

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orland-park.il.us



Meeting Minutes

Monday, February 21, 2011

6:00 PM

Village Hall

Development Services & Planning Committee

*Chairman James V. Dodge, Jr.
Trustees Brad S. O'Halloran and Patricia A. Gira
Village Clerk David P. Maher*

CALL TO ORDER/ROLL CALL

In the absence of Village Clerk David P. Maher, Deputy Clerk Joseph S. La Margo was present.

The meeting was called to order at 6:25 PM.

Present: 3 - Trustee O'Halloran; Chairman Dodge and Trustee Gira

APPROVAL OF MINUTES

2011-0097 Approval of the January 17, 2011 Development Services and Planning Committee Minutes

I move to approve the Minutes of the Regular Meeting of the Development Services and Planning Committee of January 17, 2011.

A motion was made by Trustee Brad O'Halloran, seconded by Trustee Patricia Gira, that this matter be APPROVED. The motion CARRIED by the following vote:

Aye: 2 - Trustee O'Halloran and Chairman Dodge

Nay: 0

Abstain: 1 - Trustee Gira

ITEMS FOR SEPARATE ACTION

2011-0049 Ordinance Amending Title 7, Chapter 14, Massage Establishments

Director of Development Services Karie Friling reported that the Police and Development Services Departments have been working together to update the Massage Establishments (Title 7, Chapter 14) Code. Over the course of the last few years, Orland Park has seen a significant increase in the number of massage/spa businesses, including both chain and locally owned. The proposed changes provide for a more consistent and effective enforcement of these businesses. It also deletes sections of this chapter that already exist and are enforced in other existing code sections (i.e. business licenses/plumbing code). Finally, the proposed changes provides some general "clean up" of language in the existing code.

The proposed changes have been reviewed by the Village Attorney.

I move to recommend to the Village Board of Trustees approval of An Ordinance Amending Title 7, Chapter 14 of the Orland Park Village Code - Massage Establishments.

A motion was made by Trustee Brad O'Halloran, seconded by Trustee Patricia Gira, that this matter be APPROVED. The motion CARRIED by the following vote:

Aye: 3 - Trustee O'Halloran, Chairman Dodge, and Trustee Gira

Nay: 0

2011-0003 Cardinal Fitness - Special Use Permit

Director Friling reported that the Cardinal Fitness, currently 7,458 square feet, proposes an expansion into an area that is approximately 2,340 square feet, which is currently used for shopping center storage purposes in the same building. The total area of the fitness center will therefore be 9,798 square feet. The BIZ zoning district regulations require that fitness centers and health clubs over 5,000 square feet obtain special use permits. With the proposed expansion, Cardinal Fitness seeks a special use in order to bring the size of their operation into conformity with Section 6-207 of Land Development Code-BIZ General Business District.

On February 8, 2011, the Plan Commission moved 6-0 to recommend to the Village Board of Trustees to approve a special use permit for Cardinal Fitness of Orland Park LLC to operate and maintain a 9,798 square foot fitness center at 15601 S. 94th Avenue, subject to the following conditions:

1. That the hours of operation for the fitness center do not extend beyond 7:00 a.m. to 11:00 p.m. on weekdays and 7:00 a.m. to 7:00 p.m. on weekends;
2. That no parking is permitted at the rear of the Orland Park Plaza shopping center before 7:00 a.m. and after 5:00 p.m.

Condition 1 is based on the operating hours of Cardinal Fitness. Condition 2 is included to be consistent with the special use permits of Space Golf and Pro-Tyme Billiards, neighboring businesses in the same center whose special use permits prohibited parking at the rear after 5:00 p.m. as a courtesy to the residential neighborhood east of the center. In this case, Cardinal Fitness would also be prohibited from parking at the rear of the center before 7:00 a.m. since that is a peak business time for the fitness center.

I move to recommend to the Village Board of Trustees to approve a special use permit for Cardinal Fitness of Orland Park LLC to operate and maintain a 9,798 square foot fitness center at 15601 S. 94th Avenue as indicated in the attached fully referenced motion.

THIS SECTION FOR REFERENCE ONLY (NOT NECESSARY TO BE READ)

I move to recommend to the Village Board of Trustees to approve a special use permit for Cardinal Fitness of Orland Park LLC to operate and maintain a 9,798

square foot fitness center at 15601 S. 94th Avenue, subject to the following conditions:

1. That the hours of operation for the fitness center do not extend beyond 7:00 a.m. to 11:00 p.m. on weekday and 7:00 a.m. to 7:00 p.m. on weekends;
2. That no parking is permitted at the rear of the Orland Park Plaza shopping center before 7:00 a.m. and after 5:00 p.m.

