

# MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

May 28, 2015

An EDC meeting was held on Thursday, May 28<sup>th</sup>, 2015.

The meeting began at 8:02 A.M.

**MEMBERS PRESENT:** Frank Cangelosi, Sixto Rincon, Tom Herbstreit, Bill Geary and Kirk Allen

**MEMBERS ABSENT:** Mike Giannelli

**ALSO PRESENT:**

John Schneider – Director of Community Development & Zoning, Eric Richard – Village Planner, Zoe Heidorn – Village Planner, Matt Welch – Montana Welch Law, Brian Liston, Patrick Kilmer-Lipinski – Liston & Tsantilis, Jeff Giannelli – Cortina Companies, Chris Caira – Klafter & Burke, Mike Powers, Tony Cincinelli – Molto Properties

**MOTION TO ACCEPT** minutes of the April 23<sup>rd</sup> meeting made by Frank Cangelosi.

**SECONDED** by Kirk Allen **VOICE VOTE CARRIED.**

**Old Business:** *none*

**New Business:** *Discussion on and consideration of a 6b real estate tax assessment application by CNT Franklin Park, LLC (Molto Properties) for the property located at 3701 Centrella Street, Franklin Park, Illinois.*

Mr. Liston opened by stating his client's intents. CNT Franklin Park, LLC is a subsidiary of Molto Properties who purchased the 24 acre site from CenterPoint in 2010. They have been marketing the site for several users of newly constructed industrial facilities for several months now. The last user of the property was Centrella Foods, who operated in a 934,000 square foot facility in 2009 before demolishing the buildings.

Mr. Liston indicated that Molto Properties is requesting a resolution in support of the 6b tax incentive based on new construction for the subject property located at 3701 Centrella Street.

Mr Powers proceeded to indicate Molto's intents which include construction of two speculative industrial buildings, totaling 537,000 square feet. He discussed in detail the proposed designs of the buildings.

Mr. Powers proceeded to indicate that Molto is proposing to finance a portion of their on-site work through tax increment financing (TIF). As a part of the project, they will be completely reconstructing Centrella Street. They have submitted their on-site plans already which have been approved by the Village and are currently under review by the Metropolitan Water Reclamation District (MWRD). The on-site work includes re-routing of the creek to the perimeter of the site, which runs through the property currently. Mr. Liston indicated that petition of the 6b is necessary in order to attract tenants to the spaces. Work is set to begin this summer, contingent on the 6b begin approved and will hopefully be finished by next year.

Mr. Herbstreit inquired about the water detention facilities on the site.

Mr. Powers indicated that storm traps/concrete vaults are being installed below ground under the buildings. He proceeded to elaborate on the on-site work submitted to MWRD for review.

Mr. Cangelosi inquired about the depth of the vaults.

Mr. Cincinelli proceeded to discuss the engineering of the vault systems, which are approximately 7' deep.

Mr. Powers elaborated on their plans to also reconstruct Centrella Street as a part of the overall project.

Mr. Schneider talked about the staff time spent working with Molto and their review of this project over the last year. He proceeded to indicate that the on-site plans were reviewed by the Village engineer to insure that all storm water is contained on the site and through the proposed detection systems.

Discussion commenced on the project between the EDC, staff and the petitioner.

Mr. Herbstritt asked about the potential users for the site.

Mr. Powers stated that they have spoken with several potential users including, freight forwarders, manufacturing companies, along with assembly and production firms.

Mr. Cangelosi asked about future improvements to Carnation Street.

Mr. Schneider indicated that improvements to Carnation will be considered in Phase II of the project.

Mr. Allen asked about available office space for the tenants.

Mr. Powers stated that the building is flexible and the interior can be accommodated to a variety of users, but all units would have both warehouse and office space.

Mr. Rincon inquired about the living wage act and if the tenants need to satisfy it.

Mr. Schneider said that all future tenants would have to be in compliance with the act or the 6b could be jeopardized. He also stated that the owner will be required to enter into a redevelopment agreement which will outline their project budget, timeline and proposed jobs to be occupied in the facilities and hold the petitioner accountable for satisfying such items. Additionally, all future tenants will have to appear in front of the EDC.

Mr. Schneider indicated that the 6b redevelopment agreement will be tied into the TIF redevelopment agreement to the extent possible.

