

MINUTES
Special Meeting of the Economic Development and Marketing Committee
January 29, 2019 – 6:30 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: C. Berg, Chairman
M. Pannitto, Village Trustee
J. Curran, Village Trustee

Members Absent: None

Other Board Members Present: M. Glotz, Village Trustee

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
B. Bettenhausen, Village Treasurer
D. Spale, Village Attorney
P. Hoban, Economic Development Manager
R. Zimmer, Executive Assistant to the Mayor
L. Godette, Deputy Village Clerk

Item #1 - The Special Meeting of the Economic Development and Marketing Committee was called to order at 6:55 p.m.

Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL ECONOMIC DEVELOPMENT AND MARKETING COMMITTEE MEETING HELD ON DECEMBER 4, 2018 – Motion was made by Trustee Pannitto, seconded by Trustee Curran, to approve the minutes of the Special Economic Development and Marketing Committee meeting held on December 4, 2018. Vote by voice call. Chairman Berg declared the motion carried.

Item #3 – DISCUSS OAK PARK AVENUE PLAYBOOK GRANTS - SIP - In October 2018, Neal Hummitsch, owner of Sip, approached Mayor Vandenberg’s office about opening up a wine bar, Sip within Tinley Park. Mr. Hummitsch described the business model as one built on innovation and efficiency of service. The wine bar would operate using machines commonly known as “wine dispensers and coolers.” The use of these machines is a new approach to the wine bar business, which combines technology with customer service. Each machine would operate using a “key tag” system. Upon arrival, each customer would be given a key tag, which would track usage while at Sip. A customer would select a specific wine from the wine dispenser and cooler and swipe the key tag at the machine which would then bring up their bill and add the cost of the selected wine. Using these machines to track each customer’s bill will allow the business to serve samples of wine in much smaller quantities, which is more appropriate for wine tasting.

Sip will be located at 17424 S. Oak Park Avenue. Mr. Hummitsch is requesting an Oak Park Avenue Retail Grant and an Oak Park Avenue Code Compliance Grant to renovate the building in amounts up to \$35,000 for each grant. A single business can request matching funds up to \$70,000 per location. The project includes renovations of the current building, including patios in the front and rear, a kitchen and a two-story addition to the south featuring an 1100 square foot second floor apartment. A new sprinkler system will be required along with significant interior updates. The Oak Park Avenue Playbook Grants

Minutes

Special Meeting of Economic Development and Marketing Committee

January 29, 2019

were created to encourage investment and offset development costs in older commercial buildings located within downtown Tinley Park's Legacy Districts.

Mr. Hummitsch was present to address any questions or concerns.

Motion was made by Chairman Berg, seconded by Trustee Curran, to recommend approval of an Oak Park Avenue Retail Grant and an Oak Park Avenue Code Compliance Grant in the amount of \$35,000 each, for a total of \$70,000 for both grants for Sip be placed on the agenda for the Village Board meeting scheduled for February 5, 2019. Vote by voice. Chairman Berg declared the motion carried.

Item #4 – DISCUSS COOK COUNTY CLASS 6B – TOP TEC HEATING, COOLING, PLUMBING AND ELECTRICAL, INC., 17620 DUVAN DRIVE – Top Tec Heating, Cooling, Plumbing and Electrical, Inc., plans to expand the business into Tinley Park, to be located at 17620 Duvan Drive. Top Tec Heating, Cooling, Plumbing and Electrical, Inc., is an HVAC, plumbing and electrical maintenance company, creating 12 jobs and investing \$300,000 in vacant property since approximately 2012.

Top Tec Heating, Cooling, Plumbing and Electrical, Inc., requests a class 6B incentive as Cook County provides an incentive program to allow the reclassification of properties to effectively lower their tax assessment from the commercial rate of 25% to the residential rate of 10%. Class 6B reclassifications provide an assessment of 10% of market value for the first ten (10) years, 15% in the eleventh year and 20% in the twelfth year.

The Class 6B Incentive program is designed to assist projects involving substantial rehabilitation of existing structures such as the subject site. The Class 6B reassessment only applies to the value of the building and land. High property taxes are a primary reason for Class 6B incentives and the competition with Will County and Indiana taxes. Top Tec Heating, Cooling, Plumbing and Electrical, Inc. owner and legal representative were present to answer questions.

Top Tec selected the property for its second location, however, was unaware to the degree the property was damaged until after the closing. The roof will need to be replaced before interior and exterior renovations can occur. Trustee Glotz asked the business owner if an inspection was performed on the property prior to purchase, and the business owner stated there was an inspection, but unanticipated costs arose including purchase and installation of a sprinkling system. Trustee Glotz asked if union workers would be hired to renovate the property, and as stated in a letter from Tsonis Law dated November 8, 2018, approximately 40 union workers will be needed to perform work on the property after the roof is replaced.

Motion was made by Trustee Pannitto, seconded by Trustee Curran, to recommend future Village Board approval of a Class 6B Incentive request by Top Tec Heating, Cooling, Plumbing and Electrical, Inc., located at 17620 Duvan Drive. Vote by voice. Chairman Berg declared the motion carried.

