



## COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

1420 Miner Street  
Des Plaines, IL 60016  
P: 847.391.5380  
desplaines.org

### MEMORANDUM

Date: October 21, 2015

To: Michael G. Bartholomew, MCP, LEED-AP, City Manager  
George Sakas, Director *GS*

From: Lauren Pruss, Economic Development Coordinator *LP*

Subject: Class 6B Resolution Request – 521 Santa Rosa Drive, Aero M&P Properties, LLC

**Issue:** Aero M&P Properties, LLC, has filed an application requesting a City resolution in support of its Class 6B Tax Incentive application based on occupation of abandoned property for greater than twenty-four (24) months continuous vacancy with a purchase for value and substantial rehabilitation (Attachment 1). The applicant plans to rehabilitate the subject property and lease the site to Ampol Group International, Inc. for manufacturing purposes.

**Analysis:** The subject property is a 2.05 acre site that is developed with a 50,248 square foot building. The subject property has been 100% vacant and unused since at least January 2009. Vacancy relief was granted for the property in 2007. As a result of this vacancy, the property has fallen into disrepair. In order for the property to be suitable for Ampol Group International, Inc., the applicant plans to spend approximately \$700,000 for improvements to substantially rehabilitate the site over the next five years.

Ampol group is a manufacturer of lifts, conveyors, dock plates, and roller systems for cargo industries such as Fed Ex, DHL, UPS, Walgreens, and related airport industries. Initially, the Ampol Group plans to begin operations at the new facility with fifteen employees that would transfer from their existing O'Hare facility. The applicant anticipates that the employee count would grow to approximately 20-25 full-time employees within the next three to five years.

Cook County's Class 6b economic development tool encourages industrial investment by offering a real estate tax incentive. 6b's require a resolution of consent from municipalities. Qualified industrial properties are assessed at 10% of market value for the first 10 years, 15% in the 11<sup>th</sup> year and 20% in the 12<sup>th</sup> year. Normally such properties are assessed at 25% of market value (Attachment 2).

#### Assessment of Tax Impact Scenarios:

1. Estimate Property Taxes as-is with vacancy relief: \$80,760
2. Estimated Property Taxes with proposed improvements with a 6b: \$126,499
3. Estimated Property Taxes with proposed improvements without a 6b: \$326,248

The applicant contends that they will not move forward with the purchase, lease and improvement of this property without a 6b. Therefore, scenario two is not a valid option, leaving scenario three generating the

highest property tax revenue, employment, and other economic benefits.

**Recommendation:** I recommend that the City Council adopt Resolution R-176-15 to support and consent to the filing of Aero M&P Properties, LLC Class 6b application to the Cook County Assessor's Office.

**Attachments:**

Attachment 1: Resolution Request with Estimated Improvement Costs

Attachment 2: Estimated Tax Projections

Attachment 3: Resolution R-176-15

October 14, 2015

Lauren Pruss  
Economic Development Coordinator  
Community Development Department  
1420 Miner Street  
Des Plaines, IL 60016

**Re: Class 6b Application**

521 Santa Rosa, Aero M & P Properties LLC or Its Assignee  
521 Santa Rosa Drive  
Des Plaines, IL 60018  
Pin: 09-31-200-013-0000

Aero M&P Properties LLC plans to purchase the currently vacant and unused property located at 521 Santa Rosa Drive in Des Plaines, Illinois (PIN:09-31-200-013-0000) The Applicant plans to rehabilitate the subject property and lease the same to related entity, Ampol Group International Inc. for its use as a manufacturer purposes .

The subject property is an approximately 2.05 Acres that includes roughly 50,248 square foot building. The applicant has confirmation that the subject property has been 100% vacant and unused since January 2009(Approximately 7 ½ Years), though believes the property has likely been completely vacant and unused since 2007 based on the vacancy reduction obtained at the Cook County Assessor's Office.

Due to this neglect, the property has fallen into great disrepair. In order for the property to be suitable for Ampol Group International Inc., The Applicant plans to spend approximately \$700,000 over the next five years to substantially rehabilitate the site. The applicant expects these improvements to create approximately 54 construction jobs.

Ampol Group, Inc. is currently in expansion mode, recently purchased 4 pieces of new manufacturing equipment. It has outgrown the available building square footage at O'Hare Facility. Ampol Group, Inc. would locate its expanded operations at this second facility.

Based on a review of the subject property, Ampol Group, Inc. believes the subject property could be an ideal second facility if it was properly rehabilitated. If Ampol Group Inc. relocated to property, it would transfer approximately 15 of its full time employees from O'Hare Facility to the subject property.





