

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF DES PLAINES, ILLINOIS HELD IN THE ELEANOR ROHRBACH MEMORIAL COUNCIL CHAMBERS, DES PLAINES CIVIC CENTER, MONDAY, DECEMBER 20, 2021

CALL TO ORDER

The regular meeting of the City Council of the City of Des Plaines, Illinois, was called to order by Mayor Goczkowski at 6:34 p.m. in the Eleanor Rohrbach Memorial Council Chambers, Des Plaines Civic Center on Monday, December 20, 2021.

ROLL CALL

Roll call indicated the following Aldermen present: Lysakowski, Moylan, Oskerka, Brookman, Smith. Absent: Zadrozny, Chester, Ebrahimi. A quorum was present.

CLOSED SESSION

Moved by Brookman, seconded by Lysakowski to enter into Closed Session to Property Acquisition, Sale of Property, and Security Procedures.

Upon roll call, the vote was:

AYES: 5 - Lysakowski, Moylan, Oskerka,
Brookman, Smith

NAYS: 0 - None

ABSENT: 3 - Zadrozny, Chester, Ebrahimi

Motion declared unanimously carried.

The City Council recessed at 6:35 p.m.

The City Council reconvened at 7:07 p.m.

Roll call indicated the following Alderman present: Lysakowski, Moylan, Oskerka, Zadrozny, Brookman, Smith. Absent: Chester, Ebrahimi. A quorum was present.

Also present were: City Manager Bartholomew, Assistant City Manager/Director of Finance Wisniewski, Assistant Director of Public Works and Engineering Oakley, Director of Community and Economic Development Carlisle, Fire Chief Anderson, Police Chief Anderson, and General Counsel Burkland.

PRAYER AND PLEDGE

The prayer and the Pledge of Allegiance to the Flag of the United States of America were offered by Alderman Oskerka.

PUBLIC COMMENT

Resident John Maag commented on the new development at Mannheim and Pratt, specifically the electronic billboard. He commented on the City Council discussion from the previous meeting regarding the cannabis dispensary. He also stated he had a comment on behalf of Wayne Serbin, who was in the hospital; stating Wayne is opposed to the dispensary. John Maag additionally requested an open house of the Des Plaines Theatre for the residents.

ALDERMEN ANNOUNCEMENTS

Alderman Moylan wished everyone a Merry Christmas and a Happy New Year.

Alderman Oskerka gave recognition to the Police Department in their handling of the Our Lady of Guadalupe pilgrimage.

Alderman Zadrozny wished everyone a Merry Christmas and Happy New Year. He also shared the heartbreaking news of the passing of his mother-in-law.

Alderman Brookman gave her condolences to Alderman Zadrozny and his family. She recognized the work of Donna Adams and her Clean Up/Give Back team. She wished everyone a Merry Christmas and a Happy New Year.

Alderman Smith gave her condolences to Alderman Zadrozny. She thanked Police Chief Anderson for his work with the Our Lady of Guadalupe pilgrimage. She also wished everyone a healthy, happy, and safe New Year.

MAYORAL ANNOUNCEMENTS

Mayor Goczkowski thanked the American Legion on their Shop with a Vet program run in conjunction with Sam's Club and the Chicago Wolves; it proved young children with a gift card and a shopping experience.

Mayor Goczkowski wished Alderman Ebrahimi well after his Covid-19 diagnosis.

On March 16, 2020, a Declaration of Civil Emergency for the City of Des Plaines related to the COVID-19 emergency was authorized. The Declaration provided that: (1) the City may enter into contracts for the emergency purchase of goods and services; (2) the City Manager may implement emergency staffing protocols pursuant to the City's respective collective bargaining agreements; and (3) directed City officials and employees to cooperate with other government agencies.

