

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

December 15, 2011

A meeting of the EDC was held on Thursday, December 15, 2011.

The meeting began at 8:08 A.M.

MEMBERS PRESENT: Mike Giannelli, Dan Olson, Perry DuBose and Bill Geary.

MEMBERS ABSENT: Tom Herbstritt and Kirk Allen.

ALSO PRESENT: Jeff Eder- Community Development Director, Nicole Driskell- Community Development Administrator, Patrick Ainsworth- Community Development Intern, Mark Lawton- Pioneer Press Reporter, Steve Griffin- Eugene L. Griffin & Associates, LTD., Rick Daly- Darwin Realty, Pete Pellegrino- JS Paluch, Steve Karlson- NAI Hiffman, Barrett Pedersen- Village President (arrived 8:30 A.M., left 8:55 A.M.)

Mr. Giannelli chaired the meeting.

MOTION TO ACCEPT minutes from last official meeting held on Thursday, November 17, 2011, as presented by Nicole Driskell, was made by Dan Olson. Perry DuBose **SECONDED** the motion. **VOICE VOTE CARRIED.**

New Business:

Old Business:

6b Application Renewal – Realty Associates Fund, 3708 River Road: Additional Materials

- Steve Griffin, Rick Daley, Steve Karlson and Pete Pellegrino appeared on behalf of this renewal application.
- This is a continued presentation from the November 17, 2011 EDC meeting at which additional application materials were requested.
- Mr. Giannelli inquired about the ownership of the property and whether it was in a trust or a partnership.
 - Mr. Karlson informed the members that the owners are in a partnership.
- Mr. Giannelli noted that the documents requested at the November EDC meeting were provided. He discussed the remaining vacant space and his hesitation to approve the renewal application because the EDC does not know what tenant will occupy the space. He also discussed the property in general.
- Mr. Daly discussed the marketing efforts for the vacant space and noted that he expects a light industrial/manufacturing tenant to take occupancy. He further noted that there is not much parking for that unit, that the unit has a dock and that the building and the vacant space is an odd shape.
- Mr. Giannelli asked if there was any chance the current tenants (JS Paluch and Dealer Tire) would expand their businesses more than planned and take the entire vacant space. Discussion commenced.
- Mr. Daly noted that 112,000 square feet will remain vacant after the proposed expansions of the current tenants.
- Mr. Giannelli encouraged the property representatives to bring the future tenant for the vacant space before the EDC as a courtesy.

- Mr. Daly informed the members that this would not be a problem.
- Discussion commenced on the partnership that owns the property and previous owners.
- Mr. Eder inquired about the long term intentions for the property.
 - Mr. Karlson noted that the long term goal was to lease the vacant space. He further noted that they have expanded parking and would modify the space to attract tenants. He also noted that the owners are not limited by money to make the space more attractive to possible tenants. He concluded by informing the members that they attempt to make every deal work to obtain a tenant for the vacant space.
- Mr. Giannelli noted that his main interest was to get the building fully occupied and he further stated that if the EDC grants the extension, they expect full tenancy.
- Discussion commenced on the proposed rent and teaser rates for the vacant space.
- Mr. Geary inquired about how the 2012 real estate tax estimates were determined.
 - Mr. Griffin noted that the figure was an estimate based on typical tax increases.
- Mr. Geary asked if the owners are appealing their property taxes/assessment annually.
 - Mr. Griffin noted that the owners have been appealing their taxes/assessment and that they have never requested the vacancy tax rate on the vacant space because they do not want to “double-dip” on tax incentives/discounts (6b incentive and vacancy tax deduction).

MOTION TO APPROVE the 6b renewal application of Realty Associates Fund was made by Perry DuBose. Bill Geary **SECONDED** the motion. **VOICE VOTE CARRIED.**

Mr. Eder informed the applicants that the 6b recommendation will be on the December 19, 2011 Board of Trustees meeting agenda.

Mr. Giannelli asked if this is the only property the partnership owns in the area. Mr. Griffin noted that the partnership also owns the old Houston Harvest building on Mt. Prospect Road in Franklin Park.

