

## MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

January 22, 2015

An EDC meeting was held on Thursday, January 22<sup>nd</sup>, 2015.

The meeting began at 8:01 A.M.

**MEMBERS PRESENT:** Mike Giannelli, Frank Cangelosi, Dan Olson, Tom Herbstritt, Sixto Rincon and Bill Geary.

**MEMBERS ABSENT:** Kirk Allen

**ALSO PRESENT:**

Eric Richard – Village Planner, Zoe Heidorn – Village Planner, Matt Welch– Village Attorney, Christopher Geib, Geib Industries, Anita Mauro – Thomson Coburn, Mike Latoria – Latoria Brother Construction Corp., James Chronopoulos – owner 3230 Mannheim, LLC

**MOTION TO ACCEPT** minutes of the October 23<sup>rd</sup> meeting made by Dan Olson

**SECONDED** by Bill Geary **VOICE VOTE CARRIED.**

**Old Business:** *none*

**New Business:** *Discussion on and consideration of a 6b real estate tax assessment application by 3230 Mannheim LLC for the property located at 3230 Mannheim Road, Franklin Park, Illinois.*

Ms. Mauro introduced herself and reiterated her client's request. The applicant (James Chronopoulos) is seeking a 6b renewal on the property located at 3230 Mannheim Road. Mr. Chronopoulos formerly leased the space to Midwest Electronics. The property has been vacant for four years.

Mr. Giannelli requested clarification on why the applicant is applying for a renewal compared to a new 6b.

Ms. Mauro proceeded to indicate that the property qualifies for a new 6b under vacancy status, but submitting for a new 6b where no purchase for value is taking place requires Cook County Board approval, delaying the overall process by 3-4 months.

Mr. Welch indicated that a new 6b or a 6b renewal would begin a new "12 year" term immediately, once applied by the County and any existing years on the current 6b would "fall off" or terminate and the new 6b term would commence. For all intensive purposes, the 6b renewal and new 6b would have the same effect on the number of years the property is receiving the incentive.

Ms. Mauro indicated that currently, the owner has a Letter of Intent to lease the property to Geib Industries, which is located at 3220 Mannheim Road, adjacent to the subject property. The letter of intent was included in the application.

Ms. Mauro proceeded to indicate that when her client, Mr. Chronopoulos came for the original 6b when they were proposing to construct the building. At the time business (Midwest Electronics) was thriving. As a result of the downturn in the economy, the business did not survive and the building has been vacant.

Ms. Mauro also indicated that the building has a small land-building ratio (1.46:1), compared to other industrial properties in the area.

Mr. Giannelli asked about detailed estimates on any planned improvements for the property.

Ms. Mauro indicated that a representative (contractor) is here to speak on future work to be done on the property. Ms. Mauro indicated that Chris Geib and James Chronopoulos, since they have entered into the LOI have pursued getting construction estimates on the work to be done to the properties.

Ms. Mauro indicated that both applications need to be looked at collectively. Mr. Geib needs to expand into the adjacent 3230 Mannheim property or he has to re-locate his business and sell or lease his existing facility. He has looked at other facilities. If he were to receive the 6b then his taxes would be \$2.20 per square foot.

Ms. Mauro indicated that Geib will be investing \$900,000 into both properties collectively to construct a “breezeway” between the buildings and to conduct interior renovations of the 3230 Mannheim property to accommodate his business expansion.

Mr. Geib indicated that he would be saving money by receiving the 6b’s and expanding his operation to the adjacent facilities compared to the costs of moving his operations elsewhere. He indicated that if he were to receive the 6b, he is essentially paying market value compared to other properties in the Village.

Mr Giannelli asked for more detailed information on the improvements to be made to the property.

Mr. Latoria indicated that Latoria Brothers was approached by Geib to design a building “link” for the two properties. He proceeded to distribute a copy of the proposed plans for the improvements.

Discussion took place on the improvements to be made to the facility and construction estimates.

Mr. Olson asked about the proposed \$900,000 improvements.

Mr. Geib indicated that the \$900,000 is for the complete build out that would take place between the two properties.

Mr. Giannelli indicated that a Letter of Intent is not a lease and he would prefer to see an executed lease submitted to staff.

Mr. Richard reiterated that the Letter of Intent that was supplied in both the 3230 Mannheim application and the 3220 Mannheim application is contingent on receiving a 6b on both properties.

Discussion took place on the Letter of Intent, potential execution of a lease and the consideration of a resolution supporting a 6b with contingencies.

Mr. Rincon asked how the 6b brings the property to normal levels compared to other properties in the Village.

Ms. Mauro stated that the building is a new building and it hasn’t been fully depreciated.

Mr. Rincon indicated that he would have trouble granting a 6b renewal for both properties given the proposal.

Discussion took place between the EDC, staff and the petitioner on the proposal.

Mr. Richard indicated that the applicant would potentially have to pursue a zoning variance for the planned improvements. That cannot be determined until an application and plans are submitted.

Mr. Welch reiterated that a petition for a zoning variance have to be granted in order for the proposed improvements to take place.

Discussion took place on the timeline for obtaining a zoning variance and the impacts on the granting of a 6b resolution.

Mr. Richard indicated that staff and the EDC have been put in a tough position because of the contingency outlined in the LOI. The EDC and staff based on the conversation all seem to be in support of the 6b renewal on the 3230 Mannheim property, which is currently vacant.

