
**THE CITY OF BLUE ISLAND
COOK COUNTY, ILLINOIS**

**RESOLUTION
NUMBER 2018-012**

**A RESOLUTION OF THE CITY OF BLUE ISLAND,
COOK COUNTY, ILLINOIS SUPPORTING THE CLASS 8
REAL ESTATE TAX ASSESSMENT CLASSIFICATION FOR
13611 THORNTON ROAD (GK REAL ESTATE GROUP, LLC.)**

**DOMINGO F. VARGAS, Mayor
Randy Heuser, City Clerk**

**DEXTER JOHNSON
LETICIA VIEYRA
NANCY RITA
TOM HAWLEY
BILL FAHRENWALD
CANDACE CARR
KENNETH PITTMAN**

**GEORGE POULOS
FRED BILOTTO
KEVIN DONAHUE
ALECIA SLATTERY
JANICE OSTLING
JAIRO FRAUSTO
NANCY THOMPSON**

Aldermen

RESOLUTION NUMBER 2018-012

**A RESOLUTION OF THE CITY OF BLUE ISLAND,
COOK COUNTY ILLINOIS SUPPORTING THE CLASS 8
REAL ESTATE TAX ASSESSMENT CLASSIFICATION FOR
13611 THORNTON ROAD
(GK REAL ESTATE GROUP, LLC)**

WHEREAS, the City of Blue Island, Cook County, Illinois (the “City”) is a duly organized and existing municipal corporation created under the provisions of the laws of the State of Illinois and under the provisions of the Illinois Municipal Code, as from time to time supplemented and amended, and the said City, therefore, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the President and Board of Commissioners of the County of Cook have enacted an ordinance known as the Cook County Real Property Assessment Classification Ordinance, as amended from time to time (the “*Classification Ordinance*”), which provides for a tax assessment incentive classification designed to encourage development throughout Cook County by offering a real estate tax incentive for the development of new facilities, the rehabilitation of existing structures and the utilization of abandoned buildings in order to create employment opportunities and expand the tax base; and

WHEREAS, GK Real Estate Group, LLC is under contract to purchase a certain parcel of property within the City commonly known as 13611 Thornton Road, Blue Island, Illinois, identified by a certain permanent index numbers (PIN) 29-06-105-010-0000 and 29-06-105-012-0000, and hereinafter legally described on Exhibit A, a copy of which is attached hereto and made a part hereof (the “*Property*”); and

WHEREAS, GK Real Estate Group, LLC is the applicant and has requested that the Mayor and City Council of the City of Blue Island (the “*Corporate Authorities*”) support and consent to the Cook County Class 8 Real Estate Tax Assessment Classification for the Property, as said term is defined in the Classification Ordinance (the “*Class 8 Tax Assessment Classification*”); and

WHEREAS, the adoption of a resolution by the Corporate Authorities is required and must be filed by GK Real Estate Group, LLC with its application with the County of Cook in order for the Property to receive the Class 8 Tax Assessment Classification; and

WHEREAS, GK Real Estate Group, LLC is planning to redevelop the industrial building on the Property by investing approximately \$100,000.00 in improvements in order to make the Property more marketable for its prospective tenant, Serro Pro Industries, LLC, which is a full service recycling processor, all of which is dependent on the approval and grant of the Class 8 Tax Assessment Classification; and

WHEREAS, the redevelopment proposed by the GK Real Estate Group, LLC will improve the tax base of the City, create additional temporary employment opportunities during construction, and generate real estate tax revenues for both the City and the County of Cook, as a result of the aforesaid redevelopment; and

WHEREAS, the Corporate Authorities find that the redevelopment contemplated for the Property will promote commercial growth, create new employment opportunities within the City and will expand and further diversify the tax base of the City and that without a Class 8 Tax Assessment Classification for the Property it will remain vacant, abandoned and exasperate blight in the area surrounding the Property; and

WHEREAS, to ensure the viability of the facility, the creation of numerous employment positions in the City and to stimulate the tax base of the City, the Corporate Authorities have determined that it is necessary and in the best interests of the City to approve the Class 8 Real Estate Tax Assessment Classification for the Property for the redevelopment and revitalization of the Property, pursuant to the Classification Ordinance.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Blue Island, Cook County, Illinois, as follows:

Section 1. That the above recitals and legislative findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

Section 2. The Corporate Authorities find that the proposed redevelopment contemplated herein for the Property is necessary and appropriate and that without a Class 8 Tax Assessment Classification the Property will remain vacant and underutilized and cause the continued exasperation of blighted factors within the area surrounding the Property.