Ampol Group, Inc. believes that this approximately 15 employees count will increase to approximately 20-25 full – time employees at the subject property within the next three to five years. These employees will be mostly hired to assist Ampol Group, Inc. with the above –mentioned five pieces of production equipment that are currently not yet in service.

If Ampol Group is located at the subject property it will work with the City of Des Plaines in hiring City residents for these and other future hires. Ampol Group, Inc. will also advertise open employment positions at the subject property at the subject property in local Des Plaines newspapers.

With Ampol Group, Inc. Des Plaines residents would be getting an organization committed to its employees. During the “Great Recession” of 2008 and 2009, Ampol Group, Inc. did not lay off any employees. It actually maintained a 40 hour work week for all of its employees during the “Great Recession”. In addition, During the “Great Recession”, Ampol Group, Inc. was able to pay vendors on time, make capital improvements to its equipment and train its people.

Peter Shultz is the president of Ampol Group, Inc. and founded organization 2007. Peter Shultz began his career in 1998 as a sales service technician for Fed Ex Company. In 2007 Peter Shultz built Ampol Group, Inc. with 6 employees and has built the company since. Peter now has 3 locations in total one in Chicago, New York and New Jersey.

Based on the foregoing, the Applicant request that the City of Des Plaines review Class 6b request and approve a Resolution supporting and consenting to a Class 6b Incentive for the subject property based on occupation of abandoned property for greater than twenty-four (24) months continuous vacancy with a purchase for value and substantial rehabilitation.

Regards,

Peter Shultz

Ampol Group, Inc

President

## Building Improvement Cost Breakdown For the following 5 Years

### 521 Santa Rosa Drive Des Plaines IL

(PIN:09-31-200-013-000)

Improvements*	Estimated Timeframe to Complete Improvements from Purchase	Estimated Cost	Estimated Construction Job
New Electrical distribution system for equipment	Within One Year	\$10,000.00	3
New Overhead Doors	Within One Year	\$90,000.00	6
Building and Safety code improvements	Within One Year	\$15,000.00	3
New Parking	Within One Year	\$50,000.00	6
Replace Leaking Windows	Within One Year	\$10,000.00	3
Painting, Clean up, Landscaping	Within One Year	\$50,000.00	2
Roof Repairs	Within One Year	\$32,000.00	4
Fire Sprinkler Repairs	Within One Year	\$18,000.00	2
Rehabilitation of offices	Within One Year	\$25,000.00	2
<b>Subtotal:</b>		<b>\$300,000.00</b>	<b>11</b>
Repair shop lights	Within Two Years	\$20,000.00	2
Additional roof repairs	Within Two Years	\$50,000.00	4
Repair bathrooms	Within Two Years	\$30,000.00	2
<b>Subtotal:</b>		<b>\$100,000.00</b>	<b>9</b>
Repairs to office roof	Within three Years	\$55,000.00	5
Replace main door entrance	Within three Years	\$10,000.00	3
Ground keeping	Within three years	\$10,000.00	2
Brick Work	Within three Years	\$25,000.00	4
<b>Subtotal:</b>		<b>\$100,000.00</b>	<b>12</b>
Remodel Employees lunch room	Within four Years	\$7,000.00	2
Exterior Repairs	Within four Years	\$15,000.00	4
Repairs to parking lot and driveway	Within four Years	\$15,000.00	3
Replace of HVAC	Within four Years	\$30,000.00	3
Landscaping	Within four Years	\$13,000.00	2
Men door replacement	Within four Years	\$20,000.00	4
<b>Subtotal:</b>		<b>\$100,000.00</b>	<b>12</b>
Additional Parking asphalt	Within five Years	\$25,000.00	5
Additional office repairs	Within five Years	\$30,000.00	3
Epoxy Floring	Within five Years	\$10,000.00	2
Additional Restrooms	Within five Years	\$35,000.00	6
<b>Subtotal:</b>		<b>\$100,000.00</b>	<b>10</b>
<b>Total Improvement cost for 5 years</b>		<b>\$700,000.00</b>	<b>54</b>



Ampol Group was founded in 2007. Since then we have expanded not only to service in commercial facility services but also in manufacturing and service specialty: Lifts, conveyors, Dock plates, Roller systems for cargo industries including companies like Fed Ex, DHL, UPS, Walgreens and Airline industries. For the last five years we have been servicing 90% of lifts at O'Hare cargo buildings and fabricate 100% of new lifts installed at the O'Hare cargo section. Attached is a line of our products:

# **Super Duty (SD) & Jumbo (JSL) Series Lift Tables**



- **Single Scissors Lift Tables**  
5000# to 20000# - 24" to 58" travel  
Platforms from 6' x 8' to 8' x 12'



- **Double Long Lift Tables**  
10000# to 30000# - 24" to 58" travel  
Platforms from 4' x 16' to 8' x 24'



- **Jumbo Lift Tables**  
6000# to 60000# - 58" to 99" travel  
Platforms from 9' x 12' to 8'-6" x 60'

1A3E



- **Scissors Lift Application Guide**  
**White Paper**

- **Quote Request Form**



- **HC & UHC Series**  
**High & Ultra High Cycle Lifts**  
1,000,000 & 3,000,000 cycle warranties



- **P Series**  
**Production Scissors Lift Tables**  
2500# to 6000# - 24" to 72" travel  
Platforms 36" - 335" long



- **HD Series**  
**Heavy Duty Scissors Lift Tables**  
8000# to 12000# - 24" to 60"



- **SD Series**  
**Super Duty & Jumbo Lifts**  
5000# to 60000# - 57" to 99" travel  
& large platform sizes



- **Carousel Series Order Picking Lifts**  
2000# - 60" to 72" travel



- **MSL & BFL Series**  
**Multiple Stage Scissors Lifts**  
2000# to 12000# - 4' to 18' travel



- **Air Lift Tables**  
1000# to 6000# - 24" travel



- **Imported Foot Pump Tables**  
650# to 1500# - 20-1/4" - 41" travel



## Current Project



## Current Project





## Project in progress





## Project in progress







An aerial photograph of a residential neighborhood. A red location pin is placed on a white, irregularly shaped area that appears to be a map overlay. To the right of the pin, the address "521 Santa Rosa Dr" is written in white text. The surrounding area shows various buildings, streets, and greenery.

521 Santa Rosa Dr



521 Santa Rosa Drive  
Des Plaines, Illinois  
(PIN: 09-31-200-013-0000)

Subject Property has Obtained Total Vacancy Reductions in its Property Taxes since 2007

Tax Year	Taxes
2007	\$114,234.66
2008	\$116,997.69
2009	\$45,273.17
2010	\$52,680.85

Tax Year	Taxes
2011	\$53,522.95
2012	\$56,079.93
2013	\$65,443.68
2014	Certificate Of Error Pending

Estimated Taxes Based on:

Cook County Board of Review's 2015 Certified Market Value which included a Reduction based on Total Vacancy, No Improvements and No class 6b Tax Incentive Compared to

2015 Cook County Assessor's Office First Pass Market with No Vacancy and \$300,000.00 in improvements the 1st year, \$100,000.00 in improvements for each of next four years

Estimated Taxes without a Class 6b													
Tax year	2014 Tax Rate	2014 Multiplier	Estimated Effective Tax Rate		Estimated Market Value Based on the 2015 Cook County Board of Review Certified Market Value at Full Vacancy	Assessment Level Without a Class 6b	Estimated Assessed Value Without a Class 6b	Estimated Tax Without a Class 6b					
2016	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2017	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2018	10.86%	2.7253	35.510%		\$909,270.00	25%	\$227,430.00	\$80,760.39					
2019	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2020	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2021	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2022	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2023	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2024	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2025	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2026	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
2027	10.86%	2.7253	35.510%		\$909,720.00	25%	\$227,430.00	\$80,760.39					
Total Estimated Taxes (2016 to 2027)								\$969,124.68					

Property Tax Revenue Generated from the of the Property's Class 6b Tax Incentive:

\$413,118.12

The above estimates are speculative, and should be treated as such.

Notes:

Note 1: The 2014 Effective Tax Rate (the 2014 tax rate x the 2014 multiplier) was increased by 20% to account for a possible increase in the Effective Tax Rate. Please note that the Effective Tax Rate was only increased once, and does not account for increases per year in the Effective Tax Rate through tax year 2027.

Note 2: The subject property's 2015 initial assessment was \$743,863.00 based upon no vacancy reduction. It was reduced at the Cook County Assessor's Office to \$227,430.00 to reflect full vacancy. For further explanation see correspondence of tax counsel attached hereto.

Note 3: The above is based on the assumption that the Class 6b Tax Incentive for the subject property will be granted in 2016.