A motion was made by Trustee Patricia Gira, seconded by Trustee Brad O'Halloran, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion CARRIED by the following vote:

Aye: 3 - Trustee O'Halloran, Chairman Dodge, and Trustee Gira

Nay: 0

2011-0091 Madison Revolving Loan Fund Application

Director Friling reported that the Founded in 2002, Madison Construction provides general contracting, construction management and design build services for the fifteen million dollar and under construction marketplace. Before starting the business, Robert Ferrino worked for 15 years with Walsh Construction. Madison Construction currently employees 40 individuals and leases space at 15426 S. 70th Court, which is owned by Mr. Ferrino and his wife.

Since 2002, Madison Construction has completed over \$30 million of work, including the renovation of the Little Red Schoolhouse Nature Center in Willow Springs and the remodel of Oak Lawn High School in Oak Lawn. Most of Madison Construction's projects are located in the city of Chicago or the immediate surrounding area. A focus on smaller commercial construction projects and incorporation of environmental technology into the business model helped Madison Construction thrive, even during the economic downturn. Many of Madison Constructions' recent and future projects include 'green' practices such as LEED certification, like the PCC Wellness/Austin building and the geo-thermal heating and cooling system designed for the Little Red School House Nature Center. Madison Construction also managed the entire Energy Efficiency and Conservation Block Grant (EECBG) program for the city of Hammond.

Revolving Loan Fund Request

Madison Construction currently has a backlog of work totaling over \$30 million. To accommodate the company's growth and solidify a presence in Orland Park, Mr. Ferrino has purchased the currently vacant, former Cooper Plumbing building at 15657 South 70th Court. After moving into the larger space, Mr. Ferrino anticipates substantial renovations to the building. The revolving loan fund application to the Village of Orland Park in the amount of \$586,750 is for the proposed renovations. The Revolving Loan Fund balance is approximately \$1.5 million.

The proposed project will keep an existing successful company in Orland Park, will renovate a currently vacant building and will generate new jobs for the Village. Additionally, another business has already committed to taking over Madison Construction's existing lease at 15426 S. 70th Court, generating additional Orland Park jobs.

Madison Construction currently employs 40 people in high quality job positions. The proposed relocation, renovation and subsequent expansion are anticipated to add at least 24 new jobs.

Madison Construction intends to complete the proposed renovations in-house. The scope and details of the renovation scope are not finalized, but the petitioner must secure all zoning and building approvals prior to permit issuance.

Loan Details

Madison Construction is requesting \$586,750 from the Village's Revolving Loan program to fund rehabilitation and renovation work in the new building. The loan request represents 38% of the total project budget (property acquisition, rehabilitation and soft costs). The petitioner's lender, Citizen's Bank is financing the property purchase and the terms of that loan include a hold on Mr. Ferrino's account until such time that the Revolving Loan application is finalized. If the loan application is not approved by the Village, the hold amount will increase accordingly. Mr. Ferrino is providing a substantial portion of his own equity, \$383,250, into the project.

If approved, the loan will be offered at 50% of Prime at the time of the application or time of closing, whichever is lower. Half of Wall Street Prime at time of application was 1.625%. The terms of the loan will mirror the lead lender, resulting in a five year balloon and twenty-five year amortization schedule.

Per the guidelines of the Revolving Loan Program, funds for construction are available as a permanent loan at the time of project completion. Madison Construction plans to fund the rehabilitation with ready sources of cash flow and existing lines of credit until the RLF funds can be closed upon. Per the project schedule provided in the application, the work is anticipated to be complete in the fall of 2011.

The Village's banking representative, Fifth/Third Bank, has favorably reviewed the loan application with the addition of a few conditions. A summary of their findings is included below:

The strengths:

1. The deal is solid based on cash flow of the company, the operations have historically been profitable and performed well.

2. Company has solid management that has been in this industry for quite some time with a proven track record.
3. Balance sheet is strong with no debt on the books at this time.

The concerns:

1. Appraised value of the property, bank would normally not lend anything above and beyond 80%.
2. Future projects of the company. Historical performance in this industry is strong, but pay down of this debt will be based on future projects.

