

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

May 25, 2017

An EDC meeting was held on Thursday, May 25th, 2017.

The meeting began at 8:02 A.M.

MEMBERS PRESENT: Tom Herbstritt, Mike Giannelli, Frank Cangelosi, Bill Geary and Sixto Rincon

MEMBERS ABSENT: Dan Olson and Kirk Allen

ALSO PRESENT:

John Schneider-Director of Community Development, Eric Richard-Village Planner, Matthew Cerutti-Intern, Matt Welch-Montana Welch Law, Brian Liston, Connor Desmond-Liston & Tsantilis Law, Steve Groetsema, Mark Houser-Bridge Development Partners, LLC

MOTION TO ACCEPT minutes of the March 23rd, 2017 meeting made by Frank Cangelosi

SECONDED by Tom Herbstritt. **VOICE VOTE CARRIED.**

Old Business: *none*

New Business: *Discussion on and consideration of a 6b real estate tax assessment application by Bridge Franklin Park, LLC (Bridge Development Partners, LLC) for the property located at 10601 Franklin Avenue, Franklin Park, IL 60131.*

Mr. Liston opened the discussion by introducing himself and his client, Bridge Development Partners, LLC. Bridge is requesting a resolution for a 6b property tax assessment based on new construction for the property located at 10601 Franklin Avenue.

Mr. Groetsema a Partner with the applicant spoke about the historical and work of the firm. Bridge was founded in 2000 and is headquartered in Chicago with offices also in Los Angeles, New Jersey and Miami. They are industrial developer who specializes in infill urban markets with sites usually between 15 and 75 acres in size. They have undertaken 8 development projects in Cook County since 2012 with all of them receiving the 6b tax incentive. The company is backed by institutional capital, including the Teachers Retirement System of Texas and the Lamar Hunt family. They have been active in the O'Hare market as of recently, including industrial projects in Elk Grove Village, Schiller Park and Northlake. They like the O'Hare market due to its labor pool and proximity to the airport.

Mr. Groetsema proceeded to indicate that they went under contact on the subject property in Franklin Park in mid-February. They anticipate closing on the property in early September if they can secure the 6b resolution. Currently the site is owned by Magellan Corporation and the site is used as a fuel tank farm, where it contains over 20 tanks that were once used for storage and transportation of petroleum and crude oil products. Bridge anticipates demolishing all the tanks in the fall beginning after closing on the property and expects to deliver the first buildings to the site by the 4th quarter of 2018.

Bridge is proposing to construct three buildings on the subject property, totaling 656,320 square feet of speculative industrial facilities. The totaling investment for the project is more than 66 million dollars. Bridge estimates that the environmental remediation of the site will cost between 2.5 and 3 million dollars.

Mr. Geary asked if they have identified what contaminants are in the ground.

Mr. Houser stated that the Phase II report showed some hot spots across the site where soil will need to be removed. The contaminants are primarily gasoline and jet fuel.

Mr. Schneider stated that the Phase I and Phase II environmental assessment reports were undertaken by Weaver Consulting group as a part of the Village's participation in a regional brownfields grant program, being administered by Cook County Environmental. Bridge did not incur any costs for the work on the reports. Additionally, they were provided with a remediation plan as a part of the grant program.

Mr. Groetsema mentioned that all of their projects in Cook County have had some form of environmental contamination that they had to address before developing on the site. He proceeded to talk about the specifics of the development proposal, which includes three separate buildings. The first phase of the development will include a 174,720 square foot building and a 277,760 square foot building. The second phase of the project will include a third building of 203,840 square feet. All the buildings can accommodate a range of tenant size and user types. All of the buildings are single loaded with truck docks on one side and car parking on the other.

Mr. Cangelosi asked about the type of tenants that they expect to occupy the space.

Mr. Groetsema said that they will be used primarily for freight and airport related users, including logistics and distribution firms. He proceeded to mention some of the tenants of their existing buildings they developed. They anticipate securing national tenants which can pay premium rents.

Mr. Liston discussed the tax projections for the project.

Discussion took place between the EDC, staff and the petitioner regarding the tax projections. The project is expected to generate over 24 million dollars in taxes over the life of the 6b. The net benefit in taxes when compared to the property being assessed at its current state is more than 16 million dollars.

Mr. Cangelosi inquired about the traffic impacts with the proposed development.

Mr. Groetsema stated that they undertook a traffic study per the request of village staff. The report recommends installing a traffic signal at the Belmont Avenue/Williams Drive intersection and installing a right turn lane only from Belmont Avenue to southbound Mannheim Road. He proceeded to state that Bridge is willing to undertake these public improvements to help alleviate traffic impacts from the development.

Discussion took place between the petitioner, the EDC and Village staff regarding the traffic study and the impacts of the development.

Mr. Groetsema emphasized to the EDC that the potential traffic impacts of the proposed development are a concern to them as well. He indicated that they are willing to work with the Village and the appropriate entities to resolve these issues upfront.

Mr. Schneider indicated that the Village Engineer is still reviewing the traffic study in detail and future discussions will take place between Bridge and Village staff regarding the details of the development and necessary public improvements that need to be undertaken in conjunction with the private development.

Mr. Giannelli expressed his concerns with the potential traffic impacts of the development and reiterated his reliance on the Village staff to work with the developer to resolve the postnatal issues.

Mr. Schneider indicated that long-term improvements for the area are the responsibility of more than one entity as some of the roads serving the subject property are State of Illinois jurisdiction. He also mentioned that the Village has submitted for federal grant funds to undertake engineering studies of Franklin Avenue for improvements in conjunction with the proposed Elgin O'Hare Western Access. The

Village will continue to be active in pursuing grant funding and other external resources for road projects, but the private sector will also have to help resolve some of the issues.

Mr. Herbsitt asked about the phasing of the project and if traffic impacts would dictate the project.

Mr. Groetsema said that the demands for the space will dictate the phasing of the project. They plan to build two buildings initially and the construction timing of the third building will be subject to the leasing demand.

Discussion took place on the phasing of the project and the PINs. The EDC inquired about separate 6b approvals for each building and potential subdivision.

Mr. Groetsema mentioned that the 6b will not be applied to the assessment of the property until the building is at least 51% leased. He also stated that they need to secure the 6b resolution for the whole site in order to close on the property as the site is currently under one PIN. They may choose to subdivide the site at some point after construction and absorption.

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

Mr. Welch stated that project will still go through the standard review by the village from all relevant departments.

Mr. Giannelli requested that the traffic study and any necessary public road improvements be incorporated into the 6b resolution.

**Additional 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 renewal application by *Bridge Franklin Park, LLC* made by Mike Giannelli. **SECONDED** by Tom Herbstritt. **VOICE VOTE CARRIED UNAMIOUSLY.**

Project updates from Staff: *Discussion took place on the following items*

- 2017 Business Appreciation Luncheon

Report from the Mayor: none

Public Comment: none

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

Meeting adjourned at 8:50 A.M.

Respectfully submitted,

Eric Richard