



## ADDENDUM

# REGULAR VILLAGE BOARD MEETING

APRIL 25, 2023

7:00 PM

### 6. CONSENT AGENDA

- y. Consideration to award a purchase contract to Liftoff, Inc of Crofton, MD to provide the Village Microsoft Azure AD Premium Licenses in an amount not to exceed \$26,844.

(Microsoft Azure AD Premium licenses are an important component to the security of the Village's Email/ Office 365 environment.

(This purchase is required to stay in compliance with Microsoft's new licensing model.

(These costs will be a recurring annual charge to the Village.

(IT staff solicited a quote from a reputable vendor, Liftoff Inc.

(The Director of Information Technology recommends approval.)

- z. Consideration to adopt Resolution No. 23-23 authorizing the Mayor to execute a Letter of Receipt stipulating the terms of an agreement for an application seeking a Cook County Class 6B Property Tax Exemption status pursuant to the Cook County Real Property Classification Ordinance as amended July 27, 2018 for certain real estate located at 500 Busse Road.

(The Law Offices of Dickinson Wright PLLC, on behalf of their client Creative Werks LLC, (Applicant) is seeking a Cook County Class 6B property tax exemption for property located at 500 Busse Road.

(The Applicant currently occupies 245,000 square feet at 1460-1470 Brummel Avenue, which serves as the headquarters for Creative Werks, a contract food packaging business.

(In this current space, Creative Werks maintains over 120 corporate and administrative jobs, as well as approximately 200 production-related jobs. The proposed expansion will bring an additional 250-300 production-related jobs to the facility.

(The Applicant intends to increase its operational footprint and capacity in the Village by entering into a long-term lease for the adjoining 244,921 square foot space, known as 500 Busse Road, within the same building. With this expansion, their overall footprint will total 489,921 square feet.

(The expansion space requires significant interior rehabilitation in order to meet the cleanliness, air quality, structural, and environmental standards needed for food grade

production. The interior improvements are estimated to cost approximately \$9 million, and include a complete rehabilitation of the dock area and substantial refinishing of the concrete flooring, installation of a new HVAC system to maintain air temperature necessary for food production, improvements to the existing fire protection system, and significant electrical work.

(The Applicant will also make significant improvements to the exterior of the building at an estimated cost of \$1.6 million.

(Improvements include an upgraded façade on the east elevation of the building, the installation of an approximately 350' long screen wall to provide a visual buffer for the 20 docks on the south side of the building facing Busse Road, rehabilitation of the existing dry detention area near the front entry to convert it into a wet detention pond, the addition of exterior accent lighting around the pond and within the new façade and screen wall, as well as new landscaping.

(The eligibility requirements for 6B status are new construction, substantial rehabilitation or buildings that have been vacant for a period of time. This site qualifies as it includes a vacancy of less than two years with special circumstances and significant rehabilitation.

(Property approved for Class 6B status allows the owner of the property to have the assessment level lowered for a period of twelve years. The assessment schedule is 10% of fair market value for ten years, then 15% in the eleventh year and 20% in the twelfth year. Industrial property is currently assessed at 25% of fair market value in Cook County.

(Upon approval, the Deputy Village Manager will issue a Letter of Receipt to the Applicant. The Letter of Receipt will allow the Applicant to file an application with Cook County. Final approval is at the discretion of the Village Board and contingent on the Applicant completing the improvements stated in their application.

(The Deputy Village Manager recommends issuing a Letter of Receipt.)

In compliance with the Americans with Disabilities Act and other applicable Federal and State laws, the meeting will be accessible to individuals with disabilities. Persons requiring auxiliary aids and/or services should contact the Village Clerk, preferably no later than five days before the meeting.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION DETERMINING THE APPROPRIATENESS FOR CLASS 6B STATUS  
PURSUANT TO THE COOK COUNTY REAL PROPERTY CLASSIFICATION  
ORDINANCE AS AMENDED JULY 27, 2018 FOR CERTAIN REAL ESTATE LOCATED  
AT 500 BUSSE ROAD, ELK GROVE VILLAGE, ILLINOIS**

**WHEREAS**, the Village of Elk Grove Village desires to promote the development of industry in the Village of Elk Grove; and

**WHEREAS**, the Cook County Assessor is operating under an ordinance enacted by the Cook County Board of Commissioners, and amended from time to time, the most recent amendment becoming effective as of July 27, 2018, which has instituted a program to encourage industrial and commercial development in Cook County known as the Cook County Real Property Classification Ordinance; and

**WHEREAS**, in the case of abandoned property, if the municipality or the Mayor and Board of Trustees, finds that special circumstances justify finding that the property is "abandoned" for purpose of Class 6B, even though it has been vacant and unused for less than 24 months, that finding, along with the specification of the circumstances, shall be included in the resolution or ordinance supporting and consenting to the Class 6B application. Such resolution or ordinance shall be filed with the eligibility application. If the ordinance or resolution is that of a municipality, the approval of the Board of Commissioners of Cook County is required to validate such shortened period of qualifying abandonment, and a resolution to that effect shall be included with the Class 6B eligibility application filed with the Assessor; and

**WHEREAS**, the Petitioner has applied for or is applying for Class 6B property status pursuant to said aforementioned ordinance for certain real estate located at 500 Busse Road, in the Village of Elk Grove Village, Cook County, Illinois, with the Property Index Numbers 08-27-203-009-02000 and 08-27-201-006-0000, and has proven to this Board that such incentive provided for in said ordinance is necessary for development to occur on this specific real estate.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Board of Trustees of the Village of Elk Grove Village, Counties of Cook and DuPage, Illinois:

