

Minutes of the Northbrook Economic Development Committee (EDC)

Remote Virtual Meeting

April 14, 2021

EDC Members Present: Chairman Jim Kahan, Martha Carlos, Matt Cassidy, Mary Ann Chambers, Jay Glaubinger, Mike Gold, Michael Goodman, Larry Hewitt, Judy Hughes, Cathy Lauria, Ammar Rizki, Karen Roloff, Rich Rushkewicz, Eric Schwager, Brian Wegley

Staff Present: Michaela Kohlstedt – Director Development and Planning Services, Chan Yu – Deputy Director Development and Planning Services

Guests Present: None

Public Present: None

Recorder: Sue Anetsberger

Call to Order & Introductions:

Chairman Jim Kahan (EDC) called the remote meeting to order at 7:32 a.m. Deputy Director Yu provided a brief recap of his career in public service. Chairman Kahan asked that it be noted that Martha Carlos would be replacing Frank Andreou as representative for District 27.

Review of Minutes

A correction on P.6, line 11 a spelling correction for **Wescott**...

A correction on P. 1, line 12 – Ammar Rizki sits on EDC

A correction on P. 1, line 10 should read **Eric** Schwager...

A correction on P. 5, line 12 should be rephrased to read, “property tax bills would have been 25% greater”

A correction on P. 5, line 16 should read “**prospective** buyers”...

On a motion made and seconded, the minutes from the January 13, 2021 Joint EDC/IDC meeting were approved with corrections.

Public Comment-Hear from the Audience-None

Village Initiatives and General Economic Update

Deputy Director Yu provided a slide show presentation. Construction activity updates were provided for 2016 through March 2021. An average of the last three years was used for comparison. An increase in January 2021 was due to the construction at Highland Bakery and Northbrook Public Library. February 2021 and March 2021 showed a range similar to previous years.

Monthly Permits Issued for Non-Residential (Commercial, Office and Industrial) Construction, Alterations & Additions from 2017-2021. Over a three year average, January 2021, February 2021 and March 2021 are good numbers. Cumulative Non-Residential Permits issued through March 2021 look good.

Monthly Building Related Inspection Activity show inspections are down over the last two years but Deputy Director Yu added that we are in the first quarter of this year and it is still early.

Director Kohlstedt stated that it was true that Total Building Related Inspections completed through March were down a little. However, prior years had large construction projects (The Elaine and 770 NorthShore) that were in progress. Numbers are in line with 2015-2016 inspections.

New Single Family Home Permits Issued by Month show that January 2021 was lower, but February and March 2021 were about the same as in the past. There was no significant increase or decrease.

The Village began tracing Fence Permits in 2020 during the pandemic. Fence Permits were down in January 2021, the month of February 2021 stayed the same, and March 2021 was up. A similar pattern for this year compared to last year is expected.

Retail Vacancy 2021 First Quarter was 4.6% and 2021 Second Quarter estimate is 5.4%. It is hoped that this will get better as the year proceeds.

Office Vacancy 2021 First Quarter was 16.9% and 2021 Second Quarter estimate is 15.8%.

Industrial/Flex Vacancy 2021 First Quarter was 4.0% and 2021 Second Quarter was 3.8%.

Unemployment is currently 6.2%. Director Yu stated that we are doing better than the country and state with statistics.

Village Total Sales Tax Collected 2020 Quarter 3 versus Quarter 4 had a 10% increase in collected tax. Village Total Sales Tax Collected 2020 Quarter 4 versus 2019 Quarter 4 showed a significant decrease in sales tax revenue due to the pandemic.

Other Village Initiatives include a restaurant outdoor seating. Deputy Director Yu is the liaison for temporary outdoor dining applications. Presently, eight applications were received and have been approved. There is a separate application process if an outdoor tent is desired. Information is included on the Federal Grant Program for restaurants in the packet.

Member Roloff asked for an update on the corner of Techny and Shermer Road. Director Kohlstedt stated that the former gas station property is back on the market for sale and redevelopment after the deal fell through due to the pandemic.

Member Roloff asked for an update on the lots near Shermer/Woodlawn/Farnsworth. Director Kohlstedt stated that there is a restricted covenant for detached single family homes on the five lots.

Member Wegley asked for an update on the Grainger property. Director Kohlstedt stated a RFQ was sought several months ago. The Storm Water Commission completed a review of the property. The

results had to be reviewed. It was determined the site would not be used for storm water management. The Trustees are reviewing information to market the property for sale.

