



Background on the Park District's 2021 Non-Binding Borg Warner Referendum

In 2020, the Park District learned that Borg Warner Plant adjacent to Main Park, would be put up for sale. The Village of Frankfort and the Park District received feedback from residents who expressed the desire for improved recreational facilities along with a desire to have access to an aquatic facility. The Park District knew that the Borg Warner plant could be repurposed to fulfill these goals. The challenge would be to fund the acquisition and renovation of the Borg Warner property.

2021 Non-Binding Referendum

Given the Frankfort Park District has one of the lowest tax rates on the local property tax bill and also has one of the lowest tax rates among all park districts in the southland, it would be necessary for the Park District to go through the referendum process to ask residents to raise taxes which could fund the development of the Borg Warner project.

A Binding Referendum would ask voters to increase the resident's property taxes by the Park District for the specific purpose to buy and renovate the Borg Warner property. Raising taxes is not usually favored, therefore the Park District moved to asking a Non-Binding referendum as it was important to get voters feedback. Through educational materials, the Park District worked to engage the community to inform them of the upcoming Non-Binding referendum that was on the April 2021 ballot. The non-binding referendum passed with a 56% support of the Park District looking further at the acquisition of the Borg Warner property. The Non-Binding referendum didn't authorize a tax increase but showed that voters would support further evaluation for a binding referendum.

2022 Binding Referendum

Following the Non-Binding referendum, the next step was to continue the evaluation of the facility acquisition, develop a site and design plan for the building. The Park District had further conversations with Borg Warner. At that time, they disclosed that they had received multiple offers and that they were preparing to sign a contract to sell. The Park District had believed that if there was any competition it would be from developers to build homes. The Park District was wrong, the value of the Borg Warner is the expansive building. Borg Warner graciously gave the Park District limited time to raise the capital for the purchase the building.

How can we buy or hold the Borg Warner property while we await a referendum?

The Park District didn't have the funds to purchase or the ability to borrow funds without voter's support of a referendum. A binding Referendum would allow the Park District to borrow the money. With a pending real estate contract looming, the Park District looked at options that would allow time to develop a plan for the community center that would take a Binding Referendum to voters in an election of June 2022. Urgency was an issue, Borg Warner granted the Park District 30 days.

Light bulb moment - the Park District asked the Village of Frankfort to purchase Borg Warner. The thought was that the Village would own and hold the property. The Park District could engage residents and inform them of the 2022 Binding Referendum to improve the property into a community center. If Voters didn't approve the, the Village would be in control of the parcel allowing them to control the use as outlined in the Master Plan for residential development. The Village evaluated the Park District proposal, however in the end, the value of land for a future subdivision didn't align with the asking price.

What's next?

Borg Warner continues to indicate that they have a buyer for the property. The Village of Frankfort has rezoned the parcel to residential use with the intention of limiting the industrial use. Until a sale is completed, there is a chance that property could remain available.

The Park District has paused the evaluation of the Borg Warner Community Center development. However, the Park District Board and staff are looking at other options. Through the non-binding referendum, it was learned that many residents aren't aware of the limited funding that the Park District has and supported the opportunity to increase the resources available. Staff will continue to evaluate future projects that align with the master plan and the feedback provided by residents.