Mr. Welch indicated that conditions can be applied in the language of the resolution to insure that Geib follows through with their commitments. He also proceeded to state that Cook County is beginning to look at 6b's much closer when it comes to commitments by petitioners.

Mr. Geib spoke about the effects that this process has on his business. He reiterated his desire to obtaining an answer on his request, one way or another.

Mr. Giannelli asked for clarification from Mr. Welch on the voting process for each application.

Mr. Welch stated that these are separate applications and in the event that they are recommended to the Village Board, two separate resolutions will be prepared.

Mr. Rincon asked about the benefits the Village received out of the original 6b on 3230 Mannheim.

Mr. Chronopoulos spoke on the jobs that once were at the site, the \$1.4 million investment to construct the building, retail sales in the area. He indicated that he cannot quantify the impact of the business when it was in operations and the value of the Village. He stated that they employed 30 individuals.

Discussion took place on Mr. Chronopoulos original 6b request and Midwest Electronics.

Discussion took place on the application submitted in 2012 for a 6b renewal on the 3220 Mannheim property.

Ms. Mauro stated that Geib approached in EDC in 2012 for the renewal on the 3220 Mannheim property. The EDC continued to the case in order to establish some guidelines on renewals.

Mr. Giannelli Ms. Mauro if she has seen the renewal guidelines.

Ms. Mauro indicated that she was aware of them. She proceeded to indicate that this request has evolved over the years because Geib is now at a point where they either have to go or stay and they see an opportunity with Mr. Chronopolous's property (3230 Mannheim) being vacant and are willing to expand their operations into that facility.

Mr. Richard stated that the EDC must vote separately on each application. They can vote to recommend a resolution be passed, they can recommend that a resolution be denied or they can vote to continue the application, allowing the petitioner to submit an executed lease, detailed construction estimates to staff and a zoning variance application. The EDC can also recommend that conditions be put in the language resolution.

Mr Geib proceeded to state that his potential taxes per square foot without a 6b will prevent him from staying in Franklin Park and he would have to vacate his existing facility.

Mr. Olson indicate that his taxes are \$7 per square foot and finds it insulting that the petitioner is asking for recommendation for two 6b renewals or he will walk away.

Mr. Rincon expressed his concern with issuing two 6b renewals. He proceeded to ask what the current rate for industrial property taxes in Franklin Park is at.

Mr. Richard indicated that Ms. Mauro can speak on that as she provided a few examples in the application and to staff, but to remember that various factors are considered when assessing a property.

Mr. Welch stated that we are not here to compare taxes, but to evaluate the petitioner's request based on the information at hand.

Discussion took place on the applicant's request.

Mr. Welch stated that if a motion is to be made then it must be in the form of a positive and then each member can vote how they please.

**MOTION TO APPROVE RECOMENDATION** of the 6b application by 3230 Mannheim LLC, by Tom Herbstritt. SECONDED by Sixto Rincon. **VOICE VOTE CARRIED UNAMIOUSLY.**

**New Business:** *Discussion on and consideration of a 6b real estate tax assessment application by Geib Industries, LLC for the property located at 3220 Mannheim Road, Franklin Park, Illinois.*

Ms. Mauro stated that it was not her or her client's intents to insult anyone today.

Discussion took place on the taxes per square foot.

Mr. Olson indicated that location, age of building all factor into the assessment of a property.

Mr. Welch reiterated that we shouldn't be evaluating this case based on the taxes per square foot, but should be evaluating it on the spurred investment it will generate if granted and the benefit to the public.

Ms. Mauro proceeded to outline the additional jobs to be added by Geib if they are to lease the adjacent 3230 property. They will be looking to hire 12 additional workers and invest a combined \$900,000 into the two properties, which could increase depending on the details of the work.

Discussion took place on the 6b renewal request for both 3230 Mannheim and 3220 Mannheim.

Mr. Welch indicated that the EDC can grant conditions on the resolution that would require Geib to conduct their work within a certain time frame or risk losing the 6b.

Mr. Rincon asked about obtaining the variance.

Mr. Welch indicated that the applicant can begin the process of applying for a variance and the 6b resolution doesn't have to be taken to the Village Board of Trustees until the ZBA has made their ruling or contingencies can be written into the resolution indicating that the applicant risks losing the 6b if the variance is not granted and they cannot proceed with their proposed improvements.

Mr. Giannelli indicated that he would like to see a fully executed lease and detailed construction estimates of the proposed improvements submitted to staff before acting on the case.

**MOTION TO CONTINUE** the 6b application by Geib Industries LLC, by Tom Herbstritt. SECONDED by Sixto Rincon. **VOICE VOTE CARRIED UNAMIOUSLY.**

Mr. Richard indicated that based on the discussion, the applicant is to submit a fully executed lease, detailed construction estimates and drawings on the proposed improvements and submit a zoning variance application in lieu of the next meeting schedule for February 26<sup>th</sup>, 2015.

#### **Project updates from Staff:**

- 6b Sustainable Emergency Relief (SER)

- 7c Commerical Urban Relief Eligibility (CURE)

**Report from the Mayor:** none

**Public Comment:** none

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

Meeting adjourned at 9:09 A.M.

Respectfully submitted,

Eric Richard