



Economic Development Commission

**Wednesday, October 22, 2014
Council Chambers Room**

Minutes

Commissioners Present

James Persino, Chairman
James Kucienski, Vice-Chair
James Berger
Maureen Ehrenberg
Paul Levine
Patrick McCoy
Nadia Seniuta
Terrence Strauch

Commissioners Absent

William Pabst

Staff Present

Timothy C. Wiberg, Village Manager
Timothy M. Clarke AICP, Community Development Director
Aaron N. Cook AICP, Development Manager
Robert Merkel, Finance Director

Others Present

Village Trustee Jesal Patel
Jackie Boland, Lincolnwood Chamber of Commerce

Cermak Fresh Market Representatives Present

Mike Bousis, Owner Cermak Fresh Market
Jerry Schain, Attorney
Mike Laube, Fiscal Consultant

1. Call to Order/ Quorum Declaration

Noting that a quorum of 7 members was present, the meeting was called to order at 8:07AM by Vice Chairman Kucienski.

2. Minutes Approval

Commissioner Berger moved to approve as presented, the proposed September 24, 2014 meeting minutes of the Commission. Commissioner Levine seconded the motion. Motion approved by voice vote, 7-0.

3. 2015 Commission Meeting Schedule

Commissioners reviewed the proposed Commission meeting dates for 2015. Director Clarke noted that the proposed schedule follows the Commission's current practice of meeting on the 4th Wednesday of the month at 8Am unless there were conflicts. For 2015, Clarke noted 5 conflicts identified by staff and indicated for these conflicts a meeting on the 3rd Wednesday of the month was proposed. Commissioners reviewed the schedule and hearing no further indications of conflicts, Commissioner Ehrenberg, seconded by Commissioner Strauch made a motion to approve the 2015 Commission meeting schedule as presented. Motion approved by voice vote, 7-0. Chairman Persino arrived to the meeting after this action and assumed the chair of the meeting.

4. Cermak Fresh Market Economic Incentive Request

Director Clarke provided a summary of the request made by Cermak Fresh Market, noting it was provided just prior to the dissemination of the Commission's meeting packet. He noted that there were two components to the incentive request: 1) a sales tax sharing arrangement that would in concept not be triggered until Cermak sales exceeded those of Dominick's; and, 2) Village consent to a Cook County 7b property tax abatement.

Clarke noted that the sales tax sharing proposal concept was to split with the Village, 50-50, sales tax revenue above that which was provided by Dominick's, up to a cumulative total maximum of \$8 million over a term of up to 20 years. Clarke also noted that the value estimated for the property tax abatement, which would last 12 years, was \$3.5 million. Together, he noted that the requested maximum incentive amount was up to 11.5 million.

Representatives of Cermak Fresh Market then addressed the Commission. They noted that with their request, Cermak would occupy the 65,000 square foot vacant Dominick's store, build a contemplated small 6,000 square foot addition to the Dominick's building, and they also would develop a new outlot along McCormick Blvd. for one or two retailers. They indicated that the reason for the incentive request was due to a Capital Gap as well as an Operational Gap and noted that 50-70 construction jobs and 150-175 new part time and full time jobs would be created by this project.

In responding to questions, it was noted by Cermak that the sales tax sharing proposal was limited to only the 1% standard sales tax provided the Village (no sharing of home rule sales tax) but that the contemplated retailers for the new outlot were envisioned to be part of the sales tax sharing and property tax abatement request.

Concerning need, Mike Bousis noted that physical improvements were needed in the store as well as for costs for tenant improvements for the proposed outlot. He noted that to be successful, that the highly competitive marketplace with both a Mariano's and Walmart nearby, would require going beyond normal and require additional personnel and payroll costs as well as marketing costs.

It was noted that the purchase from Safeway for the Dominick's site was at a cost of \$4.8 million. Mr. Bousis continued by noting the importance of specialty sections around the perimeter of the store, such as deli, produce, bakery, meat, prepared food and similar specialties, and indicated that the Lincolnwood Cermak store would go beyond their Rogers Park store which is planned to open the first or second week of December. He estimated that overall annual sales in Lincolnwood after the first year would be about \$17.5 million but that it was hoped sales would then increase to about \$30 million annually.

Commission discussion ensued. Commissioner Ehrenberg indicated that the proposed sales tax arrangement, conceptually, was a great concept but she expressed a concern regarding the requested property tax abatement component, both the idea of including the outlot in the abatement and also the impact of an abatement on the schools. Commissioner Senuita indicated much more information was needed on the proposed outlot and the likely tenants.

Chairman Persino indicated he would not support the sales tax sharing and tax abatement extended to the outlot site and indicated that a detailed breakdown by Cermak Fresh Market was needed on extra ordinary costs involved in this project. He also noted that the Village typically keeps sales tax sharing to 10 years and noted that the overall request by Cermak appeared very high compared to incentives granted in other communities to re-occupy a vacant Dominick's store. Discussion continued on the Village's past consents to 6b tax abatements for industrial users.

Commission discussion continued on whether tax increment funds could be used to meet the incentive benefit that would be derived from the tax abatement. There was general consensus among Commissioners to explore the use of TIF funds rather than consent to a tax abatement.

Representatives of Cermak Fresh market indicated that their desire today was to get Commission concurrence to proceed with further exploration and refinement of the incentive structure and for the Village to proceed by engaging Kane McKenna and Associates (KMA). Jerry Schain indicated he understood such engagement cost would be paid for by Cermak and that Cermak was ready to provide the required deposit for this

engagement of KMA. Chairman Persino noted that there was general consensus on the Commission in concept for an incentive, but there may be issues identified in the details once these are explored. He stated that by consensus the Commission authorizes the engagement of KMA subject to receipt of the deposit funds by Cermak Fresh Market.

Cermak Fresh market thanked the Commission for its time.

5. Development Update Report

Director Clarke summarized the written report noting the opening soon of a Cuban café in the Town Center, the expansion of Glunz Beer on Capitol Avenue and the upcoming grand opening of The Private Bank. He also noted that Lou Malnati's has proposed a small addition but variations needed have not been recommended by the ZBA. He also indicated that a mixed use redevelopment concept for the Whistler's restaurant was considered by the Village Board which desires additional input on whether hosing should be allowed in this corridor. Clarke also noted that the Village Board has authorized the Village Engineer to prepare streetscape concepts for the Devon Corridor.

6. Other Business

No other business came before the Commission.

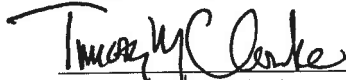
7. Public Forum

No member of the public desired to address the Commission.

8. Adjournment

The meeting was adjourned by consensus at 9:20AM.

Respectfully Submitted,



Timothy M. Clarke, AICP
Community Development Director