

Economic Development Commission
Wednesday, February 22, 2012
Village Board Conference Room
8:00AM
MINUTES

Members Present

James Persino, Chair
James Kucienski, Vice-Chair
Terrance Strauch
William Pabst
Paul Levine
Maureen Ehrenberg
Seth Snyder

Members Absent

Greg Stevensen
James Berger

Staff Present

Doug Petroschius, Assistant Village Manager
Michael Marzal, Assistant to the Village Manager
Timothy M. Clarke AICP, Community Development Director
Aaron N. Cook AICP, Community Development Manager
Andrea Litzhoff, Community Development Intern

Others Present

Paul Ponticell, Brickyard Bank
Mimi Sallis, Brickyard Bank
Jake Weiss, Weiss Properties Inc.
Jesal Patel, Village Trustee

I. Call to Order/Quorum Declaration

The meeting was called to order 8:08 AM by Chairman Persino, noting a quorum of seven members were present

II. Approval of Minutes

Commissioner Snyder moved to approve the January 25, 2012 minutes as presented. Motion seconded by Commissioner Kucienski. Motion approved 7-0.

Chairman Persino sought Commission consensus to change the order of the agenda items in order to discuss the Purple Hotel site, indicating that he had invited Jake Weiss of Weiss Properties to discuss his proposal for the property. Commissioners concurred.

III. Other Business- Weiss Development (North Capital Group) - Purple Hotel

It was noted that currently before the Village Board for consideration is authorization to demolish the Purple Hotel. Previously the Village had obtained a court order to demolish this building due to its condition and blight on the community and in December 2011 the Village Board awarded a demolition contract.

Mr. Jake Weiss was granted the floor and he indicated that he is requesting that the Village withhold its authorization to proceed with demolition. Mr. Weiss indicated that he is the mortgage note holder of the Purple Hotel property, he is desirous of renovating the existing building; and further, that he is seeking control of the other two Purple Hotel related properties. He provided a power point presentation providing background on his firm and a conceptual site plan illustrating his proposed building renovation and development of the combined 3 parcel site. He indicated this proposal includes a 275 room boutique hotel in the renovated building, plus a 40,000 square foot banquet hall, 2 eating establishments and 75,000 square feet of additional retail space. As illustrated, the adjoining Commonwealth Edison property would also be utilized for parking.

Mr. Weiss indicated in his presentation that his group expected to gain title to all three parcels of land through a "363 sale" in May 2012 and that by the summer of 2014, a new facility generating taxes could be operating from the property. He suggested any other development of the site would take longer and have much more uncertainty.

Mr. Weiss asserted that his proposal is most cost efficient and environmentally friendly and would preserve a building that has been an important landmark in the Village. He suggested that his project would generate \$500,000 per year in hotel tax and \$520,000 in property tax. In responding to a question, he indicated that his firm would likely seek an economic incentive from the Village in an amount he estimated would be around \$10 million and he surmised that a rebate of the hotel tax might be the best method for payment of such an incentive.

Commissioner Ehrenberg questioned if a study was conducted to determine the market feasibility and demand for hotel rooms in the area, noting that the Village recently received a report indicating that the market would not support a hotel at this site as envisioned. Jake Weiss commented that 1st Hospitality, a firm that manages hotels, has looked at the site and is excited about the prospect of a hotel at this location. Commissioner Ehrenberg also inquired if Weiss Properties could acquire the site and then not develop it or flip the hotel. Jake Weiss assured that he had no intention of flipping the property and would agree to establish development timelines with the Village. Discussion ensued.

Upon hearing no other discussion, Commissioner Snyder moved, seconded by Commission Kucienski, to recommend to the Village Board to table the demolition authorization until June 19th, 2012 and to further recommend an agreement that would hold Weiss to the proposed timeline as presented. Roll Call vote: For the motion: Snyder; Levine; Kucienski; Strauch; Pabst; & Persino; Against: Ehrenberg. Motion approved 6-1.

IV. 6530 Lincoln Avenue

Director Clarke introduced Mimi Sallis, CEO and President of Brickyard Bank along with Paul Ponticell also of Brickyard Bank. It was noted that Brickyard Bank is located at 6676 Lincoln Avenue where they lease space, several blocks north of the 6530 Lincoln Avenue property which they own. Director Clarke provided background on the property at 6530 Lincoln and noted that Brickyard Bank bought this property from Grossinger in

2006 with the intent of relocating their bank to this location. Director Clarke also noted an apparent zoning map error that places the zoning district line between the B-1 and MB zoning districts directly through this property.

Discussion ensued about permitted uses for the property and the prohibition in the B-1 zoning district on new banks and auto repair uses. Ms. Sallis indicated that the bank no longer has an interest in relocating to the site, acknowledged that the bank bought the property at high market, and that interest in the site has been mostly from auto related uses.

Commissioner Levine commented that he was aware that International Classics is interested in the site and he explained the type of business this would be. He indicated this firm had difficulty getting responses from the broker but also suggested that the price for the property was above market making a deal difficult. It was noted that the site is not now within a TIF District, the Village has limited economic tools available except for sales tax sharing arrangements which require the significant generation of new sales tax.

Commissioner Ehrenberg recalled the vision created for Lincoln Avenue and recommended that this vision be maintained as reuse of this property is being considered.

Director Clarke asked Ms. Sallis what the Village could do to help the bank get the property occupied. She indicated that they would follow-up with International Classics and forward all interested parties to the Village to discuss zoning. She indicated she appreciated the Village's interest and assistance and the open dialog.

V. 2012 Volume Cap

Chairman Persino noted that the Commission has had a long history with transferring Volume Cap and asked if any Commissioner had any questions on this matter, the request to transfer the Village's Volume Cap to the Upper Illinois River Valley Development Authority (UIRVDA) or questions or comments on any of the related matter contained in the meeting packet on this item. Hearing no comments, Commissioner Snyder moved to recommend approval of the request to transfer the Village's 2012 Volume Cap to the Upper Illinois River Valley Development Authority (UIRVDA). Commissioner Kucienski seconded. Motion approved 7-0.

VI. Development Updates

Director Clarke stated that the Plan Commission was again scheduled that evening to consider the proposal to amend the zoning code concerning group homes. He also indicated that the TIF budgets, as recommended by the Commission, were accepted by the Village Board and that the Village Board has directed that the FY 12-13 general fund budget include \$50,000 for the Property Enhancement Grant (PEP)/Green Improvements For Tomorrow (GIFT) Grant programs to fund projects outside of the TIF District. He noted that for the Village-wide program, a maximum grant amount of \$10,000 per project rather than \$50,000, was directed but that the maximum \$50,000 per project grant limit was still retained for the TIF District.

Director Clarke also advised the Commission that due to fiscal constraints, funding will not be included in next year's budget for a TIF study of the Lincoln/Proesel/Devon triangle or for a study of the Devon Avenue corridor and that instead, the Village Board has requested that the Economic Development Commission study these areas and provide its recommendations on next steps.

Director Clarke advised the Commission that the newly installed parking lane along Lincoln Avenue was noted by Meatheads as an important feature and element for them moving forward with a project proposed on the old Silo site.

VII. Public Forum

No comment from the public was received at this time.

VIII. Adjournment

Meeting was adjourned at 10:03AM.

Respectfully submitted,

Andrea Litzhoff
Community Development Intern