

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

June 23, 2011

A meeting of the EDC was held on Thursday, June 23, 2011.

The meeting began at 8:03 A.M.

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

MEMBERS ABSENT: Mike Briggs.

ALSO PRESENT: Jeff Eder- Community Development Director, Nicole Driskell- Community Development Administrator, Mark Lawton- Pioneer Press Reporter (arrived 8:15 AM), Joe Penar- Former EDC Chairman, Don Olson- Former EDC Member, Doug Peterson- Chicago Records Management, Inc. (left at 8:50 A.M.), Mike Jurczykowski- Chicago Records Management, Inc. (left at 8:50 A.M.), Don Rubin- Rubin & Norris, LLC. (left at 8:50 A.M.).

Mr. Giannelli chaired the meeting.

MOTION TO ACCEPT minutes from last official meeting held on Thursday, May 26, 2011, as presented by Nicole Driskell, was made by Perry DuBose. Kirk Allen **SECONDED** the motion. **VOICE VOTE CARRIED.**

New Business:

6b Application – Chicago Records Management, 3311-33 Charles Street

- Don Rubin, Doug Peterson and Mike Jurczykowski appeared on behalf of this application.
- Mr. Rubin made a brief presentation on behalf of Chicago Records Management
 - Chicago Records is in need of additional space to prepare for future growth and expand their current operations.
 - They intend to keep their current property at 3815 Carnation Street (105,000 square foot building on an approximately 131,206 square foot property) and purchase 3311-33 Charles Street (3311 Charles has an 88,725 square foot building and 3333 Charles has an 85,357 square foot building, both on a total of approximately 6.8 acres) for \$3.25 million.
 - Upon purchasing the property, planning will commence for the demolition and redevelopment of the 3333 Charles site with a new 87,200 square foot building. The new building will feature 51 foot ceilings to accommodate the warehousing/storage aspects of the applicant's business. Redevelopment of the site is estimated at \$5.5 million. The 3311 Charles building will remain as-is.
 - Mr. Rubin noted that the property has been vacant since June, 2009 and as such, the 6b application is being presented under the 24 month vacancy rule. Mr. Rubin discussed the current property tax assessment and estimated taxes as per the 6b application cover letter. He noted the vacancy factor and how it affects the 2010 property taxes. He further noted the estimated taxes once the vacancy rate is removed and the 6b is enacted and the net gain in the difference.
 - Discussion commenced on the exhibits presented in the application packet.

- Mr. Herbstritt asked if the purchase is contingent on the 6b application's approval. He was informed that the purchase is not contingent on the 6b's approval. Mr. Herbstritt further inquired about the seller. He was informed that the property is owned by MB Financial as a result of a foreclosure.
- Mr. Jurczykowski informed the members that they plan to close on the property on or before August 31, 2011, intend to set up racking in the 3311 Charles building and demolish the 3333 Charles building immediately as they currently have some extremely large quotes out for storage space and need to have their facilities ready to support storage needs. Construction of the new building at 3333 Charles is estimated for Fall, 2012 unless a major increase in business merits a faster redevelopment schedule.
- Discussion commenced on improvements needed on the site and the 3311 Charles building.
- Mr. Rubin noted that Chicago Records needs this property to know they can expand when necessary to meet demand and stay in Franklin Park. He further noted that the 6b tax incentive makes the project more feasible and would increase the tax revenue from this property from the current vacancy rate.
- Mr. Herbstritt clarified the intentions for each building.
- Discussion commenced on the racking design for records storage and Chicago Records' former property on Acorn.
- Mr. Jurczykowski noted that their business is no longer centered around paper storage. The company is also doing scanning/imaging and adopting other methods of record storage. He noted that the Scanning/Imaging Department will be moved to the new facility with some overflow records storage.
- Mr. Giannelli inquired about the purchase price and if it was firm. Mr. Rubin noted that the purchase price is firm and reiterated the intended closing date.
- Mr. Herbstritt asked for clarification on what portion of this project the 6b incentive would be granted to. Mr. Eder informed the members that the 6b before them today is for the property purchase as a whole due to the 24 month vacancy. Mr. Giannelli inquired about the potential for a 6b on the proposed new construction at 3333 Charles. Mr. Rubin informed the members that Chicago Records will appear before the Commission at a later time to apply for a 6b on the new construction.
- Mr. Herbstritt asked for clarification on the numbers provided in this 6b application. Mr. Rubin informed the members that the numbers presented to them are based on a fully completed project including purchase, demolition and redevelopment.
- Mr. Giannelli clarified that this will be a two (2) part application: purchase and redevelopment.
- Mr. Eder informed the members that MB Financial is pressuring Chicago Records to complete their due diligence and close on the property so it will be off their books.
- Mr. Herbstritt inquired about the appropriateness of the purchase price. Mr. Jurczykowski informed the members the purchase equates to approximately \$17 per square foot for building space and approximately \$10 per square foot when the square footage of the land is factored into the equation.
- Mr. Geary led a discussion regarding MB Financial pressuring Chicago Records.
- Mr. Eder informed the members of some of the characteristics of the property. Mr. Jurczykowski noted that the 3333 Charles building has zero (0) docks and therefore no industrial functionality and use in the current market, hence the reason it is slated for demolition and redevelopment.