In accordance with Illinois statutes, the Mayor's Declaration lasted only for a period of seven days, unless it was extended by action of the City Council. At each subsequent City Council meeting, the City Council, by motion, extended the Declaration until the next adjournment of the next special or City Council meeting. This extension of the Declaration includes the Supplemental Order dated July 29, 2020.

Mayor Goczkowski presented an extension to the Declaration of Civil Emergency.

Moved by Brookman, seconded by Lysakowski, to extend the March 16, 2020 Declaration of Civil Emergency until the adjournment of the next regular, special, or emergency meeting of the City Council.

Upon roll call, the vote was:

AYES: 6 - Lysakowski, Moylan, Oskerka,
Zadrozny, Brookman, Smith

NAYS: 0 - None

ABSENT: 2 - Chester, Ebrahimi

Motion declared carried.

CITY CLERK ANNOUNCEMENTS

City Clerk Mastalski congratulated members of Fire Department on their recent promotions, and thanked them for all of their hard work.

MANAGER'S REPORT

City Manager Bartholomew requested another Closed Session at the close of this meeting under Sale of Property.

CONSENT AGENDA

Moved by Lysakowski, seconded by Moylan, to establish the Consent Agenda.
No voice vote was taken.

Moved by Brookman, seconded by Oskerka, to approve the Consent Agenda.

Upon roll call, the vote was:

AYES: 6 - Lysakowski, Moylan, Oskerka,
Zadrozny, Brookman, Smith

NAYS: 0 - None

ABSENT: 2 - Chester, Ebrahimi

Motion declared carried.

Appointment was approved; Minutes were approved; Ordinance M-30-21 was approved; Resolutions R-195-21, R-202-21, R-203-21, R-204-21, R-205-21, R-206-21, R-207-21, R-208-21, R-209-21, R-210-21, R-211-21, R-212-21, R-213-21, R-214-21 were adopted.

**AMEND CITY
CODE/ CLASS M
LIQ LIC/ 2392 S
WOLF RD**
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve First Reading of Ordinance M-30-21, AN ORDINANCE AMENDING THE CITY CODE TO ADD ONE CLASS “M” LIQUOR LICENSE. Motion declared carried as approved unanimously under Consent Agenda.

**Ordinance
M-30-21**

**AUTH PURCH/ INT
EXTRICATION
TOOLS/
EQUIPMENT
MANAGEMENT
COMPANY**
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-195-21, A RESOLUTION APPROVING THE PURCHASE OF GENESIS RESCUE SYSTEMS RAPID INTERVENTION EXTRICATION TOOLS FROM EQUIPMENT MANAGEMENT COMPANY. Motion declared carried as approved unanimously under Consent Agenda.

**Resolution
R-195-21**

**APPROVE AMD TO
AGRMT/ MEDIA
SVCS CTL ROOM
PROD EQUIP/
KEYCODE MEDIA,
INC**
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-202-21, A RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT WITH KEYCODE MEDIA, INC. FOR THE PURCHASE AND INSTALLATION OF MEDIA SERVICES CONTROL ROOM PRODUCTION EQUIPMENT UPGRADES. Motion declared carried as approved unanimously under Consent Agenda.

**Resolution
R-202-21**

**APPROVE CNTRCT
RENEWAL/ LDSCP
MAINT/ BEARY
LANDSCAPING,
INC**
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-203-21 A RESOLUTION APPROVING THE SECOND RENEWAL OF A CONTRACT WITH BEARY LANDSCAPING, INC. FOR DOWNTOWN LANDSCAPE MAINTENANCE. Motion declared carried as approved unanimously under Consent Agenda.

**Resolution
R-203-21**

**APPROVE CNTRCT
RENEWAL/ PKWY
RESTOR & PLANT
INST SVCS/ TNT
LANDSCAPE
CONSTRUCTION,
INC**
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-204-21, A RESOLUTION APPROVING THE SECOND RENEWAL OF A CONTRACT WITH TNT LANDSCAPE CONSTRUCTION, INC. FOR PARKWAY RESTORATION AND PLANTING INSTALLATION SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

**Resolution
R-204-21**

AUTH PART IN THE
NATL OPIOID
STLMT
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-205-21, A RESOLUTION AUTHORIZING THE CITY OF DES PLAINES TO PARTICIPATE IN THE NATIONAL OPIOID SETTLEMENTS. Motion declared carried as approved unanimously under Consent Agenda.

