

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

May 26, 2011

A meeting of the EDC was held on Thursday, May 26, 2011.

The meeting began at 8:04 A.M.

MEMBERS PRESENT: Mike Giannelli, Tom Herbstritt, Kirk Allen, Bill Geary and Dan Olson.

MEMBERS ABSENT: Mike Briggs and Perry DuBose.

ALSO PRESENT: Jeff Eder- Community Development Director, Nicole Driskell- Community Development Administrator, Jeff Harris- Village Planner/Zoning Administrator, Randy Petersen- Village Trustee, Tom Brimie- Village Trustee, Barrett Pedersen- Village President, Joe Penar- Former EDC Chairman, Mark Lawton- Pioneer Press, Dawn Catanzaro- The Jordan Group, and Diana Paluch- The Jordan Group (arrived 8:09 A.M.).

MOTION TO ACCEPT minutes from last official meeting held on Thursday, April 28, 2011, as presented by Nicole Driskell, was made by Dan Olson. Tom Herbstritt **SECONDED** the motion. **VOICE VOTE CARRIED.**

Mike Giannelli chaired this meeting.

Those in attendance introduced themselves.

New Business:

6b Renewal Policy

Mr. Eder led a discussion regarding 6b tax incentives, what they do, and the EDC's policy of not renewing them upon expiration. He noted that the EDC may need to reconsider this policy to accommodate changes in the economic environment and keep companies in town after their initial 6b incentive expires. Mr. Allen inquired about the economic impact of the policy change. Mr. Eder informed the members that the impact is significant for the business as they will continue to be taxed at a lower rate and that the impact on the Village depends on whether or not the company intends to leave town if their 6b is not renewed. Mr. Herbstritt noted that he is opposed to renewals and Mr. Giannelli noted that he would like an entire EDC meeting devoted to this topic. Mr. Eder discussed renewal policies in other municipalities. Mr. Olson noted that renewals should be considered on a case by case basis. Mr. Herbstritt asked Mr. Eder if he has been getting 6b renewal inquiries from companies close to their 6b expiration. Mr. Eder informed Mr. Herbstritt and the members that the inquiries are coming from companies that are considering applying for an initial 6b or are interested in the 6b process, not from current 6b recipients looking to renew. Mr. Eder informed the members that Franklin Park's portion of property taxes is approximately ten percent (10%), so renewals would not have a large impact on the Village's tax rolls.

Vacant Properties

Mr. Eder discussed an increase in the local vacancy rate, but noted that the Village tends to follow trends in Elk Grove Village which is also experiencing a slow increase in vacancies. Vacancies on Grand Avenue and Mannheim Road were discussed.

Mr. Penar asked for the Commission's indulgence so that he could comment on this subject now instead of during the public comment portion of the meeting. The Commission allowed Mr. Penar to present his comments at this time. Mr. Penar led a discussion regarding the vacant retail properties in the Village and how Franklin Park's vacancy rates compare to other municipalities. He noted that the Village must focus energy on retail/commercial spaces and not just industrial space since vacant retail/commercial space also results in vacancy tax rates. Mr. Penar also discussed Franklin Park's image and his desire to have the Village surveyed to develop a database of vacant retail spaces.

Mannheim Road and Grand Avenue Business Corridors

Mr. Eder discussed corridor studies proposed for these two roads by the Village's Comprehensive Plan and the various problems with retail in Franklin Park (parking, current code restrictions on old construction, signage, lack of redevelopment because so many properties are currently legal-non conforming and will not be able to be redeveloped to their current layout, and other issues). Mr. Eder informed the members that he would like to complete both studies with support from the EDC and Plan Commission. Mr. Eder led a discussion regarding absentee landlords and how the Village will address these individuals.

Downtown – The Crossings, Phase II

Mr. Eder informed the members that he is in conversation with developers that are interested in the site. Current discussions include developing the site as senior housing or apartments. Mr. Eder noted that Phase II will likely not be the traditional retail/condo arrangement like Phase I.

The Franklin Park Partnership – Non-For-Profit Economic Development Initiative

Mr. Pedersen gave a brief presentation and led a discussion on this topic. He noted that this group would consist of residents, economists, business owners, realtors, school representatives, etc. that will focus on what Franklin Park wants and needs to thrive. The Partnership will be a private sector group that will be charged with increasing awareness, training a stronger local workforce, supporting economic development and expansion in Franklin Park, address Franklin Park's strengths and weaknesses, help attract and retain businesses, review building codes, address Village services, bolster workforce and business development, review vacancies, and finding resources to achieve these goals, among others. This group will not supersede the EDC or Plan Commission. A brief discussion arose regarding the focus groups conducted by the EDC in the past and how helpful they were with many topics the Partnership will be charged with. Mr. Pedersen and Mr. Eder noted that many companies prefer to deal with a private group regarding development issues rather than a public entity as discussions and correspondence (among other items) are not subject to municipal transparency rules, namely Freedom of Information requests. In addition, the Partnership can provide a peer to peer relationship in the private sector as opposed to dealing with bureaucracy and can market without the need for public funds that are strictly scrutinized. Mr. Eder discussed local not-for-profit economic development corporations including Berwyn, Naperville and Downers Grove. He also discussed retail tax incentives with Cook County (7a and 7b) and noted that the EDC has never reviewed one of these applications.