Section 3. The Corporate Authorities find that the Class 8 Tax Assessment Classification incentive program established by the County of Cook is necessary for the redevelopment herein contemplated to occur on the Property, which is the subject of this Resolution.

Section 4. The Corporate Authorities support and consent to the filing of a Class 8 Tax Incentive Eligibility Application by the applicant, GK Real Estate Group, LLC, for the Property, which is herein legally described on Exhibit A.

Section 5. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity thereof shall not affect any other provision of this Resolution.

Section 6. All ordinances, resolutions, motions or orders in conflict with this Resolution are hereby repealed to the extent of such conflict.

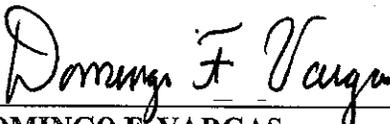
Section 7. This Resolution shall be in full force and effect upon its passage, approval and publication as provided by law.

(Intentionally left blank)

ADOPTED this 24th day of April, 2018, pursuant to a roll call vote as follows:

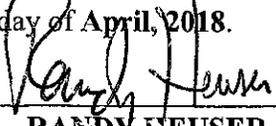
	YES	NO	ABSENT	PRESENT	ABSTAIN
Alderman Hawley	X				
Alderman Poulos	X				
Alderman Vieyra	X				
Alderman Bilotto	X				
Alderman Rita			X		
Alderman Donahue			X		
Alderman Carr	X				
Alderman Slattery	X				
Alderman Ostling	X				
Alderman Pittman	X				
Alderman Johnson			X		
Alderman Frausto	X				
Alderman Thompson			X		
Alderman Fahrenwald	X				
Mayor Vargas					
TOTAL	10		4		

APPROVED by the Mayor on April 24, 2018.



DOMINGO F. VARGAS
 MAYOR OF THE CITY OF BLUE ISLAND,
 COUNTY OF COOK AND STATE OF ILLINOIS

ATTESTED and Filed in my office this
 24th day of April, 2018.



RANDY HEUSER
 CITY CLERK



City of Blue Island
13051 Greenwood Ave
Blue Island, IL 60406
www.blueisland.org

PLANNING & BUILDING DEPARTMENT - STAFF REPORT

DATE: APRIL 6, 2018
PROPOSED: REQUEST FOR CLASS 8 TAX INCENTIVE

Applicant: GK Real Estate Group

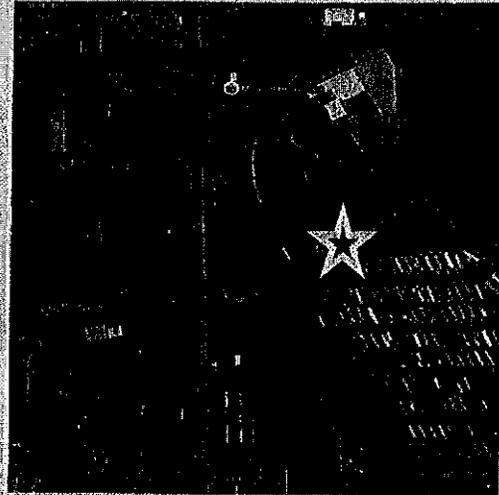
Owner: Nick Karnavas

Location: 13611 Thornton Road

Current Use: Vacant

Proposed Use: Warehouse for enclosed storage of goods and materials, (recycling)

Past Use: Manufacturing



Introduction

GK Real Estate Group is asking the City of Blue Island's support for a request of a Class 8 Property Tax Incentive with Cook County. The property consists of a 70,000 square foot building located on a 113,909 square foot site and is designated for industrial use.

Discussion

GK Real Estate Group is planning to purchase and lease the building for industrial operation. The name of the incoming tenant is Serra Pro Industries, LLC established in February, 2018. They are a full service recycling processor. Initial plans after purchase are to create 10 temporary construction jobs. Upon completion of construction Serra Pro will begin operation with 15-20 warehouse/processing workers and 4-6 office personnel. Expansion, when fully operating, could bring as many as 40 full time warehouse/processing workers. Formerly occupied by Robertson Worldwide, which manufactured lighting ballasts and drivers, the property has been vacant since December 2014.

