

MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION

May 27th, 2021

An EDC meeting was held on Thursday, May 27, 2021.

The meeting began at 8:05 A.M.

MEMBERS PRESENT: Frank Cangelosi, Tom Herbstritt, Michael Giannelli, and Sixto Rincon

MEMBERS ABSENT: Kirk Allen, Giuliano Petrucci, Bill Geary

ALSO PRESENT: John Schneider – Director of Economic Development, Nicholas Walny – Senior Planner, Ryan Adriatico-Village Planner, Matthew Welch – Village Attorney, Andrew Scott – Attorney Dykema, Scott Gibbel – IDI Logistics.

MOTION TO ACCEPT minutes from the April 22nd, 2021 meeting made by Tom Herbstritt

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 IDIL 3500 Wolf, LLC for the property located at 3500 Wolf Rd., Franklin Park, IL 60131*

Mr. Gibbel opened the discussion by introducing himself. He is a representative of IDIL 3500 Wolf, LLC, LLC. He is requesting a resolution for a 6b property tax assessment based on new construction for the property located at 3500 Wolf Rd.

Mr. Gibbel began by giving a brief overview of the project indicating that the building has been vacant since November 2020 and was occupied by Precision Steel for several decades. IDI Logistics plans to purchase the building and demolish it. Should the 6b be approved, IDIL 3500 Wolf, LLC, will build a new 100,000 sf building as a speculative development in hopes of renting the space once construction is complete. The purchase of the building is contingent on the passing of the 6b. The 3500 Wolf Rd. site will employ approximately 50 people and plan to spend an estimated \$6,658,000.

Mr. Gibbel continued by giving a brief overview of IDIL. He stated that they are a Canadian firm that takes a long-term approach to their assets. They use no outside money and have complete control over decision making. In its 30-year history, IDI Logistics has developed and acquired more than 100 world-class business parks and 750 warehouses totaling over 200 million SF throughout North America. In Chicago, they have developed 27.2 MSF across 113 buildings over the last 30 years.

Mr. Gibbel said that the the facility is over 65 years old, and the site has various environmental issues. IDI plans to spend upwards of \$200,000 - \$300,000 to remove a large underground storage tank (LUST) and remediate the asbestos in the warehouse among other issues.

Mr. Herbstritt asked if it was IDIL's problem to clean up the asbestos.

Mr. Gibbel stated it was.

Mr. Cangelosi asked if that cost is a part of the hard numbers.

Mr. Gibbel said it was.

Mr. Gibbel then went over the current conditions of the current building and stated that an identical operator could have reused the building but there is currently no market for that type of work.

Mr. Gibbel followed by saying the new facility will feature 32' clear heights, 24 exterior dock positions, 2 drive-in doors, 86 off-street parking spaces, and 49 trailer stalls. IDI plans to lease the new facility to one or more industrial users for warehousing, distribution, and light assembly/manufacturing. While IDI does not yet have a tenant, there has been strong interest to date. The Subject Property will include approximately 85 parking spaces, and thus IDI expects at least 50 full-time jobs will be created. When hiring, the eventual occupant will give priority to qualified Village residents, and requests any information relating to such. IDI also estimates that the construction of the property will create approximately 65 temporary construction jobs.

Mr. Gibbel then said they plan to finish construction in quarter 3 of next year. They also plan to have significant foliage on the Addison side with the docks in the rear of the building. The building will be aesthetically pleasing.

Mr. Gibbel then proceeded to go over the economic benefits of the new facility. After the purchase, demolition and completion of the facility, the Subject Property is projected to have a market value of approximately \$12,258,000, which would generate an estimated \$7,701,211 in total taxes over the life of the Class 6b Tax Incentive.

Mr. Schneider interjected and said the Village only gets 175 of that.

Mr. Gibbel continued that without the incentive and with no vacancy relief, the property would generate a total of \$4,718,409 over 12 years. Therefore, should the Class 6b be approved, the Subject Property would generate an additional approximately \$2,982,803 in real estate taxes over the life of the Class 6b Tax Incentive. In addition to increased property tax revenues, the eventual occupant's presence in the Village will also significantly benefit the local community. Those employees will patronize restaurants, gas stations, convenience stores, and other businesses, all of which add to the Village's tax base.

Mr. Herbstritt asked if the building to the west is full.

Mr. Gibbel said yes. Travelon and Switchboard Apparatus are tenants.

Mr. Schneider said that Travelon hasn't been as busy because of Covid19 and the airline industry.

Mr. Gibbel said that demand is there to occupy his product.

Mr. Rincon asked if rates will still be competitive after the lifespan of the 6b.

Mr. Gibbel says he believes so.

Mr. Schneider said that because of the location it will still be competitive.

Mr. Giannelli asked is IDIL will be holding or flipping the building.

Mr. Gibbel said they plan to hold the building. They have 50 million sf of product and has only sold less than 5% of product.

Mr. Giannelli questioned if they plan to lease for ten years.

Mr. Gibbel answered that a lease can be any term. There is no set lease period.

MOTION TO APPROVE RECOMENDATION of the 6b incentive resolution made by Tom Herbstritt. **SECONDED** by Frank Cangelosi. **VOICE VOTE CARRIED UNAMIOUSLY** with no conditions.

Project updates from Staff: John Schneider gave the EDC members updates on village projects.

Report from the Mayor: *none*

Public Comment: *none*

Being no further business before the Commission, Tom Herbstirtt **MADE A MOTION** to adjourn. Frank Cangelosi **SECONDED** the motion. **VOICE VOTE CARRIED UNANIMOUSLY.**

Meeting adjourned at 8:42 A.M.

Respectfully submitted,

Nicholas A. Walny