Resolution
R-205-21

APPROVE AGRMT/
PROF PLAN REV &
INS SVCS/ H.R.
GREEN, INC.
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-206-21, A RESOLUTION APPROVING AN AGREEMENT WITH H.R. GREEN, INC. FOR PROFESSIONAL PLAN REVIEW AND INSPECTION SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

Resolution
R-206-21

APPROVE AGRMT/
PROF PLAN REV &
INS SVCS/ B&F
CONSTRUCTION
CODE SERVICES,
INC
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-207-21, A RESOLUTION APPROVING AN AGREEMENT WITH B&F CONSTRUCTION CODE SERVICES, INC. FOR PROFESSIONAL PLAN REVIEW AND INSPECTION SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

Resolution
R-207-21

AUTH EXPND OF
FUNDS/ EL ALARM
MONITOR SVCS/
EMERGENCY 24,
INC
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-208-21, A RESOLUTION AUTHORIZING THE EXPENDITURE OF FUNDS UNDER AN AGREEMENT WITH EMERGENCY 24, INC. FOR ELEVATOR ALARM MONITORING SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

Resolution
R-208-21

APPROVE MSTR
CNTRCT/ PROF
ENGR SVCS/
AECOM
TECHNICAL
SERVICES, INC
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-209-21, A RESOLUTION APPROVING A MASTER CONTRACT WITH AECOM TECHNICAL SERVICES, INC. FOR PROFESSIONAL ENGINEERING SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

Resolution
R-209-21

APPROVE MSTR
CNTRCT/ PROF
ENGR SVCS/
CHRISTOPHER B.
BURKE

Moved by Brookman, seconded by Oskerka to Approve Resolution R-210-21, A RESOLUTION APPROVING A MASTER CONTRACT WITH CHRISTOPHER B. BURKE ENGINEERING, LTD. FOR PROFESSIONAL ENGINEERING SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

ENGINEERING,
LTD
Consent Agenda

Resolution
R-210-21

APPROVE MSTR
CNTRCT/ PROF
ENGR SVCS/
GABRIEL
ENVIRONMENTAL
SERVICES
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-211-21, A RESOLUTION APPROVING A MASTER CONTRACT WITH GABRIEL ENVIRONMENTAL SERVICES FOR PROFESSIONAL ENGINEERING SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

Resolution
R-211-21

APPROVE MSTR
CNTRCT/ PROF
ENGR SVCS/
GEWALT
HAMILTON
ASSOCIATES, INC
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-212-21, A RESOLUTION APPROVING A MASTER CONTRACT WITH GEWALT HAMILTON ASSOCIATES, INC. FOR PROFESSIONAL ENGINEERING SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

Resolution
R-212-21

APPROVE MSTR
CNTRCT/ PROF
ENGR SVCS/ M.E.
SIMPSON CO., INC
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-213-21, A RESOLUTION APPROVING A MASTER CONTRACT WITH M.E. SIMPSON CO., INC. FOR PROFESSIONAL ENGINEERING SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

Resolution
R-213-21

APPROVE MSTR
CNTRCT/ PROF
ENGR SVCS/
URBANHYDRO
ENGINEERING, INC
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve Resolution R-214-21, A RESOLUTION APPROVING A MASTER CONTRACT WITH URBANHYDRO ENGINEERING, INC. FOR PROFESSIONAL ENGINEERING SERVICES. Motion declared carried as approved unanimously under Consent Agenda.

