



Economic Development Commission

**Wednesday, June 24, 2015
Council Chambers Room**

Minutes

Commissioners Present

James Persino, Chairman
James Kucienski, Vice Chair
James Berger
Myles D. Berman
Paul Levine
Patrick McCoy
Nadia Seniuta
Terrence Strauch

Commissioners Absent

None

Staff Present

Timothy C. Wiberg, Village Manager
Timothy M. Clarke AICP, Community Development Director
Ryan N. Johnson, Community Development Intern

Others Present

Lawrence Elster, Village Trustee
Craig Klatzco, Village Trustee
Patrick Kaniff, EDC member nominee
Bryan Rishforth, Managing Principal, R&R Global Partners
Peter Tsantilis, Attorney, Liston & Tsantilis, representing R&R Global Partners
Patrick Kilmer-Lipinski, Liston & Tsantilis, representing R&R Global Partners
Robert Rychlicki, Kane, McKenna & Associates
Sean Wahl, Kane, McKenna & Associates

1. Call to Order/ Quorum Declaration

Noting that a quorum of 8 members was present, the meeting was called to order at 8:05AM by Chairman Persino. Chairman Persino welcomed Myles Berman and a new members of the Commission.

2. Minutes Approval

Vice Chair Kucienski moved to approve as proposed the May 27, 2015 meeting minutes of the Commission. Commissioner Berger seconded the motion. Motion approved by voice vote, 5-0-3 with Commissioners Berman, Seniuta, and Strauch abstaining.

3. Officers Election

Director Clarke summarized this item and explained that Commissioners should proceed to vote on the two members who were nominated for the officer positions at the May meeting. It was stated that in May, James Persino was nominated for Chair and James Kucienski nominated for Vice Chair. It was stated that there is no prescribed method of voting and with only one member nominated for each position, a motion from the floor could suffice.

Hearing no further discussion, Commissioner Berman moved to nominate Commissioner Persino to Chairman, and Commissioner Kucienski to Vice Chair. Commissioner Seniuta Strauch seconded the motion. The motion was unanimously approved, 8-0, by voice vote.

4. Cook County 7B Tax Abatement Request: 6850 McCormick Blvd.- Former Dominick's Location

Director Clarke provided a summary and background on this 7B Cook County tax abatement request, noting that this matter was discussed by the Commission in May and that based on direction given at that meeting by the Commission, Kane McKenna and Associates was engaged by the Village to review this request. Chairman Persino also provided background on this matter for the new and pending Commissioners. It was reiterated that while the County grants the tax abatement, the County requires the local municipality to consent to the abatement in order for the County to grant the abatement.

Clarke noted that at the May meeting, the Commission was desirous that the property have retail sales producing tenants. He indicated that the County would not recognize any condition placed on the Village's consent to the tax abatement, such as requiring retail sales tax tenants, but that the Village Attorney indicated that the Commission's concern could be addressed in a Development Agreement which would be prepared and that this Development Agreement along with the formal consent by the Village to the County's 7B tax abatement and the needed PUD amendment, would all be considered for approval by the Village Board at the same time.

Chairman Persino reminded members that the proposal by R&R Global included two captive tenants, Planet Fitness and Zips Dry Cleaners, which produce very little sales tax and while the petitioner indicated that they were in discussions with Binny's Beverage Mart and Pet Smart for other tenant space, this was not a forgone conclusion. Brian

Rishforth of R&R Global noted that they were also in discussions with Fresh Market and the Sports Authority as well for tenant space at this location.

Bob Rychlicki of Kane McKenna and Associates (KMA) noted that Cook County has taken an aggressive posture in its attempt to have former Dominick's spaces occupied and that the County has been encouraging the use of 7B tax abatements to accomplish this. He stated that the County, as part of the local consent to the abatement, does require that the Dominick's location be determined to be blighted within the last 10 years and that KMA has reviewed the subject property and prepared a report that documents that the site remains blighted. He continued and indicated that while they have not seen the Letters of Intent from the would-be tenants to confirm, he stated that tenants are limited in the amount of rent and taxes that they are willing to pay and that the material provided by the petitioner argues for the abatement to be granted, in order to secure the proposed multi-tenant occupancy of the property.

Discussion continued by the Commission and petitioner on approval timing and on the status of plans for the outlot. R&R global confirmed a 7,000 square foot outlot building was being planned for both a Zips Dry Cleaners and a Quick Serve Restaurant. It was noted that subject to plans being submitted, the Village would act as swiftly as possible in moving the PUD amendment through the Village's consideration and approval process.

In considering action on this matter, Clarke noted that the Commission should consider what the specific retail requirement they would like to have. Discussion ensued and by general consensus and with concurrence by R&R Global, the Commission determined that 50% of the vacant Dominick's building space and the proposed outlot building, should be retail sales tax producing tenants. It was indicated this equated to approximately 35,000 square feet of building devoted at this location to retail sales tax producing tenants.

Commissioner Strauch inquired as to whether the 7B designation would decrease tax revenue for the school districts. Chairman Persino noted that it was a general misnomer that specific property tax abatements negatively affect governments including school districts, since the property tax levy adopted by each government is collected in its entirety; it is just shifted among tax payers. Additional discussion occurred regarding property taxes and it was noted that the proposed improvements and occupancy to this site would actually increase property taxes paid, even with the requested tax abatement granted.

Commissioner McCoy inquired whether the 7B status would stay with this property regardless of a change in ownership. Attorney Mr. Tsantilis representing R&R Global,

explained that the 7B status would stay with the land, as long as the property remains above 50% occupancy and that should the property ever go below 50% occupancy, then the property would lose the 7B status.

Hearing no other discussion, Vice Chair Kucienski, made a motion to recommend provisional consent to the Cook County 7B property tax abatement request by R&R Global Partners for the former Dominick's site, subject to: 1) approval of the needed PUD Amendment; 2) approval and execution of a Development Agreement; and 3) subject to a requirement that 50% of the building square footage be occupied by retail sales tax producing tenants. Motion seconded by Commissioner Levine. Roll call vote on the motion was taken. In support of the motion: Berger, Berman, Kucienski, Levine, McCoy, Persino & Strauch. Opposed to the motion: none. Abstaining from voting: Seniuta. Motion approved 7-0-1.

5. Reports

A. Development Updates

Director Clarke summarized the written Development Updates report as well as updates on other properties. Commissioners discussed the proposed senior housing development at the former Bell & Howell site.

Manager Wiberg noted the Comprehensive Plan initiative now occurring and encouraged Commissioners to complete on-line surveys and participate in workshops and meetings on this work. It was noted that Chairman Persino is a member of the Comprehensive Plan Committee.

Chairman Persino suggested that owners of vacant commercial properties along Lincoln Avenue be invited to an upcoming Commission meeting to discuss with the Commission possible assistance, such as the Cook County 7B tax abatement program, that might be able to help in the occupancy of these properties. Discussion ensued regarding these Lincoln Avenue properties and Chairman Persino asked staff to organize such meeting with these property owners for an upcoming EDC meeting.

B. New Business Licenses

Commissioners viewed the list of new business licenses issued during the month of May 2015.

6. Other Business

No other business was discussed.

7. Public Forum

No member of the public desired to address the Commission.

8. Adjournment

The meeting was adjourned by consensus at 9:18AM.
Respectfully Submitted,

Ryan Johnson
Community Development Intern