Goals for 2012

Mr. Eder led a discussion regarding the corridor studies he is proposing for Grand Avenue and Mannheim Road. He discussed the benefits of having these studies done and asked the EDC for a recommendation to proceed. Mr. Olson asked about the purpose of the studies and whether they will identify what currently exists in those corridors or future planning for those corridors. Mr. Eder noted that both items will be addressed and led a discussion regarding an example of what will be addressed by these studies: areas where older buildings abut the sidewalk and there is little to no on-site parking. Mr. Geary asked if the Jordan Group will be conducting these studies. Mr. Eder informed the members that the Jordan Group is a public relations firm and that he intends to use a planning/development firm for the studies. Mr. Olson inquired about the timeframe and costs. Mr. Eder noted that the cost will be between \$25,000 and \$60,000. Mr. Eder discussed issues with Grand Avenue versus Mannheim Road and noted that he needs more help studying Grand Avenue as the Mannheim Road problems are fairly logical. Mr. Giannelli noted that his ultimate goal is to have a viable plan and he further discussed the proposed studies and inevitable challenges: though Grand Avenue appears to be Franklin Park’s downtown, Franklin Avenue is technically the Village’s downtown. He continued by commenting on the need to study both Franklin Avenue and Grand Avenue and noted that the monetary investment for the studies will be worth it if the Village obtains the information it needs to plan for the future.

At this time, Mr. Pedersen posed a question to the members regarding methods of dealing with difficult/absentee landlords, namely on Grand Avenue, and he further asked if the Village should contemplate purchasing the property from these owners. Discussion commenced on how to approach this issue. Mr. Pedersen led a discussion on what home rule would have allowed the Village to do in these situations with commercial/retail properties and he further noted that the Village needs to once again focus on obtaining home rule. Discussion commenced on whether or not it would be practical to purchase the homes behind some of the Grand Avenue commercial/retail properties that abut the sidewalk in order to expand the depth of these commercial/retail properties and allow for more on site parking.

Mr. Olson noted that the corridor studies will help the Village plan for the future, but that does not mean that people will be able to build in the near future to bring the plan to fruition. Mr. Eder led a discussion regarding planning in difficult economic times and how this will be beneficial to the Village.

Mr. DuBose commented on the discussion regarding purchasing homes behind Grand Avenue commercial/retail properties and noted that though it is not preferred, it may be the best solution in the end. Mr. Eder informed the members that the homes behind the commercial/retail areas in question are nice and the cost to buy them out would be substantial. Mr. DuBose posed the issue of online retail noting that expanding the depth of our “brick-and-mortar” retail parcels on Grand Avenue might be done in vain as so much commercial business is performed online. Mr. Eder noted that a balance must be found between retail, medical facilities, etc. in order to make the commercial/retail improvements work.

Discussion Items:

Mr. Pedersen discussed the Galvin Initiative and Mr. John Kelly. He noted that ComEd is performing work on local power transfer stations and he would like to know what companies in town have had power interruption problems. His goal is to get the Village involved in the planning regarding the work to these transfer stations. Discussion commenced on what companies are affected by variable frequency, power outages, voltage drops/power blips, etc. and to what degree their production is impacted. Discussion also commenced on legislation requiring ComEd to provide power lines that will provide service without interruption and law suits over power blips that cause damages to a company’s production. Mr. Pedersen discussed the recent legislation regarding the new power grid. Mr. Giannelli and Mr. Geary led a discussion regarding ComEd and their respective company’s power bills.

Project Updates:

Super 8 Demolition (3010 Mannheim Road)

Mr. Eder discussed the demolition of the Super 8 on Mannheim Road and informed the members that work will be completed this week. He further noted that the fences will be removed and grass has been laid down, but will remain dormant until the Spring. With regard to the lien process, Mr. Eder explained the Village is in the process of filing a lien against the property for the demolition and other associated costs. This puts the Village in a position to claim the property.

Former Blockbuster (10272 Grand)

Discussion commenced on the former Blockbuster site and the bank that will take occupancy there.

Former Kmart (10205 Grand)

Mr. Eder informed the members that he is still in contact with the broker for this property.

The Crossings, Phase I

Mr. Giannelli inquired about the first floor retail in The Crossings, Phase I building. Mr. Eder informed the members that the retail space is being foreclosed upon and he does not know whether or not it has officially been taken by the bank. Discussion commenced on the condominiums in that building.

Business Retention Visits

Mr. Ainsworth informed the members of an upcoming business retention visit. Discussion commenced.

Franklin Avenue Rail Bridge

Mr. DuBose discussed the work being done to the Franklin Avenue rail bridge in preparation for the Elgin O'Hare bypass project. Discussion commenced.

Relocation of Interplex Daystar

Mr. Eder informed the members that Interplex Daystar, a company affected by the plans for the Elgin O'Hare bypass, has closed on their new property off of Wolf Road and Belmont Avenue. Discussion commenced on their business and the relocation.

Corridor Studies

The members readdressed the corridor studies and Mr. Olson verified that Mr. Eder has received the formal EDC recommendation to proceed that he sought from the group.

Restaurants

Discussion commenced on the newer restaurants in town.

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

Meeting adjourned at 9:08 A.M.

Respectfully submitted,

Nicole Driskell