Item #5 – DISCUSS COOK COUNTY SPECIAL DESIGNATED AREA – Village staff is requesting the designation of area near the southwest corner of 159th Street and Harlem Avenue and the vacant land on the southern portion of LaGrange Road in Tinley Park as blighted. The blighted designation will allow current and future developers and businesses the ability to immediately access Class 7 incentives with Village approval to attract investment in the high vacancy and underdeveloped areas. Designation of Area is the first eligibility requirement in qualifying for Cook County's Class 7 Assessment program.

Minutes

Special Meeting of Economic Development and Marketing Committee

January 29, 2019

The Class 7 reclassification will provide an assessment at 10% of market value for the first ten (10) years, 15% in the eleventh year and 20% in the twelfth year instead of the 25% commercial assessment rate. High property taxes and the competition with Will County and Indiana taxes are primary reasons for Class 7 incentives.

Discussion of the process of special designation of area ensued.

Motion was made by Trustee Curran, seconded by Chairman Berg, to recommend Cook County Class 7 Assessment program as Special Designated Area be brought forward to the next Village Board meeting for approval. Vote by voice. Chairman Berg declared the motion carried.

Item #6 – DISCUSS CONTRACT WITH TETRA TECH FOR ENVIRONMENTAL STUDY AT THE TINLEY PARK MENTAL HEALTH CENTER PROPERTY – Tetra Tech performed Phase I and Phase II environmental studies on the Mental Health Center in 2014, at a total cost of \$130,372. Phase I identified Recognized Environmental Conditions (RECs) and Phase II investigated those RECs. Phase II study involves a subsurface investigation and collection of samples.

Due to the 5-year shelf life of environmental studies and the need to update the Mental Health Center's development costs in coordination with Melody Square's redevelopment proforma, Village staff is requesting permission to hire Tetra Tech to update the Phase I environmental study, not to exceed \$25,830. Tetra Tech can complete the Phase I study in 45 days. Following completion of the Phase I environmental study update, a request will then be made for a Phase II study update.

As part of the update, Tetra Tech will:

- Review existing documents.
- Conduct a site visit including evaluating existing site conditions, conducting public records review, regulatory records review and interviews of knowledgeable parties.
- Conduct a review of the current conditions and quantities of identified Asbestos-Containing Materials (ACM).
- Prepare a revised Phase I update and remediation cost estimate.

The following steps in the remediation process generally include:

- Enrollment of the site in the Site Remediation Program.
- Submittal of a site investigation report.
- Completion of additional investigation activities as required.
- Preparation of a remedial objectives report and remedial action work plan.
- Completion of remediation activities (including asbestos abatement and demolition activities)
- Submittal of a remedial action completion report.
- Obtain either a draft or final No Further Remediation (NFR) letter from the IEPA.
- If engineered barriers or institutional controls are required, complete these activities.
- Obtain final NFR and within 30 days attached to the deed.

Tetra Tech representatives were present to answer questions and address any concerns. Trustee Pannitto asked what Tetra Tech would do in relation to the Phase I and Phase II environmental study updates and a detailed description was given encompassing evaluation of records and information and a review over the last four years since initial investigation of the property. Trustee Glotz stated he feels the scope of work Tetra Tech would complete would be limited due to changing conditions over the course of four years. An independent third party also would be needed in the future to oversee the project. Timeframe for the updated Phase I environmental study could begin shortly after Village Board approval.

Minutes

Special Meeting of Economic Development and Marketing Committee January 29, 2019

Motion was made by Trustee Pannitto, seconded by Trustee Curran, to recommend Tetra Tech to update the Phase I environmental study, not to exceed \$25,830, be brought forward to the next Village Board meeting for approval. Vote by voice. Chairman Berg declared the motion carried.

Item #7 – RECEIVE COMMENTS FROM THE PUBLIC – Mike Stuckly asked for clarification of who will be going into the sites in the Mental Health Center that are too contaminated. The Tetra Tech representative explained in detail the investigative and evaluation process involved in the Phase I and Phase II environmental studies as well as Tetra Tech being able to access all sites on the property. Mike Mueller asked why the Village would spend the money for the environmental studies as opposed to Melody Square. Trustee Curran stated the Village has not hired Melody Square as of yet and the Phase I and Phase II environmental studies would be to protect the Village. Additionally, Douglas Spale, Village Attorney explained the purpose would be to obtain an updated total cost to utilize as a negotiation tool. Nancy O'Connor stated the state of Illinois is responsible for cleanup of the Mental Health Center as owner of the property by federal law and the Village needs to pursue the state to fulfill their responsibility of site cleanup. Diane Galante asked the Committee to explain why they would vote for Melody Square and Chairman Berg stated senior living is needed within the community. Ms. Galante also stated a concern for hazardous materials on the Mental Health Center property.

ADJOURNMENT

Motion was made by Trustee Pannitto, seconded by Trustee Curran, to adjourn this Special Meeting of the Economic Development and Marketing Committee. Vote by voice call. Chairman Berg declared the motion carried and adjourned the meeting at 8:15 p.m.

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