Resolution
R-214-21

APPOINTMENT/
MARIA ROSA
CULLOTTA/
YOUTH
COMMISSION
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve the APPOINTMENT FROM DECEMBER 6, 2021 CITY COUNCIL AGENDA OF MARIA ROSA CULLOTTA TO THE YOUTH COMMISSION – TERM TO EXPIRE SEPTEMBER, 4 2024. Motion declared carried as approved unanimously under Consent Agenda.

APPROVE
MINUTES
Consent Agenda

Moved by Brookman, seconded by Oskerka to Approve the Minutes of the City Council meeting of December 6, 2021, as published. Motion declared carried as approved unanimously under Consent Agenda.

Alderman Chester entered the meeting at 7:23 p.m.

UNFINISHED
BUSINESS

CONSIDER
GRANTING A
CONDITIONAL USE
PERMIT AND
MAJOR
VARIATION FOR A
CANNABIS
DISPENSARY AT
1504 MINER
STREET, DES
PLAINES, IL
Ordinance
Z-57-21

Director of Community and Economic Development Carlisle reviewed a memorandum dated December 9, 2021.

The City Council at its December 6, 2021 meeting approved Ordinance Z-57-21 on first reading as amended. The Council motioned to amend Section 6 of the ordinance so that approval is binding only to the current petitioner and operator. The ordinance has been revised accordingly.

The petitioner is requesting a conditional use under Section 12-7-3(K) of the Zoning Ordinance to allow a cannabis dispensary in the C-5 zoning district. The petitioner is also requesting a variation from the window transparency rules of Section 12-3-11 (Building Design Review).

The petitioner is 280E, LLC, which is connected with operator D33 Mgmt, LLC. The group is owned by Bryan, Kristie, and Zachary Zises, as well as Paul Lee. They are proposing leasing 1504 Miner Street, a single-story building at the corner of Miner and Metropolitan Way, for an adult-use sales (recreational) retail cannabis dispensary. The space has been vacant since late 2017, when the former Leona's restaurant closed. Legal retail sales of adult-use cannabis products began in Illinois on January 1, 2020, enacted by the state Cannabis Regulation and Tax Act of 2019. Since then, D33 Mgmt has operated locations under the brand Dispensary33, one of the first adult-use retailers to be open in Illinois (Andersonville neighborhood of Chicago). They have since opened a second location in the West Loop neighborhood of Chicago and are pursuing a location in Wicker Park concurrent to their application in Des Plaines.

The City of Des Plaines amended its Zoning Ordinance twice related to cannabis business establishments (an umbrella term that encompasses retail dispensaries and cannabis supply-chain businesses). The first amendments were in late 2019, and the second were in August 2021. Prior to August 2021, cannabis dispensaries were not possible in the C-5 Central Business District/downtown Des Plaines, but Ordinance Z-42-21 established them as a conditional use. All cannabis business establishments in Des Plaines, regardless of zoning district, are prohibited from locating within 500 feet of a pre-existing school, place of worship, or commercially zoned child care center. The subject property is more than 500 feet from the zoning lot lines of these types of uses.

All cannabis business establishments are also subject to the Use Standards of Section 12-8-13 of the Zoning Ordinance. These set requirements and limitations related to signage, lighting, hours of operation (limited to 10 a.m. through 8 p.m.), prohibition of on-site consumption and delivery to consumers, seismic and sonic detectors, consent to odor inspection, and full compliance with state regulations, which may change from time to time. State regulations are established both by state statute and the Illinois Department of Financial and Professional Regulation (IDFPR). IDFPR licenses and inspects dispensaries, and sets forth requirements that include, for example, exterior security cameras and on-site security personnel.

As the petitioner states in their project narrative, Green & Foster, LLC, is one of the partners in the endeavor. Green & Foster is a "social equity" candidate that won a state conditional

license lottery in Summer 2021. The state gives priority to social equity candidates in lotteries for conditional licenses.