Mr. Welch spoke on the specific conditions that can be outlined in the resolution and/or redevelopment agreement, including the job commitments, project costs, living wage compliance and execution of the TIF redevelopment agreement.

Discussion took place on the above stated stipulations.

*\*Further information on the petitioner's intents can be found in the complete application submitted to the Department of Community Development & Zoning.*

**MOTION TO APPROVE RECOMENDATION** of the 6b application by CNT Franklin Park, LLC (Molto Properties) with the above mentioned stipulations by Tom Herbstritt. **SECONDED** by Sixto Rincon. **VOICE VOTE CARRIED UNANIMOUSLY.**

**New Business:** *Discussion on and consideration of a 6b SER real estate tax assessment application by Cortina Tool and Molding Company for the property located at 10706-10740 Grand Avenue, Franklin Park, Illinois.*

Mr. Schneider opened by briefing the EDC on the 6b SER program, including the TIF qualification factors that need to be satisfied in order to be considered for the incentive and the high standards set forth by Cook County in the application process.

Mr. Caira introduced Cortina Companies and their intent to pursue the 6b SER tax incentive for the property located at 10706-10740 Grand Avenue. He spoke about the competitive market that surrounds Cook County, including the collier counties, the flooding issues at the subject property and its status as an older building.

Mr. Giannelli talked about the specifics operations of Cortina Companies. Cortina Companies is a manufacturer of plastic components and products for consumer, industrial, heavy duty truck and lawn and garden markets. They have been located in Cook County for 40 years and located in Franklin Park for 26 years. He proceeded to indicated that without the 6b SER incentive, the company will not be able to grow their business model and it will allow them to stay in Franklin Park.

*Mr. Giannelli's petition was supplemented with a Power Point presentation, which outlined the following items of the 6b SER application:*

- *History of the company*
- *Company acquisitions and current operations*
- *6b SER eligibility factors*

Mr. Ginanelli proceeded to discuss the TIF eligibility factors that are required to be satisfied as a part of the application (economic hardship). He indicated that they show evidence of 5 of the 13 factors of blight as defined by the Illinois Tax Increment Allocation Act.

*The 5 factors indicated include:*

- *Obsolescence – structures have become ill-suited for original use*
- *Deterioration – with respect to building, defects including but not limited to, major defects in the secondary building components...conditions of roadways....off-street parking..*
- *Inadequate Utilities – underground and overhead utilities such as storm sewers and storm drainage...*
- *Lack of Community Planning*
- *Total equalized value has declined 3 of the last 5 years*

Mr. Herbstritt inquired about the industrial vacancy rates.

Discussion took place on the industrial vacancy rates outlined in the application by staff, the EDC and the petitioner.

Mr. Geary expressed his concern that a lot of industrial buildings in Franklin Park could qualify under these regulations.

Mr. Schneider talked about the flooding issues at the subject property and the notation that they will be paying into a special service area in order to fund improvements for Cullerton Street, Wellington Street and Hart Drive.

Mr. Caira indicated that a combination of the qualifying factors must be met, an aggregate mix including disclosure of a financial analysis in order for a property to qualify for such incentive.

Discussion took place on the program requirements and the eligibility factors.

Mr. Caira indicated that the client is proposing \$1.2 million in improvements as a part of the project.

Mr. Welch and Mr. Schneider spoke about the Redevelopment Agreement that would supplement the 6b SER Resolution and the stipulations that would be outlined in it including proposed job creation, investments, etc.

*\*Further information on the petitioner's intents can be found in the complete application submitted to the Department of Community Development & Zoning.*

**MOTION TO APPROVE RECOMENDATION** of the 6b SER application by Cortina Tool and Molding Companies with the above mentioned stipulations by Tom Herbstritt. **SECONDED** by Sixto Rincon. Roll Call Vote. Member Herbstritt-Yes; Member Rincon-Yes; Member Cangelosi-Yes; Member Allen-Yes; Member Geary-abstain; Four (4) Ayes, Zero (0) Nays, One (1) Abstain and Two (2) Absent. The motion was carried.

**Project updates from Staff:**

- Elgin O'Hare Western Access update
- Business activity

**Report from the Mayor:** none

**Public Comment:** none

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

Meeting adjourned at 9:10 A.M.

Respectfully submitted,

Eric Richard