The site has room to park up to 106 vehicles and includes 4 loading docks. Any trash dumpsters or bins located outside the building would be required to be screened in compliance with Section 163.11 of the Blue Island Code.

Conclusion

Property assessment has been reduced due to vacancy; however current taxes are \$55,300, nearly 20% of the vacancy assessed value of \$277,383. If the Class 8 is approved the annual estimated taxes would be \$63,000 once occupied. GK Real Estate Group would then own a property that is currently non-performing; invest in their business at a manageable rate and have the opportunity to expand employment within the company and community.

Other benefits to the City are a boost to the local economy as well as other indirect sources of revenue generated by income tax and utility tax. As part of the approval and incentive resolution, the City would recommend commitments for hiring preference of City residents (job fairs, early interviews, etc.)

Attachments

- Memo – Kane McKenna and Associates, Inc.
- Cook County Assessor Class 8 Eligibility Application

MEMO

TO: Mark Miller

FROM: Robert Rychlicki
Kane, McKenna and Associates, Inc.

DATE: March 26, 2018

RE: Review of Proposed Class 8 – GK Real Estate Group

The City of Blue Island (the "City") has requested Kane, McKenna and Associates, Inc. ("KMA") to review materials submitted by GK Real Estate Group regarding a Cook County Assessment Class 8 application: 13611 Thornton Road -- parcel numbers 29-06-105-010 and 29-06-15-012. The property is located in TIF 2.

Under the current Cook County Class 8 program, assessment levels would be reduced from 25% to 10% for 10 years with a step up to 15% in year 11, 20% in year 12 and returns to full 25% in year 13 (this reduction includes property total valuation, and not restricted to rehab or new construction)

Currently the properties are assessed at the 25% assessment level, but values have been reduced due to vacancy or reduced rental income.

The property consists of a 70,000 s.f. industrial building located on a 113,900 s.f. site.

Current 2016 taxes are \$55,271 based on an assessment of \$277,382 for both parcels. The Class 8 is requested in order to allow for re-occupancy by an industrial user. Current tax rates (2016) are near 20% at 19.926% and the tax burden is not competitive within the marketplace.

If the Class 8 is approved the property would maintain taxes close to existing levels over the next ten (10) years and are estimated at \$63,000.

The applicant requests the renewal for reasons:

- a) Real estate taxes at the location are not competitive.
- b) Allow for the reoccupancy of the property
- c) Create jobs at the site.

MEMO
Page Two
March 26, 2018



GK Real Estate Group, the applicant, is planning to purchase and lease the building for a proposed tenant. Serra Pro Industries, LLC is a full service recycling processor. Initial plans after purchase are to create 10 temporary construction jobs. Upon completion of construction Serra Pro will begin operation with 15-20 warehouse/processing workers and 4-6 office personnel. At full operations, the facility could bring as many as 40 full time warehouse/ processing works. The site was previously occupied by Robertson Worldwide, which manufactured lighting ballasts and drivers. The property has been vacant since December 2014.

The renewal, if approved, would result in the following benefits to the City:

- a) New jobs.
- b) Occupancy of a vacant structure.
- c) Maintenance of taxes close to existing levels.

COOK COUNTY ASSESSOR
JOSEPH BERRIOS



COOK COUNTY ASSESSOR'S OFFICE
118 NORTH CLARK STREET, CHICAGO, IL 60602
PHONE: 312.443.7550 FAX: 312.603.6584
WWW.COOKCOUNTYASSESSOR.COM

CLASS 8
ELIGIBILITY APPLICATION

CONTROL NUMBER

Carefully review the Class 8 Eligibility Bulletin before completing this Application. For assistance, please contact the Assessor's Office, Development Incentives Department (312) 603-7529. This application, a *filing fee of \$500.00*, and supporting documentation (*except drawings and surveys*) must be filed as follows:

This application must be filed **PRIOR TO** the commencement of New Construction or **PRIOR TO** the commencement of Substantial Rehabilitation Activities or **PRIOR TO** the commencement of Reoccupation of Abandoned Property.

