

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

August 24, 2017

An EDC meeting was held on Thursday, May 24th, 2017.

The meeting began at 8:02 A.M.

MEMBERS PRESENT: Tom Herbstritt, Mike Giannelli, Frank Cangelosi, Kirk Allen and Sixto Rincon

MEMBERS ABSENT: Dan Olson and Bill Geary

ALSO PRESENT:

John Schneider-Director of Community Development, Eric Richard-Village Planner, Montana Welch Law, Doug Carlisle, Tad Wakeman-Varex Imaging Corporation, Dan Smolensky-Taurus Modal Group, Jason Rosenberg-Panattoni Development Company.

MOTION TO ACCEPT minutes of the May 25th, 2017 meeting made by Kirk Allen

SECONDED by Sixto Rincon. **VOICE VOTE CARRIED.**

Old Business: *none*

New Business: *Discussion on and consideration of a 6b real estate tax assessment application by Panattoni Development Company, Inc. for the property located at 11601 Copenhagen Court, Park, IL 60131.*

Mr. Rosenberg, Partner with Panattoni Development Company in the Chicago office opened by introducing himself and his company's intents with the subject property at 11601 Copenhagen Court. They are requesting a resolution supporting a class 6b tax incentive for the property where they plan on demolishing the existing 522,973 square foot building and constructing and new speculative building with approximately 378,000 square feet of building area. The proposed facility will have 36' clear height ceilings and be made of pre-cast concrete.

Mr. Rosenberg mentioned the overall plans for the subject property are similar in nature to the 3400 Wolf Road project, in which they received 6b approval for in 2015. He discussed the leasing efforts of that property. Currently Expeditors, a logistics firm occupies 300,000 square foot of the facility. They have a pending lease for 100,000 square feet and the remaining 70,000 square feet is still available.

Mr. Rosenberg indicated that the current tenant of the subject property, US Smokeless Tobacco plans to cease operations by the end of the year. They are currently winding down their operations in anticipation of the closure. Panattoni plans to begin construction on the new building soon after and hopes to be completed by the end of 2018. The plans for the property include the addition of storm water detention facilities per the regulations of MWRD and the Village of Franklin Park. This will triple the amount of on-site detention that is currently provided on the subject property.

The total investment for the project is approximately \$27,000,000.

Mr. Rosenberg stated that without the support of the Village of Franklin Park for a 6b tax incentive, the project will not move forward.

Mr. Cangelosi asked about the timeline for construction.

MR. Rosenberg stated that they plan to complete construction by the fourth quarter of 2018.

Mr. Gianneli inquired about the qualifying factor of “vacancy” for purposes of the 6b application.

Mr. Schneider added that they are applying under the “new construction” provision and are not subject to the vacancy requirements.

Mr. Rincon inquired about the reduction in building size when compared to the existing building.

Mr. Rosenberg stated that the size of the building is more a result of the ingress and egress of future users and the functional design of the building to accommodate such movement.

Mr. Gianneli inquired about the building being elevated above its current state.

Mr. Rosenberg stated that the building will have to be elevated approximately 4 feet above grade.

Mr. Gianneli commented on the traffic study provided by the petitioner.

Mr. Schneider indicated that all new industrial developments will require a traffic study to determine potential traffic impacts as a result of the new development. He said that the Village Engineers have reviewed the study for this case and do not see any need for any public improvements as a requirement of the 6b Resolution.

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

MOTION TO APPROVE RECOMENDATION of the 6b renewal application by *Panattoni Development Company* made by Tom Herbstritt. SECONDED by Frank Cangelosi. **VOICE VOTE CARRIED UNAMIOUSLY.**

New Business: *Discussion on and consideration of a 6b real estate tax assessment application by Varex Imaging Corporation for the property located at 3901 Carnation Street, Park, IL 60131.*

Zach Kafitz, attorney representing the petitioner Varex Imaging Corporation opened by introducing himself and his clients, including their intents with the subject property at 3901 Carnation Street. They are requesting a Resolution in support of a 6b tax incentive based on occupation of abandoned property that has been vacant for greater than 24 months with a purchase for value and substantial rehabilitation. The petitioner, Varex Imaging plans to occupy the space for its research and development of components used in x-ray systems as well as the manufacturing and distribution of the same.

Mr. Kafitz proceeded to mentioned that the company currently has two locations in the Chicago area, Lincolnshire and Downers Grove. All operations from these facilities will be re-located to the Franklin Park property, including the 55 employees.

Mr. Tad Wakeman discussed the specifics of the property and alluded to the prior efforts of the Village to help secure a tenant at the subject property. The property is 61,000 square feet in size and will require a substantial investment in order for it to be outfitted for their use. They are planning on spending approximately \$4,250,000 to rehabilitate the property. It should be noted that these figures are preliminary and they could vary after further due diligence is completed.

Mr. Doug Carlisle talked about the company itself in future detail. Varex is a billion dollar company based out of Salt Lake City, Utah. They are a supplier of medical x-ray tubes, and image processing solutions. Their components are also for cargo screening and border protection efforts.

Mr. Carlisle stated that the subject property will allow them to consolidate the operations of the current facilities in Lincolnshire and Downers Grove into one facility. They also plan to add potentially up to 12 employees in the future aside from their existing employees/positions coming from current locations. He

indicated that the average wage for employees in their Chicago facilities is about \$80,000. He said that the subject property's build out will primarily be interior work for new offices and manufacturing cells.

Mr. Giannelli inquired about the new jobs being created.

Mr. Carlisle said that most of the jobs are engineering in nature with some manufacturing and assembly positions.

Mr. Rincon asked about the recent creation of the new entity.

Mr. Carlisle said that Varex was formerly a part of Varien Medical Systems. However, they are a separate legal entity now and operate as such.

Mr. Cangelosi inquired about the operations that will take place in the subject property.

Mr. Carlisle said that they will do engineering, assembly and some distribution in the subject property. They also will have a customer service presence in the facility.

Mr. Rincon asked about the existing operations in Lincolnshire and Downers Grove.

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

Mr. Giannelli asked about the timeline for closing.

Mr. Carlisle said that they are currently conducting due diligence, including environmental review and waiting for final approval of the 6b resolution, but hope to have all work done in the property by spring of 2018.

**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 *Varex Imaging Corporation, or an entity to be named* made by Tom Herbstritt. **SECONDED** by Sixto Rincon. **VOICE VOTE CARRIED UNANIMOUSLY.**

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

- Industrial market activity
- Grant activity

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 8:50 A.M.

Respectfully submitted,

Eric Richard