521 Santa Rosa Drive  
Des Plaines, Illinois  
(PIN: 09-31-200-013-0000)

Subject Property has Obtained Total Vacancy Reductions in its Property Taxes since 2007

Tax Year	Taxes
2007	\$114,234.66
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2010	\$52,680.85

Tax Year	Taxes
2011	\$53,522.95
2012	\$56,079.93
2013	\$65,443.68
2014	Certificate Of Error Pending

Estimated Taxes Based on:

Cook County Board of Review's 2015 Certified Market Value without reduction for Vacancy, \$700,000 Improvements over 5 years and No class 6b Tax Incentive  
Compared to

2015 Cook County Assessor's Office First Pass Market with No Vacancy and \$50,000.00 in improvements the 1st year, \$50,000.00 in improvements the 2nd year and \$ 50,000.00 and \$50,000.00 in improvements by the 5th Year.

			Estimated Taxes <b>without</b> a Class 6b							Estimated Taxes <b>with</b> a Class 6b				
Tax year	2014 Tax Rate	2014 Multiplier	Estimated Effective Tax Rate		Estimated Market Value Based on the 2015 Cook County Board of Review Certified Market Value at No Vacancy with \$300,000 in improvements in the first year and \$100,000 for each of next four years	Assessment Level Without a Class 6b	Estimated Assesed Value Without a Class 6b	Estimated Tax Without a Class 6b		Estimate Market Value Based on the 2015 Cook County Assesor's Office First Pass Market Value with No Vacancy and \$300,000.00 in Improvements the 1st Year, \$100,000 in Improvements for each of the next 4 years	Year of Proposed New Incentive	Assess ment Levels with a Class 6b	Estimated Assesded Value With a Class 6b	Estimated Taxes With a Class 6b
2016	10.86%	2.7253	35.510%		\$2,975,452.00	25%	\$743,863.00	\$264,145.75		\$2,975,452.00	1st	10%	\$297,545.20	\$105,658.30
2017	10.86%	2.7253	35.510%		\$3,275,000.00	25%	\$818,750.00	\$290,738.13		\$3,275,000.00	2nd	10%	\$327,500.00	\$116,295.25
2018	10.86%	2.7253	35.510%		\$3,375,000.00	25%	\$843,750.00	\$299,615.63		\$3,375,000.00	3rd	10%	\$337,500.00	\$119,846.25
2019	10.86%	2.7253	35.510%		\$3,475,000.00	25%	\$868,750.00	\$308,493.13		\$3,475,000.00	4th	10%	\$347,500.00	\$123,397.25
2020	10.86%	2.7253	35.510%		\$3,575,000.00	25%	\$893,750.00	\$317,370.63		\$3,575,000.00	5th	10%	\$357,500.00	\$126,948.25
2021	10.86%	2.7253	35.510%		\$3,675,000.00	25%	\$918,750.00	\$326,248.13		\$3,675,000.00	6th	10%	\$367,500.00	\$130,499.25
2022	10.86%	2.7253	35.510%		\$3,675,000.00	25%	\$918,750.00	\$326,248.13		\$3,675,000.00	7th	10%	\$367,500.00	\$130,499.25
2023	10.86%	2.7253	35.510%		\$3,675,000.00	25%	\$918,750.00	\$326,248.13		\$3,675,000.00	8th	10%	\$367,500.00	\$130,499.25
2024	10.86%	2.7253	35.510%		\$3,675,000.00	25%	\$918,750.00	\$326,248.13		\$3,675,000.00	9th	10%	\$367,500.00	\$130,499.25
2025	10.86%	2.7253	35.510%		\$3,675,000.00	25%	\$918,750.00	\$326,248.13		\$3,675,000.00	10th	10%	\$367,500.00	\$130,499.25
2026	10.86%	2.7253	35.510%		\$3,675,000.00	25%	\$918,750.00	\$326,248.13		\$3,675,000.00	11th	15%	\$367,500.00	\$130,499.25
2027	10.86%	2.7253	35.510%		\$3,675,000.00	25%	\$918,750.00	\$326,248.13		\$3,675,000.00	12th	20%	\$367,500.00	\$130,499.25
			Total Estimated Taxes (2016 to 2027)					\$3,764,100.15	Total Estimated Taxes (2016 to 2027)					\$1,382,242.80

The above estimates are speculative, and should be treated as such.

Notes:

Note 1: The 2014 Effective Tax Rate (the 2014 tax rate x the 2014 multiplier) was increased by 20% to account for a possible increase in the Effective Tax Rate. Please note that the Effective Tax Rate was only increased once, and does not account for increases per year in the Effective Tax Rate through tax year 2027.

Note 2: The subject property's 2015 initial assessment was \$743,863.00 based upon no vacancy reduction. It was reduced at the Cook County Assessor's Office to \$227,430.00 to reflect full vacancy. For further explanation see correspondence of tax counsel attached hereto.