Applicant Information

Name: Nick S. Karnavas Telephone: (708) 268-5200
Company: GK Real Estate Group, LLC
Address: 18001 Arthur Drive
City: Orland Park State: IL Zip Code: 60467
Email: trilogypropinc@aol.com

Contact Person (if different than the Applicant)

Name: John M. Brannigan Telephone: (708) 478-0047
Company: Maher, Brannigan & Heywood, PC
Address: 11520 West 183rd Place, SE
City: Orland Park State: IL Zip Code: 60467
Email: jbrannigan@mbretax.com

Property Description (per PIN)

If you are applying for more than three different PINs, please submit the additional PIN information in an attachment.

Street Address: (1) 13541 Thornton Road
Permanent Real Estate Index Number: 29-06-105-010-0000
(2) 13541 Thornton Road
Permanent Real Estate Index Number: 29-06-105-012-0000
(3) _____
Permanent Real Estate Index Number: _____

City: Blue Island State: IL Zip Code: 60406
Township: Thornton Existing Class: 5-93

Class 8 application is based upon the location of the property in:

- 1) An area which has been certified for Class 8
- 2) One of the following townships: Bloom, Bremen, Calumet, Rich, or Thornton
- 3) Property obtained through the Cook County Tax Reactivation Program

Identification of Person Having an Interest in the Property

Attach a complete list of all owners, developers, occupants and other interested parties (*including all beneficial owners of a land trust*) identified by names and addresses, and the nature and extent of their interest. **SEE ATTACHED**

Property Use

Type of Development: Industrial or Commercial (Please circle)

General Description of Proposed Property Usage 100% Industrial Storage & Fabrication

SEE ATTACHED

Attach a detail description of the precise nature and extent of the intended use of the subject property, specifying in the case of the multiple uses the relative percentages of each use.

Attach legal description, site dimensions and square footage and building dimensions and square footage.

Include copies of materials, which explain the occupant's business, including corporate letterhead, brochures, advertising material, leases, photographs, etc.

Nature of Development

Indicate nature of proposed development by checking the appropriate space:

- New Construction (**Read and Complete Section A**)
- Substantial Rehabilitation (**Read and Complete Section A**)
Incentive only applied to the market value attributable to the rehabilitation
- Occupation of Abandoned Property - No Special Circumstance
(Read and Complete Section B)
- Occupation of Abandoned Property - With Special Circumstance
(Read and Complete Section C)
- Occupation of Abandoned Property - (**TEERM Supplemental Application**)
(Read and Complete Section C)

SECTION A (NEW CONSTRUCTION/SUBSTANTIAL REHABILITATION)

If the proposed development consists of *New Construction* or *Substantial Rehabilitation*, provide the following information:

Estimated date of construction
Commencement (*excluding demolition, if any*): _____

Estimated date of construction completion: _____

Attach copies of the following:

1. Specific description of the proposed *New Construction* or *Substantial Rehabilitation*
2. Current Plat of Survey for subject property
3. 1st floor plan or schematic drawings
4. Building permits, wrecking permits and occupancy permits (*including date of issuance*)
5. Complete description of the cost and extent of the *Substantial Rehabilitation* or *New Construction* (*including such items as contracts, itemized statements of all direct and indirect costs, contractor's affidavits, etc*)

SECTION B (ABANDONED PROPERTY WITH NO SPECIAL CIRCUMSTANCES)

If the proposed development consists of the reoccupation of abandoned property, purchased for value, complete (1) and (2) below:

1. Was the subject property vacant and unused for at least 24 continuous months prior to the purchase for value?

YES [] NO

When and by whom was the subject property last occupied prior to the purchase for value?

Robertson Transformer Co.