Recommendations:

1. Take a lien on all assets.
2. Ask for a personal guarantee from the owner.
3. Review appraisal prior to funding.

The recommendations noted above have been included in the conditions.

Economic Development and Advisory Board

The Economic Development and Advisory Board (EDAB) voted 5-1 to recommend to the Village Board approval of the Revolving Loan Fund request from Madison Construction in the amount of \$586,750 subject to the following conditions:

1. Receipt by the Village and satisfactory review by the Village's Financial Consultant of Mr. Ferrino's personal financial statement.
2. A personal guarantee in the amount of the loan be provided by Mr. Robert Ferrino.
3. The Village shall be provided a copy of the property appraisal prior to funding.
4. The loan closing shall not occur until the renovation work has been complete and supporting documentation has been submitted to the Village confirming completion, including an inspection by the Village.
5. The petitioner secure all necessary planning and building approvals prior to beginning work on the building.

The petitioner requested that the condition to take a lien on all assets be reconsidered by the Economic Development and Advisory Board. After discussing the issue, the condition to take a second position on all assets was removed from the motion. Instead the Village will take a second position on real estate, which is required as part of the Loan program.

The Village's Financial Consultant has provided copies of their financial analysis.

After a review of Mr. Ferrino's personal financial statement, 5/3 Bank has concluded that he as an acceptable guarantor and that condition has been removed from the motion below.

Copies of the loan application and supporting documentation are available for review in the Development Services Department.

I move to recommend to the Village Board approval of the Revolving Loan Fund request from Madison Construction in the amount of \$586,750 subject to the following conditions:

1. The Village take a second position on real estate.
2. A personal guarantee in the amount of the loan be provided by Mr. Robert Ferrino.
3. The Village shall be provided a copy of the property appraisal prior to funding.
4. The loan closing shall not occur until the renovation work has been completed and supporting documentation has been submitted to the Village confirming completion, including an inspection by the Village.

And

5. The petitioner secure all necessary planning and building approvals prior to beginning work on the building.

A motion was made by Trustee Patricia Gira, seconded by Trustee Brad O'Halloran, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion CARRIED by the following vote:

Aye: 3 - Trustee O'Halloran, Chairman Dodge, and Trustee Gira

Nay: 0

2010-0579 159th Street Corridor Plan - Recommended Resolution

Director Friling reported that the 159th Street Corridor Plan, a multi-jurisdictional effort which addresses the corridor between I-355 and I-294, has been completed. The Plan was funded through a grant by the Illinois Department of Transportation (IDOT) with a match from the local municipalities. The purpose of the plan was to establish coordinated transportation, urban design and economic development strategies to improve the corridor. Six municipalities along the Corridor were involved in the planning effort, including Homer Glen, Orland Park, Orland Hills, Tinley Park, Oak Forest and Markham. A representative of each community participated as a member of the project Steering Committee. Public open houses were held in various locations, and an online survey was conducted to collect public input and ideas.

Tonight's presentation will give a brief overview of the components and findings of the Plan, which addresses a range of relevant planning issues, including improvements to circulation and access, urban design concepts, common branding and way-finding strategies, and coordination of marketing efforts.

The Plan is available for viewing on the Village web site on the Planning and Engineering home page. Hard copies or CDs are also available upon request.

Senior Planner Jane Turley gave a power point presentation to the Board regarding the 159th Street Corridor Plan.

I move to recommend passing a Resolution entitled: A RESOLUTION OF SUPPORT FOR THE 159TH STREET CORRIDOR PLAN; COMPLETED IN JUNE 2010, IN ORDER TO ESTABLISH COORDINATED TRANSPORTATION, URBAN DESIGN, AND ECONOMIC DEVELOPMENT STRATEGIES for 159TH STREET BETWEEN I-355 AND I-294.

A motion was made by Trustee Patricia Gira, seconded by Trustee Brad O'Halloran, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion CARRIED by the following vote:

Aye: 3 - Trustee O'Halloran, Chairman Dodge, and Trustee Gira

Nay: 0

ADJOURNMENT - 6:51 PM

A motion was made by Trustee Patricia Gira, seconded by Trustee Brad O'Halloran, that this matter be ADJOURNED. The motion CARRIED by the following vote:

Aye: 3 - Trustee O'Halloran, Chairman Dodge, and Trustee Gira

Nay: 0

/nm

APPROVED:

Respectfully Submitted,

David P. Maher, Village Clerk

Joseph S. La Margo, Deputy Clerk

DRAFT