The City can collect a three percent Municipal Cannabis Retailers' Occupation Tax on the gross retail sales of all adult-use cannabis. In their project narrative, the petitioner projects by late 2022 the average sales for a dispensary in Illinois will be \$500,000 per month, or \$6 million per year. Sales volume varies based on location, size of store, and other factors. Research from various cannabis business sources reveals a range of national average annual sales between \$974-\$1,773 per square foot. Using the petitioner's estimate, it is estimated the City could collect an estimated \$180,000 per year in cannabis taxes from this dispensary, and that does not include other taxes that may apply, such as the home-rule retail sales tax (1 percent) and a local share of the state retail sales tax.

The subject property is 5,428 square feet. The site and floor plans indicate a total proposed building area of 4,180 square feet, which includes a downstairs storage area to complement the upstairs sales, employee, and storage areas.

The parking requirement for cannabis dispensaries in Section 12-9-7 of the Zoning Ordinance has three different ratios based on components of the floor plan: one space for every 200 square feet of gross floor area with public access plus one space for every 250 square feet of gross floor area dedicated to office uses, plus one space for every 1,500 square feet of gross floor area dedicated to ancillary uses. The definition of "floor area" in Section 12-13-3 allows certain spaces such as restrooms, mechanical rooms, hallways, and up to 10 percent of storage areas to be excluded. Further, because the subject property is in the C-5 district, Section 12-7-3.H.6. allows the first 2,500 square feet to be exempt. Given the order of the floor plan components in the parking requirement – first public access, then office, then ancillary – the unexcluded space falls under "ancillary use" and is subject to a ratio of one space per 1,500 square feet. Therefore, the minimum parking requirement is two off-street spaces.

The petitioner is proposing three off-street spaces, all in the rear. One of the spaces is reserved as an accessible space. In addition to the required off-street parking, there is immediately adjacent angle parking on the east side of Metropolitan Way, just west of the sidewalk next to the building. These eight spaces, one of which is an accessible space, are limited to 90 minutes and are likely to be helpful in accommodating the use, although other businesses in the area also rely on these spaces. Regardless, an overall parking shortage is not anticipated, especially with the Metropolitan Square garage and additional on-street parking within a short walk of the subject property. Finally, the petitioner reasonably projects that given their location some customers will arrive via public transportation.

The petitioner will allocate one parking space for deliveries. The delivery plan in the project narrative specifies the frequency of daily deliveries (likely two to three times per day) in Ford Transit Connect or Sprinter vans. Delivery methods are also regulated by IDFPR, which requires that deliveries be conducted by a licensed transporter and that a security guard be present.

The project narrative and submitted renderings indicate that façade alterations will be necessary on the Miner side. These alterations make the project subject to the Building Design Review requirements of Section 12-3-11. Specifically Sub-section D.1.a.1. requires "highly transparent, nonreflectance windows." The petitioner cites a state requirement that dispensaries must maintain a window tint, which would make the storefront windows only partially instead of highly transparent. The petitioner would apply a window film to achieve the state-required tint. However, this requires a variation.

The PZB took a motion to recommend the City Council approve both the conditional use and variation request, and the vote was 3-1, with three in favor and one against.

Under Sections 12-3-4(D) and 12-3-6(G) of the Zoning Ordinance, the City Council has final authority on approval, approval subject to conditions, or denial of the conditional use and variation for a cannabis dispensary at 1504 Miner Street. If the City Council ultimately approves the request, the following conditions are recommended by Staff:

1. The petitioner shall submit to the Des Plaines Police Department, at the frequency determined by the Department, an updated and detailed list of security personnel.
2. Dispensary windows shall have substantially the same appearance as those used as an example in the application submittal. Detailed specifications on transparency shall be included with the building permit application.
3. No temporary certificate of occupancy or certificate of occupancy will be issued for the Subject Property unless and until the Petitioner has provided proof that the Illinois Department of Financial and Processional Regulation has issued a license to operate a cannabis dispensing organization on the Subject Premises.