Attach copies of the following documents: **SEE ATTACHED**

- (a) Sworn statements from person having personal knowledge attesting to the fact and the duration of vacancy and abandonment
- (b) Information (such as statements of utility companies) which demonstrate that the property was vacant and unused and indicate duration of such vacancy

2. Application must be made to the Assessor prior to occupation:

Estimated date of reoccupation:	<u>04/16/18</u>
Date of Purchase:	<u>04/07/18</u>
Name of purchaser:	<u>GK Real Estate Group, LLC</u>
Name of seller:	<u>Robertson Transformer Co.</u>
Relationship of purchaser to seller:	<u>None</u>

Attach copies of the following documents: **SEE ATTACHED**

- (a) Sale Contract
- (b) Closing Statement
- (c) Recorded Deed
- (d) Assignment of Beneficial Interest
- (e) Real Estate Transfer Declaration

SECTION C (SPECIAL CIRCUMSTANCES)

If the applicant is seeking special circumstances to establish that the property was abandoned for purposes of the Incentive where there was a **purchase for value**, but the period of *abandonment prior to purchase was less than 24 months*, complete section (1).

If the applicant is seeking special circumstances to establish that the property was abandoned for purposes of the Incentive where there was **no purchase for value**, but the period of **abandonment prior to the application 24 continuous months or greater**, complete section (2).

If the applicant is seeking special circumstances to establish that the property was abandoned for purposes of the Incentive where there was **no purchase for value**, but the period of **abandonment prior to the application was greater than 12 continuous months and less than 24 continuous month**, complete section (2) and the **TEERM Supplemental Application**.

1. How long was the period of abandonment prior to the purchase for value? _____

When and by whom was the subject property last occupied prior to the purchase for value?

Attach copies of the following documents:

- (a) Sworn statements from persons having personal knowledge attesting to the fact and the duration of the vacancy and abandonment
- (b) Information *(such as statements of utility companies)* which demonstrate that the property was vacant and unused and indicate duration of vacancy
- (c) Include the finding of special circumstances supporting "abandonment" as determined by the municipality, or the County Board, if located in an unincorporated area. *Also include the ordinance or resolution from the Board of Commissioners of Cook County stating its approval for less than 24-month abandonment period.*

Application must be made to the Assessor prior to the commencement of reoccupation of the abandoned property.

Estimated date of Reoccupation: _____
Date of purchase: _____
Name of purchaser: _____
Name of seller: _____
Relationship of purchaser to seller: _____

Attach copies of the following documents:

- (a) Sale Contract
- (b) Closing Statement
- (c) Recorded Deed
- (d) Assignment of Beneficial Interest
- (e) Real Estate Transfer Declaration

2. How long has the subject property been unused?

- 24 or greater continuous months (*Eligible for Special Circumstance*)
- 12 continuous months but less than 24 continuous months (*Eligible for Special Circumstance under TEERM*) - **Complete TEERM Supplemental Application**
- Less than 12 continuous months (*Not Eligible for Special Circumstance*)

When and by whom was the subject property last occupied prior to the filing of this application?

Attach copies of the following documents:

- (a) Sworn statements from persons having personal knowledge attesting to the fact and the duration of the vacancy and abandonment
- (b) Information (*such as statements of utility companies*) which demonstrate that the property was vacant and unused and indicate duration of vacancy
- (c) Include the finding of special circumstances supporting "abandonment" as determined by the municipality, or the County Board, if located in an unincorporated area. Also include the ordinance or resolution from the Board of Commissioners of Cook County stating its approval for lack of a purchase for value.

Application must be made to Assessor prior to the commencement of reoccupation of the abandoned property.

Estimated date of reoccupation: _____

EMPLOYMENT OPPORTUNITIES

How many construction jobs will be created as a result of this development? 10

How many new permanent full-time and part-time employees do you now employ in Cook County?

Full-time: 2 Part-time: 0

How many new permanent full-time jobs will be created as a result of this proposed development?

20

How many new permanent full-time jobs will be created as a result of this proposed development?

5

LOCAL APPROVAL

A certified copy of a resolution or ordinance from the municipality in which the real estate is located (or the County Board, if the real estate is located in an unincorporated area) should accompany this Application. The ordinance or resolution must expressly state that the municipality supports and consents to this Class 8 Application and that it finds Class 8 necessary for development to occur on the subject property. If a resolution is unavailable at the time the application is filed, a letter from the municipality or the County Board, as the case may be, stating that a resolution or ordinance supporting the Incentive has been requested may be filed with this application instead. If the applicant is seeking to apply based on the reoccupation of abandoned property and will be seeking a finding of "special circumstances" from the municipality, in addition to obtaining a letter from the municipality confirming that a resolution or ordinance supporting the Incentive has been requested, the applicant must file a letter from the County Board confirming that a resolution validating a municipal finding of special circumstances has been requested. If, at a later date, the municipality or the County Board denies the applicant's request for a resolution or ordinance, the applicant will be deemed ineligible for the Class 8 Incentive, whether or not construction has begun. In all circumstances, the resolution must be submitted by the time the applicant files an "Incentive Appeal".

