

APPROVED

**Economic Development Commission
Wednesday, January 25, 2012
Village Board Conference Room
8:00 AM
MINUTES**

Members Present

James Persino, Chair
James Kucienski, Vice-Chair
James Berger
Greg Stevenson
Terrance Strauch
Seth Snyder
Paul Levine

Members Absent

Maureen Ehrenberg
William Pabst

Staff Present

Timothy C. Wiberg, Village Manager
Timothy M. Clarke, AICP, Community Development Director
Aaron N. Cooke, AICP, Community Development Manager
Michael Marzal, Assistant to the Village Manager
Robert Merkel, Finance Director
Andrea Litzhoff, Community Development Intern

Others Present

Patrick McCoy, Labrynth, Inc.
Derrick Willman, Labrynth, Inc.
Jesal Patel, Village Trustee

I. Call to Order

Meeting was called to order at 8:05AM by Chairman Kucienski, noting that a quorum of six members were present.

II. Approval of Minutes

Commissioner Snyder moved to approve minutes of the December 14, 2011 meeting as presented. Second by Commissioner Strauch. Motion approved 4-0-2 with Commissioner Kucienski and Chairman Persino abstaining. Chairman Persino asked staff to clarify in the December 14 minutes the vacation of Kostner Avenue in the Development Updates.

III. 6485 Lincoln Avenue

Director Clarke introduced Pat McCoy of Labrynth, Inc. and former owner of 6485 Lincoln Avenue. Director Clarke presented aerials and site maps of the former Chan's Autobody. Oberweis is located south of the site. In 2005-06, Labrynth Inc. put together a concept drawing of how the Chan's site could be developed. Discussion ensued about potential redevelopment for the site. It was noted by Trustee Patel that 6485 Lincoln does

not meet parking requirements for restaurants in the zoning district. Director Clarke and Chairman Persino discussed parking. Director Clarke reviewed the Lincoln Avenue Streetscape Plan, which shows Arthur as one way west bound and Monticello open to traffic. Pat McCoy added that Oberweis, the current owner, has demonstrated little interest in developing the Chan's site, but they do maintain it.

Discussion ensued about Labrynth and Oberweis' history with the site. Pat McCoy, Labrynth Inc., discussed that the site was to be an Oberweis franchise. Oberweis itself is the current owner; however Oberweis is not currently marketing the property. Pat McCoy understood that Oberweis is willing to work with Labrynth, and he suggested he would restructure their agreement with Oberweis to incentivize the cost of development. Pat McCoy suggested a Potbelly's would be a good fit for the site. Aaron Cook said he received several phone calls about land use of the area such as an auto repair shop, which is no longer permitted in the district.

Discussion continued about the vacation of Monticello Avenue as an incentive to develop and unify the Chan's site with Oberweis. It was suggested that the vacation of Monticello could generate sales and property tax for the Village. Commissioners concluded that the vacation of Monticello is an incentive that should be presented to Oberweis. Commissioners discussed parking and driveway with the vacation of Monticello. Derrick Willman of Labrynth Inc., said Oberweis is concerned about access to their establishment from Lincoln Avenue. It was the consensus of the Commission that the Village Board vacate Monticello if it resulted in development of the Chan's site. The Commission was supportive of vacation without any monetary payment, noting that a productive site would reap property and sales taxes for the Village.

IV. FY 2012-13 TIF Budgets

The Commission reviewed the proposed TIF districts budgets for fiscal year 2012-2013. Chairman Persino asked if TIF revenues could be used for a bond to demolish the Purple Hotel located in the Lincoln-Touhy TIF District. Director Merkel discussed how the Village has capitalized on low interest rates by refinancing bonds. The existing TIF bonds expire in 7 years. The Commission discussed allowable expenses under the TIF statutes. Director Clarke and the Commission discussed the PEP program and encouraging TIF district owners to use the PEP program. Trustee Patel and Chairman Persino suggested publicizing the PEP. Commissioner Kucienski moved to approve the proposed FY 2012-2013 TIF Budgets as modified to increase PEP funding. Seconded by Commissioner Berger. Motion approved 6-1 with Commission Snyder opposed.

V. Annual Commission Report

Director Clarke asked for suggestions and changes on the proposed EDC Annual Commission Report which is to be submitted to the Village Board. Chairman Persino suggested adding to the significant activities, the establishment of the Lincoln-Touhy TIF district. Commissioner Snyder motioned to approve the Annual Commission Report as modified, seconded by Commissioner Strauch. Motion approved, 7-0.

VI. Economic Incentive Guidelines

Finance Director Merkel presented guidelines for revenue sharing agreements in the Village. He stated that these guidelines relay joint goals between the Finance and Development Departments for sales tax sharing agreements used to attract development. Director Merkel researched incentives used by other suburban communities. Discussion ensued about attracting businesses in the community. Director Merkel noted 4 existing agreements having terms of 7-10 years. Director Merkel suggested the Village could require an escalating sales tax base, based on the cost of living adjustment (COLA), which would be required to be met prior to any sharing. Discussion ensued concerning a minimum sales tax generation prior to any sharing. Director Clarke said that setting a required minimum threshold may lead to poor perception of exclusion by small business. Chairman Persino noted a similar concern and stated that the current system of considering each request individually has worked. Chairman Persino added putting a minimum for a sales tax sharing agreement is not necessary and does not send a good signal to the business community.

Village Manager Wiberg said surrounding communities do not authorize sales tax sharing agreements. Chairman Persino concurred that any existing sales tax revenue collected by the Village should not be eligible for sales tax sharing. Commissioner Kucienski made a motion to recommend approval of the proposed incentive guidelines, as modified, seconded by Commissioner Berger. Motion approved 5-0-1 with Commissioner Stevenson abstaining.

VII. Development Updates

Director Clarke summarized updates on various properties and issues including the Purple Hotel site; Pro Auto; and 4007 Touhy. Commissioner discussion ensued and updates on Jaffa Bagels and Lincolnwood Wine & Spirits were also provided.

V. Other Business

No other business was discussed.

VI. Public Forum

No comment from the public was received at this time.

VII. Adjournment

The meeting was adjourned by consensus at 9:57AM.

Respectfully submitted,

Andrea Litzhoff
Community Development Intern