**Section 1:** That the request of the Petitioner to have certain real estate located at 1400 Morse Avenue, Elk Grove Village, Cook County, Illinois, identified by Property Index Numbers 08-27-203-009-0000 and 08-27-201-006-0000, declared eligible for Class 6B special circumstances status pursuant to the Cook County Real Property Classification Ordinance as amended July 27, 2018, is hereby granted in that this Board and the Village of Elk Grove Village, Illinois, has determined that the incentive provided by the said Class 6B Tax Incentive Ordinance is necessary for the said development to occur on the subject property, legally described as follows:

LOT 163 IN HIGGINS INDUSTRIAL PARK UNIT 112, BEING A SUBDIVISION IN  
THE NORTHEAST ¼ OF SECTION 27, TOWNSHIP 41 NORTH, RANGE 11, EAST OF  
THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**Section 2:** That the Special Circumstances as outlined by the petitioner are attached hereto as Exhibit "A" and made a part thereof.

**Section 3:** That the Village of Elk Grove Village, Illinois hereby supports and consents to the Class 6B Application and approves the classification of the subject property as Class 6B property pursuant to the Cook County Real Property Classification Ordinance and the Class 6B tax incentives shall apply to the property identified as Permanent Real Estate Index Numbers 08-27-203-009-0000 and 08-27-201-006-0000. Elk Grove Village is in receipt of an economic disclosure statement that is required with the application packet.

**Section 4:** That the Mayor and Village Clerk are hereby authorized to sign any necessary documents to implement this Resolution subject to the petitioner completing the following conditions within twelve months of closing:

- a. Significant interior rehabilitation to meet cleanliness air quality, structural, and environmental standards needed for food grade production;
- b. Rehabilitation of the dock area and refinishing of concrete flooring;
- c. New HVAC system to maintain air temperature for food production;
- d. Improvements to the existing fire protection system and significant electrical work;
- e. Improvements to the exterior of the building with upgraded façade;
- f. Installation of 350' long screen wall as buffer to 20 docks;
- g. Addition of exterior accent lighting around pond, façade, screen wall and landscaping.

**Section 5:** That this Resolution shall be in full force and effect from and after its passage and approval according to law.

**VOTE: AYES: \_\_\_\_\_ NAYS: \_\_\_\_\_ ABSENT: \_\_\_\_\_**

**PASSED this \_\_\_\_\_ day of \_\_\_\_\_ 2023.**

**APPROVED this \_\_\_\_\_ day of \_\_\_\_\_ 2023.**

**APPROVED:**

\_\_\_\_\_  
**Mayor Craig B. Johnson**  
**Village of Elk Grove Village**

**ATTEST:**

\_\_\_\_\_  
**Loretta M. Murphy, Village Clerk**

## Exhibit A

April 20, 2023

### **Special Circumstances in Support of 6B Abatement**

500 Busse Road, Elk Grove Village, Illinois 60007  
PINs: 08-27-201-006-0000  
Creative Werks LLC

Creative Werks LLC (the “Applicant”) intends to be the long-term lessee of the above referenced property (the “Expansion Facility”), and is requesting a Resolution from Elk Grove Village supporting and consenting to a Class 6B Tax Incentive for the Expansion Facility based on the substantial rehabilitation of a currently under-developed property. UPS currently occupies the Expansion Facility and uses it as a freight-forwarding location. Because of this current use, the Expansion Facility lacks any significant improvements and acts as a bare warehouse space with limited rack storage and a simple office space.

The Expansion Facility is 244,921 square feet, including approximately 225,000 square feet of production space along with a 20,000 square foot office area. Applicant is a contract food packager that houses its headquarters and one of its production/warehouse facilities in the adjacent parcel within the same building, 1460-70 Brummel Avenue (the “Current Facility”). Applicant maintains a Safe Quality Food level 3 certification for its Current Facility, and Applicant intends to substantially rehabilitate and update the Expansion Facility to meet these same requirements.

As noted, the Expansion Facility’s current state cannot support Applicant’s production standards or operations. In order for the Applicant to occupy and operate the Expansion Facility, it will need to spend more than \$9 million, based upon current estimates that will likely increase once work were to begin. This includes, in part, updates to the Expansion Facility’s flooring, dock areas, HVAC and air quality controls, and the installation of other equipment and infrastructure to support Applicant’s high-tech, automated production lines. At the Current Facility, Applicant maintains a specialized, well-paid workforce, and Applicant would look to expand such workforce and create new jobs at the Expansion Facility.

In addition to the interior and building upgrades, Applicant is also committed to outdoor beautification improvement for the Expansion Facility along Busse Road. Applicant

intends to work with the Village to finalize these plans, and initial estimates are approximately \$1.6 million for this beautification project.

Without the incentive, the Expansion Facility is likely to remain in use as an unimproved, bare warehouse facility without the expanded and specialized employment opportunities and without the exterior beautification project. Based on the increasing Cook County tax burden, industrial properties without a tax incentive are at a distinct disadvantage, especially in Elk Grove Village.

The 2022 effective tax rate and Cook County's level of assessment for industrial properties puts a massive strain on any tenant operator interested in the Expansion Facility. By allowing the Expansion Facility to remain unimproved, the Village could lose tax revenue and miss out on additional Village revenue generated by the proposed 250-300 well-paying new jobs at the updated Expansion Facility.

Applicant needs the assistance and savings from the 6B incentive to substantially rehabilitate and expand into the Expansion Facility, which would further solidify Applicant's connection to and investment in the Village.