A representative from the petitioner, 280E LLC, gave further information regarding the business operations, and answered questions from the City Council.

Many residents expressed their concern with the location of dispensary, and their opposition of the Ordinance.

Several residents expressed their opposition to cannabis.

Moved by Moylan, not seconded, to Call the Question.

Upon roll call, the vote was:

AYES: 6 - Lysakowski, Moylan, Oskerka,
Zadrozny, Chester, Smith

NAYS: 1 - Brookman

ABSENT: 1 - Ebrahimi

Motion declared carried.

Moved by Lysakowski, seconded by Brookman, to Deny the Ordinance Z-57-21 and direct staff to work with the applicant in finding another location, AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT AND MAJOR VARIATION FOR A CANNABIS DISPENSARY AT 1504 MINER STREET, DES PLAINES, ILLINOIS.

Upon roll call, the vote was:

AYES: 6 - Lysakowski, Oskerka, Zadrozny,
Brookman, Chester, Smith

NAYS: 1 - Moylan

ABSENT: 1 - Ebrahimi

Motion declared carried.

NEW BUSINESS

WARRANT REGISTER Resolution R-215-21

FINANCE & ADMINISTRATION – Alderman Zadrozny, Chair

Alderman Zadrozny presented the Warrant Register.

Moved by Zadrozny, seconded by Oskerka, to Approve the Warrant Register of December 6, 2021 in the Amount of \$6,685,398.27 and approve Resolution R-215-21.

Upon roll call, the vote was:

AYES: 7 - Lysakowski, Moylan, Oskerka, Zadrozny,
Brookman, Chester, Smith

NAYS: 0 - None

ABSENT: 1 - Ebrahimi

Motion declared carried.

COMMUNITY DEVELOPMENT – Alderman Chester, Chair

CONSIDER
SUPPORTING AND
CONSENTING TO
RENEWAL OF
CLASS 6b
CLASSIFICATION
FOR THE
PROPERTY
LOCATED AT 300
EAST TOUHY
AVENUE
Resolution
R-216-21

Director of Community and Economic Development Carlisle reviewed a memorandum dated December 9, 2021.

Applicant 300 East Touhy Avenue IL, LLC is the owner of 300 East Touhy Avenue and is requesting renewal of a Cook County Property Tax Class 6b incentive. Class 6b incentives are intended to encourage industrial investment by reducing the assessment level of eligible properties for 12 years, and the incentive may be renewed once. The applicant filed their renewal request to the County in December 2020, making them eligible to receive County approval of the renewal if they obtain support from the City. Local support for the initial incentive was approved in 2006 (R-98-06), facilitating new construction of the building, which was completed in 2008. The incentive was activated in 2011 (Tax Year 2010).

The subject property is approximately 144,000 square feet and contains a 13-year-old, approximately 48,000-square-foot industrial building. The initial incentive reduced the assessment level from the typical 25 percent to 10 percent for 10 years, then would increase the assessment to 15 percent and 20 percent respectively in Years 11 and 12. The current tax year (2020) is Year 11. The initial 6b allowed the applicant to construct the current building and attract tenants, which currently are Estes Forwarding Worldwide (approximately 36,000 square feet) and Perfection Bakeries Inc., d/b/a Aunt Millie's Bakery (approximately 12,000 square feet). Estes is a national freight forwarder with 17 locations across nine states. The Des Plaines location is the company's sole presence in Illinois. Aunt Millie's is a producer of baked goods such as bread and uses the Des Plaines site as part of its supply-chain operations. Per the application, there are 29 full-time employees across both businesses.