Chairman Kahan encouraged the Village to streamline the passage of opening new restaurant service or other similar start ups.

Chairman Kahan asked for an update on Northbrook Court in relation to the current article from Crain's Chicago Business. Director Kohlstedt stated that at the last conversation with Brookside, the builder was coming in to pick up permits this summer. All developments and shopping centers have struggled during the pandemic. The Village attorneys layered the redevelopment agreement contract for Northbrook Court with several layers of protection for the Village. The Village does not have any money loss. The sales tax figures were negotiated and calculated using 50% over the 2017 sales tax numbers.

Chairman Kahan questioned what would happen if the developer defaulted. If the developer defaulted, the process would have to start over and they would have to go back through the process.

Member Rushkewicz asked for an update on Five Seasons and Green Acres. The Five Seasons Sports Club closed on September 30, 2020. Director Kohlstedt stated that the Village has not received any inquiries in several months. The property is governed by the Society of the Divine Word. There seems to be a lot of residential interest in the property.

The Village has not heard from the property owner of Green Acres. Demolition permits for the structure are ready for pick up.

Summary of Climate Action Plan

A Climate Action Plan Team (CAPT) was formed in October 2020. The team generated goals and a series of topics that were pertinent for Northbrook that included transportation, buildings and energy, land use, waste management, local food and agriculture, buildings and energy, health and safety, water and wastewater management, greenspace and tree canopy and climate economy. Numerous action items were identified towards reaching those goals. The draft plan was reviewed at a group meeting this past week. The draft plan will be posted on a web platform for the public to review online and transmit commentary online for each section. A public meeting will be held with the Climate Action Planning Consultant and staff with any questions. Lastly, a public hearing will be conducted by the Board of Trustees. It will be up to the Board whether they choose to adopt formally or accept the plan. It is hoped that the other taxing districts that have representatives on CAPT will choose to have discussions within their organizations to accept the plan or choose another format on how to achieve and meet the goals set forth in the plan. Director Kohlstedt stated that there will be a new position in the Development & Planning Services Department for a Sustainability Coordinator to help that the actions are set forth in the plan and to work with staff and community to reduce greenhouse gas emissions.

Cook County 6B Application Discussion – 3401 Commercial

A 6B was discussed at the Board Meeting last night for 3401 Commercial Avenue. It is a one story building with 48,200 sq. ft., built in 1973 and is zoned I1, Industrial District. The property has 100 parking spaces associated with it and has had an exterior rehab in 2020. The property has been on the market

for three years. The applicant, Northbrook Distribution Center LLC., has two operations in Wheeling. The two companies would continue operating. This is not a relocation but an expansion of the two other companies. The company deals with plastics. The LLC would use the building for warehousing and manufacturing and would transfer 25 employees. Over twelve years of the 6B the number of employees would grow from 45 to 75. The applicant plans to invest \$500,000.

6B is a Cook County tax incentive for twelve years. Qualifying applicants receive a reduced assessment over the course of a 12-year term: covered properties are assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year. In year 13, the rate increases to the full 25%.

The projected tax property revenues estimated if the applicant purchases and reinvested, the 6B amount would be \$882,000. Taxes paid, if the applicant moved in without the 6B, would be \$1.9 million. The applicant would save \$1 million dollars in taxes over twelve years. If the property was vacant over the next twelve years, the estimated taxes would be \$1.2 million. The applicant has not yet formally applied. The Board had a positive feedback but had questions if the company was manufacturing one time use plastics and if the company could offer the public recycling options.

Chairman Kahan asked for the timeframe for the 6B. Director Kohlstedt stated that the timeframe could be two months. The applicant needs to put together additional information before coming back to the Village. Member Rushkewicz endorsed the applicant and stated that there are enough building vacancies due to the pandemic. He stated that we need to help business owners who bring jobs to the Village. Chairman Kahan stated that if the property is vacant the next twelve years it would generate \$1.2 million in property taxes but with a 6B it would generate \$882,000. Director Kohlstedt stated that information will be sent out to the taxing bodies. There was no further discussion.

