

## MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

May 23, 2013

An EDC meeting was held on Thursday, May 23, 2013.

The meeting began at 8:04 A.M.

**MEMBERS PRESENT:** Tom Herbstritt, Dan Olson, Sixto Rincon and Frank Cangelosi

**MEMBERS ABSENT:** Mike Gianelli, Bill Geary and Kirk Allen

**ALSO PRESENT:** Eric Richard, Assistant Planner, Matt Welch – Village Attorney, Anita Mauro, Patrick Cullerton – Thompson Coburn, LLP, Steven Smith, John Bonetti – Digital Realty, Shawn King – Ryan, Lori Rush – Property Manager, Chuck Grosbier – Director, Technical Operations, Mark Lawton – Pioneer Press

**MOTION TO ACCEPT** minutes from last official meeting held on April 25, 2013, as presented by Eric Richard, was made by Mr. Tom Herbstritt. Mr. Sixto Rincon **SECONDED** the motion. **VOICE VOTE CARRIED.**

***New Business:*** Discussion on and consideration of 6b real estate tax assessment application by Digital Realty Trust, Inc. for the property located at 9355-9377 W. Grand Ave., Franklin Park, Illinois.

Mr. Richard provided a brief history on Digital Realty. They appeared before the EDC last June for consideration of a 6b real estate tax assessment for the property located at 9333 and 93355-9377 W. Grand Ave. The EDC voted to amend the application and approve recommendation for the 6b real estate tax assessment on the PINS that associated with the 9333 portion of the property. A 6b Resolution was passed by the Village Board on July 9<sup>th</sup> 2012.

Ms. Mauro spoke on behalf of the applicant. She introduced the project and the request for a 6b tax renewal on the property in order to attract quality tenants to the development. Digital Realty is one of the premier developers of data centers in the country. They are projected to invest over \$350 million into the 9355 building. They will create 20 full time jobs, 45 part-time jobs alone. Tenants of the property will create approximately 5-10 additional jobs on the site. The building permits for redevelopment costs of the 9355 building are estimated to costs in excess of \$1.4 million.

Mr. Olson inquired about the status of the current 6b on the property under Frain Industries and how many years are left.

Ms. Mauro indicated that Frain Industries had a 6b on the property when it was purchased by Digital Realty and they have one year left with the property assessed at 10% and two years left where it will be assessed at 15% and 20% respectively.

Mr. Olson asked for an update on Phase I construction of the project.

Mr. Smith indicated that construction started last August and they are approximately 80-90% complete. They have three leases signed with occupancy beginning this summer. They have a letter of intent to occupy the remaining space. If all works out accordingly they will have successfully leased 100% of the 9333 building since they first began marketing and redevelopment of the property last August. The secured and prospective tenants for the whole development include large multi-national companies.

Mr. Olson asked about the construction of the 9355 and 9377 buildings.

Mr. Smith indicated that the 9333 building will have 4 data centers, the 9355 building will have 8 data centers (two story building) and it is still unknown how many will be included in the 9377 building.

Mr. Olson asked for details on the timeline of the construction of the redevelopments of the 9355 and 9377 buildings.

Mr. Smith confirmed that construction could begin on the 9355 building within 30 days and will take approximately 9 months. Construction on the 9377 building will depend on the demands of the market, but could start as early as the middle of 2014.

Ms. Mauro asked for clarification on the status of the current tenants who are occupying the building.

Mr. Smith confirmed that Frain will be completely out this year and Windy City, who is subleasing from them, will be out by early next year at the latest. Mr Smith also proceeded to indicate that construction costs for the 9377 building will compare to the other buildings, approximately \$1,500 per square foot.

Mr. Herbstritt asked for clarification on the zoning issue with the 9355 building.

Mr. Welch indicated that they have side yard and rear yard setback violations. The zoning application they submitted is set to go to public hearing in June. They have a five foot setback and are requesting permission to allow for a two foot setback.

Ms. Mauro proceeded to indicate that the variance is a result of federal regulations that require them to install a certain type of installation to the side of the building to prevent leakage.

Mr. Welch noted that the side of the building in which the variance is being applied for does not encroach on residential property. It faces the public right of way, a rail line.

Mr. Herbstritt commented on the status of the current tenant's occupancy in the 9355 building if construction is to start soon.

Mr. Smith indicated that Frain Industries, the tenant, vacated the building on Monday (May 20, 2013).

Ms. Mauro commented on the additional benefits to the Village on this project, if granted the 6b. They will generate approximately \$213,000 in electrical tax revenue annually. Additionally they are committed to entering into construction contracts with local companies.

Mr. Smith proceeded to discuss the current work that Hill Mechanical has done for them on Phase I and the potential for them to be awarded more work for Phase II.

Mr. Cangelosi asked about potential plans for more development in the Chicagoland area.

Mr. Smith indicated that if the market continues to show improvement then they're committed to developing more in the area. He proceeded to indicate that the availability of power and fiber optic lines is critical to the location of their developments.

Discussions proceeded to take place between the petitioners and the EDC members on rail lines and the potential for data centers in the Chicagoland area.

**MOTION TO RECOMEND APPROVAL** of the 6b application by Digital Realty Trust, Inc. for the property located at 9355-9377 W. Grand Ave., Franklin Park, Illinois was made by Tom Herbstritt. Dan Olson **SECONDED** the motion. **VOICE VOTE CARRIED UNAMIOUSLY.**

**Discussion Items (Staff updates):**

- April 30<sup>th</sup> Special EDC meeting
- Re-paving of Franklin Ave.
- CMAP Western Industrial Corridor Study
- RTA Downtown Re-zoning Project
- Railroad Daze and Farmers Market announcements

**Report from the Mayor:**

None

**Public Comment:**

None

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

Meeting adjourned at 8:31 A.M.

Respectfully submitted,

Eric Richard