The applicant would like to continue to lease to Estes and Perfection, but states the following in the cover letter to the application: "In order for the Des Plaines location to compete with surrounding properties receiving the Class 6b, as well as numerous collar county locations, the Class 6b remains a necessary component in the control of operating costs." The applicant contends that an end to the 6b would harm tenant viability and leave the building vacant. If the renewal is granted, the applicant pledges approximately \$480,000 of total improvements over the life of the renewal. These include approximately \$150,000 of exterior lighting upgrades, paving, loading dock replacement, and interior remodeling (e.g. ventilation/HVAC) completed in 2020. Work completed in the previous calendar year (current tax year) is typically considered 6b evaluations. Further, the applicant is pledging over the next two years to complete additional asphalt replacement in the parking lot and a full roof replacement, the latter at an estimated cost of \$285,000.

The applicant projects the incentive will lead to an additional approximately \$419,000 in total property tax revenue – spread across all taxing bodies – over the 12-year life of the renewal. The projections are based on the pledged property improvements, as well as triennial reassessments of properties in Maine Township. The applicant is assuming that all other things being equal, taxes will climb with each reassessment.

Property Tax Scenario for Sample Tax Year (2022):

1. Estimated taxes without 6b renewal, improvements, and full vacancy: \$142,259
2. Estimated taxes with a 6b renewal, improvements, and continued full occupancy: \$164,474
3. Estimated taxes without a 6b renewal, but with improvements, and continued full occupancy: \$407,042

If granted, the renewal would lead to a 10 percent assessment level through Tax Year 2029 (Calendar Year 2030). In the following two years, the assessment level would climb to 15

percent and 20 percent successively, returning to the full 25 percent assessment level in the subsequent year.

A representative from the applicant spoke in support of the approval of the Class 6b renewal for the property located at 300 East Touhy Avenue.

Moved by Brookman, seconded by Smith, to Approve the Resolution R-216-21, A RESOLUTION SUPPORTING AND CONSENTING TO RENEWAL OF CLASS 6b CLASSIFICATION FOR THE PROPERTY LOCATED AT 300 EAST TOUHY AVENUE.

Upon roll call, the vote was:

AYES: 7 - Lysakowski, Moylan, Oskerka, Zadrozny,
Brookman, Chester, Smith

NAYS: 0 - None

ABSENT: 1 - Ebrahimi

Motion declared carried.

CONSIDER
SUPPORTING AND
CONSENTING TO
RENEWAL OF
CLASS 6b
CLASSIFICATION
FOR THE
PROPERTY
LOCATED AT 2050
CLEARWATER
DRIVE
Resolution
R-217-21

Director of Community and Economic Development Carlisle reviewed a memorandum dated December 9, 2021.

Applicant Sure Investment Group, LLC is the owner of 2050 Clearwater Drive (former address: 2100 Clearwater Drive) and is requesting support and consent for the renewal of a Cook County Property Tax Class 6b incentive. Class 6b incentives are intended to encourage industrial investment by reducing the assessment level of eligible properties for 12 years, and the incentive may be renewed once. The applicant filed their renewal request to the County in August 2021, making them eligible to receive County approval of the renewal if they obtain local support from the City. Local support for the initial incentive was approved in 2007 (R-81-07), facilitating new construction of the building in the same year.

The subject property is approximately 218,268 square feet and contains an approximately 90,780- square-foot industrial building. The initial incentive reduced the assessment level from the typical 25 percent to 10 percent for 10 years, then would increase the assessment to 15 percent and 20 percent respectively in Years 11 and 12. The initial 6b facilitated construction of the current building, which is currently rented by Ambius, an interior landscaping and air-purifying equipment company. Ambius provides the interior landscaping for primarily offices and commercial users. They utilize the building for warehousing, maintenance, storage, and distribution of live and artificial plants, as well as hand sanitizer units, air purifiers, and nebulization systems, which neutralize odors in the work place. They have 80 full-time employees. The applicant notes that many workers have been working remotely during the pandemic but will eventually be expected to return to the office.