- Mr. Olson discussed the tax rates and assessment on the property since one building will remain and the other will be demolished and the property will be redeveloped.
- Mr. Giannelli noted that he does not want redevelopment of 3333 Charles to drag on.
- Discussion commenced on the tax rate on the 3333 Charles property as the building is slated for demolition and there will be a purchase for value on the whole property (both buildings).
- Mr. Giannelli noted that Chicago Records should make their end date for redevelopment of 3333 Charles and their intended two (2) step 6b application process clear when this issue comes before the Village Board of Trustees.
- Mr. DuBose inquired about how soon Chicago Records will be in dire need of storage space. Mr. Jurczykowski informed the members of his estimate that Chicago Records will need more space within one (1) year. He noted that regardless of whether or not the company obtains any new clients, the Scanning/Imaging Department will be relocated to the 3311 Charles building as soon as it is clean and ready for occupancy. Discussion commenced on the difficulty of forecasting growth and needs as stored records are constantly being destroyed (with owner's permission) and the vacated shelving space is being reused. Further discussion commenced on how long many records are kept, by law or personal preference, and how this impacts Chicago Records.
- Mr. Olson inquired about any potential construction/design similarities with their current building on Carnation. Mr. Jurczykowski noted that the company would like to obtain LEED certification and construct a building similar to the Carnation structure. He further noted, with Mr. Peterson, that they intend to landscape appropriately so the property aesthetically enhances Chicago Records and the Village of Franklin Park.
- Mr. Geary inquired about any environmental issues on the property. Mr. Jurczykowski informed the members that there are no major problems, but the appropriate people will review the environmental reports once they are available.
- Mr. Olson inquired about any flooding issues on the property. Mr. Jurczykowski noted that there are no major flooding issues that he is aware of.
- Discussion commenced on the proposed improvements to the property, the need for minimum 6b application packet requirements and an appropriate length of time for member review, the misleading nature of this application as it implies that demolition and redevelopment of the 3333 Charles property will happen in the near future, and how the two (2) phased application should be clearly presented to the Village Board of Trustees and the County.

MOTION TO APPROVE this application was made by Bill Geary. Tom Herbstritt **SECONDED** the motion. Dan Olson abstained from voting. **VOICE VOTE CARRIED.**

Discussion commenced on the property purchase regardless of the 6b approval and the \$5.5 million estimated construction costs for the new building at 3333 Charles, which do not include costs such as racking, lighting, etc.

Project Updates:

Mr. Eder welcomed Mr. Penar and Mr. Don Olson to join in this discussion.

Mr. Pedersen and Mr. Eder led a discussion about the Franklin Park Partnership meeting held the previous morning. Topics included the current average age of manufacturing employees, cooperation with high schools, the need to reinvigorate vocational education, interaction with the Village, marketing and perception of and in the community, the need for the Village to address retail vacancies, and the survey distributed to those in attendance to poll where interests lie and what additional sub-committees are needed to make the Partnership successful. Mr. Herbstritt inquired about skills courses and Leyden High Schools. Mr. Eder noted that there are skills education courses in the district, but they have been subject to severe cutbacks. Triton College was discussed. Mr. Pedersen noted that there is room for vocational skills education growth at schools. Mr. Eder noted that Leyden would like to reinstate many vocational skills courses, but they must partner with local businesses to make these courses successful. Mr. Allen noted that Sloan Valve is interested in such a partnership with Leyden. Mr. DuBose noted a general lack of people interested in manual labor. Further discussion commenced on vocations, education, the need for young people to become interested in vocations, exposure of vocational positions, and the need for basic skills such as mathematics and reading comprehension. Mr. Don Olson noted that the Village should coordinate cooperation and working groups between industry and the local high school so there is one (1) facilitator for these interactions. Mr. Penar noted that school teachers and administrators need to be educated on “real world” manufacturing and business practices.

Mr. Pedersen noted the Jordan Group and their marketing efforts.

The new Village website was discussed. Mr. Eder discussed the “Featured Business” ad on the homepage and Tukaiz.

Mr. Eder noted that discussion must commence on arrangements for the annual Business Appreciation Luncheon and he asked for input regarding a keynote speaker.

Mr. Eder distributed an article regarding the return of manufacturing to the United States.

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

Meeting adjourned at 9:20 A.M.

Respectfully submitted,

Nicole Driskell