

**Village of Algonquin
Economic Development Commission
Regular Meeting
March 14, 2013
7:00 p.m.**

Agenda Item 1: Roll Call/Establish Quorum

PRESENT: Members: Chairperson Jerry Pinderski, Steve Karaba, Rich Galati, Kurt Moders, and Dave Ward. Staff: Katie Parkhurst Absent: Linda Laipert and Tom McCabe. Guest Speaker: Ryan Trottier, Plote Homes

Agenda Item 2: Approve Minutes from the January 10, 2013 meeting

Chairperson Pinderski entertained a motion on the minutes from the January 10, 2013 meeting. Mr. Ward made a motion to approve the minutes from the January 10, 2013 meeting and Mr. Moders seconded. A voice vote noted all ayes, motion passed.

Agenda Item 3: Ryan Trottier, Plote Homes

Mr. Ryan Trottier, Vice President of Land Development for Plote Homes, gave a brief overview of the Plote Companies and his role within the company. The Plote Companies do work all over the United States with projects that vary from road construction, contracting, golf courses, residential, office, industrial, commercial, property management, and gas and oil.

Mr. Trottier stated that all communities need a diversified housing stock to cover all economic levels to supply workers for all levels of employment. He is pleased with the Esplanade apartment project now under construction since this should help supply workers for the Algonquin Corporate Campus and will help the retail as well. In the current market conditions it is hard for the private home builders to compete with the national home builders due to different financing structures. Plote is looking to sell some of their remaining residential developments and/or lots.

Mr. Karaba inquired if Plote Homes uses union workers for their homebuilding activities. Mr. Trottier stated yes, since the parent Plote Company is all union. Many of the national homebuilders are now not using union workers due to cost.

Mr. Karaba inquired if Plote Homes is taking advantage of cheaper land prices to purchase spec properties. Mr. Trottier stated no, they are actually selling land now.

Mr. Trottier shared his thoughts that greenfield development is still two years away; only distressed properties are being bought, because someone already took a loss on the property.

Mr. Karaba asked about housing starts for 2012 compared to a few years ago. Mr. Trottier said that a few years ago housing starts in the Chicago region were 32,000 last year it was only 5,000.

Mr. Ward mentioned that housing size is also decreasing. Mr. Trottier said that is true. On a positive note people are starting to look at houses again and Mr. Trottier has seen an increase in signed contracts already this year compared to last year.

Chairperson Pinderski inquired what Mr. Trottier thought of the Esplanade apartments. Mr. Trottier noted this project should be beneficial for both the Algonquin Corporate Campus and the retail in the area. He noted that he is concerned about the Riverside Plaza development not being successful as the unit sizes and proposed rents are too high and there are not enough units to make the project work, in his opinion. Mrs. Parkhurst added that the Village is already receiving phone calls from people interested in moving into the Esplanade apartments.

In the Algonquin Corporate Campus, Plote Homes improved about 45 acres with roads and utilities and created lots for sale. There are two large buildings within Phase 3, Young Innovations (80,000 square feet) and the Corporate Condos (60,000 square feet). The Corporate Condos building cost \$5.5 million and rents are only \$7.50 gross. The building is fully occupied with a variety of tenants. However, due to the cost of construction and low rents, it is not feasible to start on the second building. Rents will need to increase to \$9-\$10 before they would consider the second building.

Mr. Trottier noted that tenants are coming from about a three mile ring due to competition in the market place. If a distribution company is looking they will locate in the Elgin area next to the tollway and pay \$8-\$10 rents. If the company does not need the tollway they will go to Crystal Lake which has a lot of vacant industrial space with rents \$4.50-\$6. The full interchange will help Huntley increase their industrial market.

To market the property in the Algonquin Corporate Campus, Plote has used several different brokers and websites to gain as much exposure as possible.

Chairperson Pinderski asked if the future is in multi-tenant flex space buildings or larger single tenant buildings. Mr. Trottier answered both are necessary.

Chairperson Pinderski asked for thoughts on the Algonquin Corporate Campus in 10 years from now. Mr. Trottier feels once the Elgin area near the tollway builds out businesses will start looking more at Algonquin. The way to grow the campus now is to pick local businesses that are in the area looking to expand. Mr. Trottier suggested looking at a way to re-brand the Algonquin Corporate Campus for a specific niche, like technology. Once the market picks up a little bit and a new focus is ready for the campus, then do big outreach to the brokers again. Other thoughts are to offer what most communities shy away from, like outdoor storage. Allow for an area to be fenced and screened then rent space in this area for storage of work vehicles, etc and the companies will also locate their office and warehouse in the campus. Try segmenting the campus into professional areas for office and a tradesmen area for storage/warehouse.

Chairperson Pinderski asked what is missing from the Algonquin Corporate Campus. Mr. Trottier said fiber optics is not available for internet.

Chairperson Pinderski and the EDC thanked Mr. Trottier for the wonderful presentation and frank discussion about market conditions.

Agenda Item 4: Development Updates

Mrs. Parkhurst explained how the Village tracks businesses opening and closing. Overall, commercial interest is picking up and new businesses are filling vacancies.

Agenda Item 5: Other Business

Mrs. Parkhurst reviewed the business visits that staff and EDC have conducted in January and February. The businesses visited include: Dr. Pacana, Cassandra Strings, Interesting Developments, Farmers Insurance, and Citgo Gas to inform them all of the Downtown Study. Staff and EDC also visited with All Paws Veterinary Clinic.

Mr. Galati mentioned that a concern of many businesses is the lack of signage on the main roads to let people know that businesses are behind the first row of businesses.

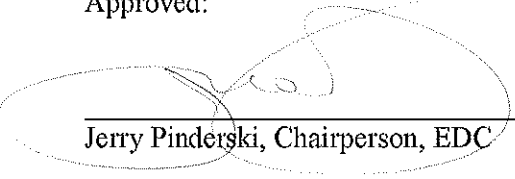
Mr. Ward suggested the EDC do a business visit with No Limits Arcade, Wicked Chocolates and Morkes Chocolates.

Mrs. Parkhurst reminded the EDC that the next meeting will be May 9, 2013. Tim Schloneger, new Village Manager, will try to attend this meeting.

Agenda Item 6: Adjournment

There was no further business to discuss; the meeting was adjourned at 8:10 p.m.

Approved:



Jerry Pinderski, Chairperson, EDC