



ECONOMIC DEVELOPMENT COMMITTEE MINUTES
DECEMBER 11, 2019

CALL TO ORDER

Trustee John Clavio called the Economic Development Committee meeting to order at 7:50 P.M. on Wednesday, December 11, 2019, at the Village of Frankfort Administration Building, 432 W. Nebraska Street, Frankfort, Illinois.

ROLL CALL

Economic Development Committee members present included Mayor Jim Holland, Village Clerk Gene Savaria, Trustees Adam Borrelli, John Clavio, Margaret Farina, Keith Ogle, and Jessica Petrow; and Deadra Stokes. Staff members in attendance were Village Administrator Rob Piscia, Asst. Village Administrator Jeff Cook, Police Chief John Burica, Asst. Director of Development Services Zach Brown, and Administrative Assistant Theresa Cork. Also present were Richard Wright and George Venturella. Members Anitra Alexander, Keith LeMahieu, and Taeya Spencer were absent.

APPROVAL OF MINUTES (November 13, 2019)

Trustee Ogle made a motion (#1), seconded by Trustee Petrow, to approve the Economic Development Committee minutes of November 13, 2019, as presented. The motion was unanimously approved.

DOWNTOWN PROPERTIES FOR SALE – PURCHASE OFFERS

Asst. Administrator Cook shared that multiple parties recently expressed interest in redeveloping some of the properties identified for sale at the previous Economic Development Committee meeting. He noted three letter of intents to purchase Village-owned properties were included in the committee packet, however Todd and Cindy Morgan have since withdrawn their proposal for 11 N. White Street. The other letter of intents include a proposal from Cait's Kitchen and Home, LLC, for 11 N. White Street (Mech House). The other proposal was submitted by Row House, Ltd., for a portion of 2 Smith Street (Fra-Milco).

Cait's Kitchen and Home, LLC, proposes to redevelop the current structure and operate Cait's Kitchen and Home, a home good's store which offers a variety of products, including furniture, candles, soaps, coffees, home décor, and specialty items. The proposal includes a purchase price of \$155,000 for 11 N. White Street (Mech House), with an option to purchase 19 N. White Street within one year.

Row House, Ltd., proposes to develop a new two-story mixed use structure along the frontage of Oak Street. The proposed lot dimension for purchase would be 94' +/- north to south 75' +/- east to west with a total lot size of 7,050 square feet. The first floor is to be two retail/office units, the second floor to be two residential units, served by four enclosed garage spaces. The proposal is accompanied by a purchase offer for approximately \$7.00 per square foot and an offer to pay up to \$72,000 cash-in-lieu of parking improvements for the differential between the number of required and provided parking spaces. The Village would retain ownership of the western portion of 2 Smith Street, which could be redeveloped as a public parking lot.

Committee members discussed the two proposals submitted for the Village-owned properties. Members felt the Row House proposal for 2 Smith Street complemented the area and Village retaining ownership of the western portion of the parcel was desirable. Richard Wright noted he currently does not have parties committed to the site. Members felt it was important to attract day time operators given the proximity of residential uses and expressed the idea it would be difficult to pursue a liquor license at this location. Mr. Wright indicated he does not see a desire to locate such an operation.

Committee members voiced concern for the cost and expense of converting the house to commercial for the 11 N. White Street parcel. They shared that Kara Farmhouse recently proposed to redevelop 11 N. White Street for mixed use occupancy and determined the costs were too substantial to make it a financially viable project. Committee members encouraged Mr. Venturella to contact Tom and Teresa Kara to see whether they would share their findings. In light of prior experience attempting to preserve the structure, members noted a more viable option may be to raze the existing structure.

Mr. George Venturella spoke before the committee and shared a few of his experiences of restoration projects and felt his business concept would complement Frankfort's downtown area. He expressed concerns of the size and shape of the 19 N. White Street parcel, noting the lot does not allow for a fluid traffic flow when combined with 11 N. White Street.

Following feedback from Committee members relating to the costs associated with the redevelopment of the house, Mr. Venturella requested to withdraw his current letter of intent and submit a new proposal following a more in depth look into the costs of restoration. He voiced interest in purchasing both parcels and developing a new structure for Cait's Kitchen and Home Store, which could be designed to build on the character of the existing structure. Staff was directed to continue to work with the applicant.

Trustee Ogle made a motion (#2), seconded by Trustee Petrow, to forward a recommendation to the Village Board to adopt a Resolution authorizing the sale of surplus public real estate for the property commonly known as 2 Smith Street, Will County, Frankfort, Illinois, and directing the sale be conducted by the staff of the Village of Frankfort.

Asst. Administrator Cook noted the Village will open a comment period on the purchase offer during which comments or alternative development proposals may be delivered to the Village of Frankfort at 432 W Nebraska Street, Frankfort, IL 60423, until 12:00 p.m. on Friday, January 31, 2020.

BROKER LISTING CONTRACTS – REVIEW AND APPROVAL

Asst. Administrator Cook presented draft broker listing agreements with Matrix Realty Group for Village-owned properties identified for sale at last month's committee meeting.

- 11 & 19 N. White Street - \$225,000.00
- 10 N. White Street - \$325,000.00
- 2 Smith Street - \$140,000.00

Mr. Cook noted the contract term is one year with a commission rate of 5%; 3.5% if acting as dual agent. He also provided a commission exemption list of previous entities expressing interest in the properties. The asking price for each of the properties is the MAI appraised value, except in the case of 11 & 19 N. White Street, which is a list price surmised from the current appraisal of 11 N. White Street at \$155,000.00.

Committee members discussed the proposed broker agreements and determined it was in the best interest of the Village to market 10 N. White Street with the broker due to pending proposals for the other properties. Members also felt it was appropriate to expand the commission exemption list to include entities who expressed interest in Village-owned properties in the past 24 months. Members discussed dual agency provisions of the contract and were in consensus to permit Matrix Realty Group to act as dual agent in selling the property.

Following discussion, Mayor Holland made a motion (#3), seconded by Trustee Farina, to forward a recommendation to the Village Board to adopt a Resolution authorizing the sale of surplus public real estate for the property commonly known as 10 North White Street, Will County, Frankfort, Illinois, and directing the sale be conducted by Matrix Realty Group, LLC for compensation not to exceed 5% of the sales price.

OTHER BUSINESS

Trustee Borrelli requested an update relating to the consideration of extending Pfeiffer Road from Route 30 to Colorado Avenue. Administrator Piscia reported Asst. Administrator Cook prepared a right-of-way dedication agreement with Silver Cross, noting a conference call is scheduled for next week to discuss the item further.

PUBLIC COMMENTS

No public comments from the public.

ADJOURNMENT

Hearing no further discussion, Trustee Ogle made a motion (#4), seconded by Trustee Farina, to adjourn the Economic Development Committee meeting of December 11, 2019, at 8:38 P.M. The motion was unanimously approved.