The current lease to Ambius expires July 31, 2022, and extending the lease is contingent upon renewal of the 6b incentive. The applicant expects the building will be vacant if the 6b is not renewed. If renewal is granted, the applicant pledges approximately \$84,000 of improvements, which include office remodeling and asphalt paving. The investment would amount to \$0.92 of investment per square foot, which is less than the minimum \$10 typically required by the City.

However, the applicant asserts that Ambius generates sales tax through state's taxation of general merchandise. The submittal contains a listing of the state sales tax paid between September 2019 and September 2021, typically ranging between \$20,000 and \$40,000 monthly—with a nadir of \$2,513 per month in middle of the pandemic (January 2021). Staff has reviewed state tax forms submitted by the applicant and revenue data to confirm these numbers. The City's portion is about 10 percent of the state general merchandise tax, or 1 percent of gross sales of general merchandise. The applicant also asserts that 80 employees have an indirect impact on sales tax by generating consumer spending in Des Plaines.

The Council may waive the investment-per-square-foot policy if it believes that based on generating sales tax revenue and preserving jobs a waiver is warranted. The approving resolution contains this waiver.

The applicant's projected property tax scenarios:

1. Estimated taxes with no 6b renewal and full vacancy;
2. Estimated taxes with a 6b renewal, improvements, and continued full occupancy; and
3. Estimated taxes without a 6b renewal yet with improvements, and continued full occupancy.

If granted, the renewal would be activated and applied to the 2021 tax bill (paid in Calendar Year 2022) and lead to a 10 percent assessment level through Tax Year 2030 (Calendar Year 2031). In the following two years, the assessment level would climb to 15 percent and 20 percent successively, returning to the full 25 percent assessment level in the subsequent year.

Director of Community and Economic Development Carlisle stated since the finalization of the City Council Agenda and packet, the applicant has made additional pledges not reflected in the packet. The applicant pledges to invest additional funds into parking lot reconstruction and rooftop HVAC; to be completed by mid-2024. The improvements will bring the value up to approximately \$4.10 per square foot, which is less than the minimum \$10 typically required by the City. The Council may waive the investment-per-square-foot policy if it believes that based on generating sales tax revenue and preserving jobs a waiver is warranted. If the City Council seeks to pass the resolution, it will need to be passed as revised.

Representatives from the applicant spoke in support of the approval of the Class 6b renewal for the property located at 2050 Clearwater Drive; they also answered questions from the City Council.

Moved by Brookman, seconded by Moylan, to Approve the Resolution R-217-21 as revised by staff, A RESOLUTION SUPPORTING AND CONSENTING TO RENEWAL OF CLASS 6b CLASSIFICATION FOR THE PROPERTY LOCATED AT 2050 CLEARWATER DRIVE.

Upon roll call, the vote was:

AYES: 7 - Lysakowski, Moylan, Oskerka, Zadrozny,
Brookman, Chester, Smith

NAYS: 0 - None

ABSENT: 1 - Ebrahimi

Motion declared carried.

**OTHER MAYOR/
ALDERMEN
COMMENTS FOR
THE GOOD OF THE
ORDER**

Alderman Brookman and Alderman Chester wished everyone a Merry Christmas and a Happy New Year.

CLOSED SESSION

Moved by Brookman, seconded by Chester to enter into Closed Session to Sale of Property and Litigation.

Upon roll call, the vote was:

AYES: 7 - Lysakowski, Moylan, Oskerka, Zadrozny,
Brookman, Chester, Smith

NAYS: 0 - None

ABSENT: 1 - Ebrahimi

Motion declared unanimously carried.

The City Council recessed at 9:02 p.m.

The City Council adjourned at 9:16 p.m.

ADJOURNMENT

The meeting adjourned at 9:16 p.m.

/s/ Jessica M. Mastalski
Jessica M. Mastalski – City Clerk

APPROVED BY ME THIS 3rd

DAY OF January, 2022

/s/ Andrew Gockowski
Andrew Gockowski, MAYOR