

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

October 22, 2015

An EDC meeting was held on Thursday, October 22nd, 2015.

The meeting began at 8:01 A.M.

MEMBERS PRESENT: Frank Cangelosi, Mike Giannelli, Tom Herbstrit, and Dan Olson

MEMBERS ABSENT: Sixto Rincon, Bill Geary and Kirk Allen

ALSO PRESENT:

John Schneider – Director of Community Development & Zoning, Eric Richard – Village Planner, Zoe Heidorn – Village Planner, Matt Welch – Montana Welch Law, Jason Rosenberg – Panattoni Development Company, Spero Kopitas – Flanagan Bilton

MOTION TO ACCEPT minutes of the May 28th meeting made by Dan Olson

SECONDED by Frank Cangelosi **VOICE VOTE CARRIED.**

Old Business: *none*

New Business: *Discussion on and consideration of a 6b real estate tax assessment application by Panattoni Development Company for the property located at 3400 Wolf Road, Franklin Park, IL 60131.*

Mr. Rosenberg opened by introducing himself and Panattoni Development Company. They have 16 offices across the Country and are headquartered locally in Rosemont, Illinois. They have developed approximately 13 million square feet of industrial commercial space in the Chicago area.

Mr. Rosenberg proceeded to discuss their plans for the subject property at 34500 Wolf Road. They plan on demolishing the existing facility owned and occupied by Castle Metal and constructing a 490,000 square foot modern industrial building with 36' foot clearance. Due to the competitive nature of the industry and the high taxes in Cook County, the development would not be economically feasible without the class 6b tax assessment.

Mr. Rosenberg indicated that the project is expected to be \$31 million, which includes the purchase of the property. He proceeded to state that even with the 6b tax assessment applied to the property for the term of 12 years; they anticipate that the property will have a net increases in taxes revenue annually and over the term of the assessment due to the increased value that the new facility.

Mr. Olson asked is the facility will be used for strictly distribution?

Mr. Rosenberg indicted that the building will be built as speculative meaning it will be flexible and able to accommodate various potential users in the market.

Mr. Cangelsoi inquired about the time it will take to lease the facility.

Mr. Rosenberg stated that their four previous developments in the area were all leased before construction finished, a 12-16 month period. He also indicated that construction is expected to be complete next December.

Mr. Olson asked about the planned construction of retention ponds.

Mr. Rosenberg said that they are expanding the existing south retention pond and constructing a new pond in the north-west section of the site. He also mentioned that the Village is doing a lot of utility work in the area as a part of the Elgin O'Hare project that will improve the retention and detention of water in the area.

Mr. Olson asked if Castle Metals was shut down yet.

Mr. Rosenberg said that Union workers are still in the facility and he believes that the facility would be completely empty by the end of the year.

Discussion took place on the status of Castle Metals between the petitioner, Village staff and the EDC.

Mr. Herbstritt inquired about the number of jobs to be in the facility when it is complete.

Mr. Schneider stated that the Village can't enforce job creation since this is not an owner-occupied facility. The 6b is tied to the property owner and runs with the land. He proceeded to indicate that the Village will be informed on who the end users are when official and they will be subject to standard village approvals, such as inspection and occupancy permits. The Village will also ask for job reports each year from the petitioner in an effort to monitor job creation through the term of the 6b assessment.

Discussion took place on the Cook County 6b requirements.

Mr. Giannelli asked what the total investment for the project is.

Mr. Rosenberg said that the total investment is #31 million including the purchase of the property.

Mr. Kopitas discussed the economic benefits of the project, including the projected revenues in taxes over the term of the 6b assessment.

Mr. Giannelli inquired about the rental rates for the future tenants.

Mr. Rosenberg indicated that the rents will probably run between \$5 -6 per square foot, triple net.

Mr. Cangelosi asked about the number of projects they develop per year.

Mr. Rosenberg said that they are currently doing about \$25 million across the country and are actively engaged in developing about \$2 million square feet in the Chicago area.

Mr. Richard and Mr. Schneider discussed the benefits of this project to the Village and how it is consistent with the recommendations outlined in the Franklin Park O'Hare Industrial Corridor Plan completed by CMAP last year.

Mr. Olson asked how many of the Castle Metals jobs were being displaced.

Mr. Schneider said he does not know the exact number of individuals employed in the existing facility, but estimated it at 60.

Mr. Giannelli asked the size of the existing Castle Metals facility.

Mr. Rosenberg said that the existing facility is about 525,000 square feet in size. He also said that their proposed facility will have about 70,000 square feet of water detention facilities and that the site will be raised between 3 and 4 feet to also help reduce any on-site flooding.

**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 Panattoni Development Company made by Tom Herbstritt. **SECONDED** by Dan Olson. **VOICE VOTE CARRIED UNANIMOUSLY.**

Project updates from Staff:

- Business activity
- Proposed developments
- Illinois Enterprise Zone update
- Grant activity
- Future meetings

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 9:05 A.M.

Respectfully submitted,

Eric Richard