Note 3: The above is based on the assumption that the Class 6b Tax Incentive for the subject property will be granted in 2016.

**CITY OF DES PLAINES**

**RESOLUTION R - 176 - 15**

**A RESOLUTION SUPPORTING AND CONSENTING TO  
APPROVAL OF CLASS 6b CLASSIFICATION FOR  
THE PROPERTY LOCATED AT 521 SANTA ROSA DRIVE.**

**WHEREAS**, Aero M&P Properties, LLC ("***Applicant***"), is the contract purchaser of that certain property commonly known as 521 Santa Rosa Drive in the City and legally described in **Exhibit A** attached to, and by this reference made a part of, this Resolution ("***Subject Property***"); and

**WHEREAS**, the Subject Property is an approximately 2.05 acre site with an approximately 50,248 square-foot building ("***Building***") that has been vacant and unused since January 2009; and

**WHEREAS**, the Applicant intends to acquire the Subject Property, substantially rehabilitate the Building ("***Work***"), and lease the Building to Ampol Group International, Inc., for manufacturing purposes ("***Proposed Use***"); and

**WHEREAS**, the Applicant estimates the cost to complete the Work will be approximately \$700,000; and

**WHEREAS**, pursuant to Section 74-63 of the Cook County Real Property Assessment Classification Ordinance ("***Classification Ordinance***"), certain real property that is "abandoned property" pursuant to Section 74-62(b) of the Classification Ordinance and used primarily for industrial purposes may be classified as Class 6b, which temporarily reduces the property tax assessment in order to promote the construction of and rehabilitation of industrial facilities; and

**WHEREAS**, the Applicant intends to file with the Office of the Assessor of Cook County an application for Class 6b classification of the Subject Property; and

**WHEREAS**, if the Subject Property is classified as Class 6b, the Applicant will complete the Work and cause the Subject Property to be reoccupied for industrial purposes; and

**WHEREAS**, the Applicant's use of the Subject Property will provide needed employment opportunities to residents of the City;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Plaines, Cook County, Illinois, in the exercise of its home rule powers, as follows:

**SECTION 1: RECITALS.** The foregoing recitals are incorporated into, and made a part of, this Resolution as findings of the City Council.

**SECTION 2: DETERMINATION OF ELIGIBILITY AND APPROPRIATENESS.** The City Council hereby finds and determines that: (a) the Subject Property is appropriate for the



Class 6b classification pursuant to the Classification Ordinance; (b) Class 6b classification of the Property is necessary for the rehabilitation and reoccupation of the Subject Property and completion of the Work; and (c) the Subject Property is abandoned for the purpose of Class 6b classification because it has been vacant for more than 24 months and will be purchased for value by the Applicant.

**SECTION 3: SUPPORT AND CONSENT TO CLASS 6b CLASSIFICATION.**

Pursuant to the County Classification Ordinance, the City Council hereby approves, consents to, and supports the classification of the Subject Property as Class 6b property, but only if the Subject Property is used for the Proposed Use by Ampol Group International, Inc., or one of its affiliates or successors.

**SECTION 4: DELIVERY.** The City Clerk is hereby directed to transmit a certified copy of this Resolution to the Applicant. The Applicant shall be responsible for presenting such certified copy to the Board of Commissioners of Cook County and filing such certified copy with the Office of the Assessor.

**SECTION 5: EFFECTIVE DATE.** This Resolution shall be in full force and effect from and after its passage and approval according to law.

**PASSED** this \_\_\_\_ day of \_\_\_\_\_, 2015.

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2015.

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

\_\_\_\_\_  
**MAYOR**

ATTEST:

Approved as to form:

\_\_\_\_\_  
**CITY CLERK**

\_\_\_\_\_  
**Peter M. Friedman, General Counsel**

DP-Resolution Supporting Class 6b Classification for 521 Santa Rosa Dr Aero M&P-Ampol  
#37422234\_v2

## **EXHIBIT A**

### **LEGAL DESCRIPTION OF SUBJECT PROPERTY**

THAT PART OF THE WEST 250 FEET (MEASURED AT RIGHT ANGLES) OF LOT 4 IN BAIRD AND WARNER'S O'HARE INDUSTRIAL PARK, BEING A SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE SOUTH LINE OF SANTA ROSA DRIVE AS RECORDED AS DOCUMENT NUMBER 19466917, IN COOK COUNTY, ILLINOIS.

PIN: 09-31-200-013-0000

Commonly known as 521 Santa Rosa Drive in Des Plaines, Illinois.