyer. Discussion commenced on the size of the building (98,000 square feet) and the potential for the facility to accommodate a home improvement store or a Wal-Mart. Mr. Eder informed the members that there is a grocery restriction on the property because of the proximity to Jewel, so any store that takes occupancy on the site and carries food would be forced to abide by that restriction.

Mr. Eder informed the members that Jewel is committing to making improvements to their property.

Mr. Eder informed the members that the Village will encourage owner cooperation for the businesses in the Jewel/Library mall area for items such as snow plowing.

Mr. Eder discussed the investor group that is purchasing the former Blockbuster site on Grand Avenue and their preparedness to market the site. The site is currently under an estate which does not know how to manage the property. Discussion commenced on potential businesses that would be a good fit for the property. Discussion also commenced on the property's taxes and the vacancy taxation filing.

Mr. Eder discussed an email he received regarding Bradford Development's marketing of Franklin Marketplace at Grand Avenue and Mannheim Road. He informed the members that interest in the anchor site of the mall has increased. Discussion commenced on Bradford's focus as a Chicagoland based developer. Discussion also commenced on the status of the three existing businesses at the site.

Mr. Herbstritt led a discussion regarding residential foreclosures and how they affect local retail. Mr. Eder noted that the residential real estate market is improving and that banks are re-selling foreclosed properties faster. Mr. Eder also noted that traditional residential real estate sales are slowly increasing.

Mr. Giannelli asked Mr. Lawton if Pioneer Press tracks local foreclosures. Discussion commenced. Mr. Lawton noted that he uses Woodstock Institute as a foreclosure reference. Pioneer Press does not track foreclosures for the Franklin Park area.

Discussion commenced on LifeFitness and their interest in the GCC Drum building (10701 Belmont). Mr. Eder informed the members that the company has difficulty competing for capital with its parent conglomerate. It was also noted that GCC Drum's 6b has not been used because the vacancy tax rate is cheaper.

Mr. DuBose discussed the Houston Foods building, how long the building has been vacant and tenant interest.

Discussion commenced on the rail bridge west of Franklin Avenue.

Mr. Olson discussed the Village's May cleanup event and flower planting on Grand Avenue.

Mr. Eder noted that he is seeing improvement in the real estate market.

The May EDC meeting was discussed.

Focus groups were discussed.

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

Meeting adjourned at 9:15 A.M.

Respectfully submitted,

Nicole Driskell