Mr. Eder led a lengthy discussion regarding retail in Franklin Park and the marketing of retail in general. In addition, he discussed where retail is viable in Franklin Park and why and where retail is not viable and why.

Mr. Giannelli noted that he feels that residents and businesses have been excluded from business/economic development planning in the Village and that they should be included in the Partnership in order to achieve even representation. Discussion commenced on the public meetings that have been held for various planning topics and the lack of public response.

Discussion commenced on national business topics and trends, namely an increase in manufacturing returning to the United States. An article entitled "Made in America-A case for U.S. manufacturing" which was included with the EDC members packets was discussed. Automation versus manpower was discussed and it was noted that productivity is key. Mr. Giannelli led a discussion regarding the lack of "heart" in the current workforce, namely "blue-collar" workers (including tool and die workers, machinists, and others). Discussion commenced on the need to reach out to high school students about the benefits of "blue collar" jobs and trades and the need to educate and nurture an interest in these careers at the high school level.

Mr. Pedersen noted a statistic stating the average industrial employee is in their 50s and as such, the workforce in these industrial/shop based positions is aging. Mr. Pedersen led a discussion regarding the challenge of finding new, young industrial shop employees. Mr. Allen noted that marketing is an issue. Discussion commenced regarding retraining and the need to recognize that trade school can be just as lucrative as a college education. Further discussion commenced on the return on investment on a college education versus a trade school education. Mr. Allen proposed a career fair to increase awareness of industrial jobs and educational opportunities versus job opportunities. Ms. Paluch noted that perhaps young industrial employees should be used to recruit high school students to industrial jobs since that would be a closer peer-to-peer interaction and the student could relate to the employee. Mr. Giannelli noted that recruitment and education must begin at the high school level. Mr. Geary led a discussion regarding the need for businesses to start apprentice programs to recruit students/employees with specific skill sets/inclinations. Mr. Giannelli noted that the high schools must expose students to this type of work since businesses cannot recruit apprentices if no one understands the work. Mr. Herbstritt inquired about what type of trades courses Leyden High Schools offer. Mr. Allen noted that it is difficult to use machinists to repair machinery since their skill does not apply to repairs. He noted that high school students with a mechanical aptitude for repairing things must be found and their skills must be nurtured.

Old Business:

Mr. Eder led a discussion on the Union Pacific rail bridge west on Franklin Avenue. He noted the full closure that had occurred the previous weekend and the need for four (4) additional complete shutdowns to support progress of the project. Mr. Eder also noted that the area will be one lane and signaled controlled until Christmas-time for safety. He anticipates that this project will likely lead to the next phase of the Elgin O'Hare Western Bypass project.

Mr. Eder noted that the Elgin O'Hare financing piece is due out next month. Mr. Pedersen briefly recapped the project and the potential jobs and development that will be created as a result of the project. Discussion commenced on the Elgin O'Hare Commission's efforts. Mr. Pedersen noted that the new roadway will be tolled and that the project will likely not receive any federal funds as was originally anticipated.

Mr. Eder led a discussion on Franklin Avenue. He informed the members that the Village is looking to improve the road over the next few years to sustain it until the Elgin O'Hare improvements and all other related improvements (including Franklin Avenue reconstruction) can be completed. Tiger II grants were discussed and Mr. Eder noted that he is attempting to verify if communities with smaller projects will be considered for grant funds. Mr. Eder further noted that Franklin Park's original Tiger II grant requests were denied due to the smaller scale of the proposed projects in relation to other applicants. Mr. Eder informed the members that if smaller projects will not be considered for grant funds, then the Village will not apply for this second round.

Mr. Pedersen discussed earmarks.

Mr. Eder informed the members that real estate brokers are informing him that 2012 will be a year of improvements for real estate transactions and that 2013 will see improvements in development projects.

Mr. Pedersen led a discussion regarding the Illinois General Assembly and the various state entities estimates of budget figures and expenditures. With so many different estimates, discussion and the approval process will be lengthy. Mr. Pedersen also discussed the Local Government Distributive Fund and General Assembly discussions regarding a decrease in the Fund, which will decrease funding to municipalities, in an attempt to balance the State budget.

Mr. Pedersen discussed the Illinois Finance Authority and his appointment to that group which has helped Franklin Park's exposure and financial opportunities.

Project Updates:

Mr. Eder informed the members that Bradford Development (Grand/Mannheim Franklin Marketplace developer) is currently attending the International Council of Shopping Centers convention in Las Vegas and that they have seen a great response to the Franklin Marketplace development. In addition, Mr. Eder noted that there has been special interest in the anchor tenant space in the development and a potential tenant has presented itself.

Public Comment:

Mr. Penar noted that the Police Officers and Firefighters can assist in reporting vacant buildings to help generate the list of vacant properties he discussed earlier in this meeting. He also noted that by maintaining a vacancy registration, the Village can inform property owners of vacancy tax rate opportunities and other options. In addition, Mr. Penar discussed the need for retention visits with retail/commercial businesses.

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

Meeting adjourned at 9:22 A.M.

Respectfully submitted,

Nicole Driskell