Updates from the Taxing Districts

Northbrook Park District – Operating revenue is down due to the pandemic. Summer camps did not operate last year. Construction projects have moved along well. Techny Prairie Activity Center has over 500 members. Heritage Oaks is anticipated to open in late summer with a new restaurant and clubhouse. The Sports Center will not be open this summer due to a \$6 million construction project. Meadowhill will be open. Camps will be operating based on current protocols and guidelines. Anetsberger Golf Course will be open.

Member Rushkewicz asked about festivities on July 4th. The Board of Trustees stated there will be no parade but are looking at options for fireworks.

District #27 – John Deiter was named the new superintendent replacing longtime leader David Kroeze. The Board looks forward to welcoming him in June. 97% of students are in person and 3% are learning remotely. New faces to the school board are Daniel Terrien, Matthew Basinger and Gail Oren-Amit.

District #28 – The District has been meeting in person five days a week beginning last August for those interested families. There was an adaptive pause. Protocols and procedures have been a challenge during the pandemic but the community has been appreciative of the efforts. Additional pandemic costs were mostly related to personnel. Added costs amounted to \$1.2 million. \$500,000 in Federal Aid is expected. Additional staffing was added for the remote learning academy. Many thanks were extended to the Village for furniture storage at the Grainger site and thanks go to the Glenview-Northbrook

Coronavirus Task Force for the cooperation between officials throughout this time. State testing will be starting. New faces to the school board are DeShawn Clayton Arms, Matthew Cassidy and Shweta Jinkala.

District #30 – The District has met in person since last August. The student attendance rate is higher this year than it was pre-pandemic last year. Village cooperation has been significant. Teachers and students have been rock stars throughout the pandemic. \$1.2 million was added to this year’s budget due to Covid in order to have small class sizes for students and PPE. The District is expecting \$900,000 in aid from the Federal Government. Wescott School is receiving eight new classrooms and a gym that will be ready for returning students. School board members Keith Karchmar and Jeffrey Zuercher were joined by Stephanie Yohannan.

District #31 – The District has been in fully since the beginning of the year except for an adaptive pause. Changes were made as to how staff was allocated, the programs they taught and classrooms they were teaching in. Due to the need for extra staff and PPE, \$700,000 was spent on Covid. The District is hoping to get help from the Federal Government. 90% of the staff has been vaccinated. The District has participated in studies for Special Education, language, an equity-based multi-tiered system of support (MTSS) and putting all of those findings together looking at strengths and what could be improved and developing a Strategic Plan.

Library – The Library has had to manage with reduced operating hours and staffing. The Library will be closed a couple of days for the staff to get vaccines. PPE has been put in place. The first floor renovation will help address Coronavirus issues. Patrons will be able to self checkout materials at the exits and throughout the building. A date for full opening is not yet available.

Updates from Taxing Districts on Other Matters - Chairman Kahan asked about enrollment patterns associated with the pandemic. District #28 reported that it is too early to tell.

District #30 reported that it is seeing movement out of the city to the suburbs. Enrollment is going up. The forecast is that it will accelerate.

District #27 reported that it is expecting its largest Kindergarten class in many years. Another section may be needed.

Chairman Kahan asked how things were trending within the business community.

Member Rushkewicz answered that on the business side PPE continues to flow. Wintrust Bank has processed over 7,700 applications for \$1.3 billion in funding. The Government has extended the third round until May 31, 2021.

House Bill 7 – Articles from Crain’s and Patch

Chairman Kahan stated that House Bill 7 is getting some urgency in Springfield. Member Roloff stated that it is important to keep ahead of this and it is important to share the information with the new school board members and administrations that haven’t faced this issue. Member Hughes agreed with Member Roloff. Member Hewitt stated that each consolidation has to be studied individually and that in some cases it will increase costs. All seemed to favor “Local communities, Local control”. The educators

present at today's meeting felt that they were more familiar with Northbrook needs versus Cook County or Washington D.C.

Member Wegley stated that in our area we have incredible responsiveness and to put this in place at the State level would be a mistake. Member Lauria urged people to contact their legislators and ask that they not push this forward. Member Hewitt stated that this bill pulls out the State assistance. Member Kahan stated that the Districts should be committed to saving tax payers' money.

Chairman Kahan offered to volunteer on a committee to investigate ways to save money in Springfield.

Old Business – None

New Business - None

Adjourn

On a motion made and seconded, the April 14, 2021 EDC Meeting was adjourned at 9:01 a.m. The motion passed.

The next EDC meeting will be held on July 14, 2021.

Respectfully submitted
Sue Anetsberger