I, the undersigned, certify that I have read this Application and that the statements set forth in this Application and in the attachments hereto are true and correct, except as those matters stated to be on information and belief and as to such matters the undersigned certifies that he/she believes the same to be true.



Signature
NICK S. KARNAVAS

Print Name

03/12/18

Date
Manager

Title

*Note: If title to the property is held in trust or by a corporation or a partnership, this Class 8 Eligibility Application must be signed by a beneficiary, officer or general partner.

TEERM SUPPLEMENTAL APPLICATION

(This form will ONLY be utilized for applicants who specifically elect for TEERM)

This supplemental eligibility application is for properties that have been abandoned (due to special circumstances) for at least 12 continuous months and less than 24 continuous months with no purchase taking place.

Under the TEERM Program, qualifying industrial/commercial real estate would be eligible for the Class 8 level of assessment from the date of substantial re-occupancy of the abandoned property. Properties receiving Class 8 will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year. The terms of this program are Not Renewable.

No applications will be taken after November 30, 2018.

I _____ applicant/representative hereby specifically elect to submit this Supplemental Application for the TEERM program.

Further affiant sayeth not.

Agent's Signature

Agent's Name & Title

Agent's Mailing Address

Agent's Telephone Number

Applicant's Name

Applicant's Mailing Address

Applicant's e-mail address

Subscribed and sworn before me this _____ day of _____, 20 _____

Signature of Notary Public

INCENTIVES CLASS LIVING WAGE ORDINANCE AFFIDAVIT

Nick S. Karnavas as agent for the applicant set forth below, who is seeking a classification Incentive as referenced below, I do hereby state under oath as follows:

1. As the agent for the applicant set forth below, I have personal knowledge as to the facts stated herein.
2. The property identified by PIN(s) with commonly known address(es), listed in Exhibit A attached and herein incorporated, are/is the subject of a pending application/renewal (*circle as appropriate*) for one of the following development Incentives provided by the Code of Ordinances of Cook County, Chapter 74, Article II, Division 2, The Cook County Real Property Assessment Classification Ordinance, Sec. 74-60 et seq., as amended
3. I have reviewed the Code of Ordinances of Cook County, Chapter 34, Article IV, Division 1 and The Cook County Living Wage Ordinance, Sec. 34-127 et seq., as amended (*the "Ordinance"*), and certify that the applicant is in compliance with the above referenced Cook County Living Wage Ordinance, due to one of the following options (*check as appropriate*):

Applicant is currently paying a living wage to its employees, as defined in the Ordinance.

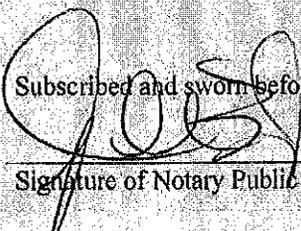
OR

Applicant is not required to pay a living wage, pursuant to the Ordinance.

Further affiant sayeth not.


Agent's Signature
18001 Arthur Drive, Orland Park, IL 60467
Agent's Mailing Address
GK Real Estate Group, LLC
Applicant's Name
trilogypopinc@aol.com
Applicant's e-mail address

Nick S. Karnavas, Manager
Agent's Name & Title
708-268-5200
Agent's Telephone Number
18001 Arthur Drive, Orland Park, IL 60467
Applicant's Mailing Address


Subscribed and sworn before me this 12 day of March, 2018
Signature of Notary Public

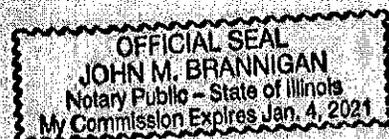


EXHIBIT A
(Please type or Print)

PIN(s)

29-06-105-010-0000

29-06-105-012-0000

Common Address

13541 Thornton Road, Blue Island, IL 60406

13541 Thornton Road, Blue Island, IL 60406