

***Proceedings of the Council of the City of Joliet, Illinois
held on the 5th day of November, A.D. 2007***

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PRE-COUNCIL MEETING of the Council of the City of Joliet, Illinois held on Monday, November 5, 2007 at 3:30 P.M. in the Council Chambers, Joliet Municipal Building, 150 W. Jefferson Street, Joliet, Illinois.

ROLL CALL

PRESENT: MAYOR ARTHUR SCHULTZ and DISTRICT 4 COUNCILWOMAN SUSIE A. BARBER, COUNCILMAN AT LARGE THOMAS C. GIARRANTE, COUNCILWOMAN AT LARGE JAN QUILLMAN, DISTRICT 1 COUNCILMAN JOSEPH R. SHETINA and DISTRICT 3 COUNCILMAN ANTHONY UREMOVIC.

ABSENT: DISTRICT 2 COUNCILMAN TIMOTHY M. BROPHY, DISTRICT 5 COUNCILMAN WARREN C. DORRIS and COUNCILMAN AT LARGE MICHAEL F. TURK.

ALSO PRESENT: CITY MANAGER JOHN M. MEZERA and CORPORATION COUNSEL JEFFREY S. PLYMAN.

Mr. Dale Evans of the Housing Authority of Joliet presented a plaque to the Mayor and City Council in recognition of their financial support for the Boys to Men Program which was included in the City's 2007 Youth Services Small Grants Program.

The City Manager then asked the Mayor and Council's indulgence in moving several items up on the agenda due to the presence of interested individuals.

The City Manager explained Council Memo #1280-07 dealing with the 2007 Special Service Area No. 5 (Bronk's Corners). He said the proposed SSA is intended to partially reimburse the developer for approximately \$3.5 million of public improvements to Route 59 and Theodore Street being required beyond normal development requirements.

COUNCILMAN SHETINA said he knows we've done these kinds of things but he doesn't understand the predicate for it.

The City Manager said we did it when we did the Louis Joliet Pointe Subdivision including the Target Shopping Center where they had to relocate the drainage in back and there were additional expenses there. He said we have done it for several projects and in this particular project, instead of them just having to do the roadway adjacent to their property, they have to do the entire roadway past the intersection with Theodore Street. He explained all the improvements they have to make, including widening Route 59 to 5 lanes with curb and gutter on both sides, traffic signalization and additional stormwater detention. He said these are all additional costs above and beyond what they would normally have, so this clearly qualifies for a SSA.

COUNCILMAN SHETINA asked if their tenants would be paying them back.

The City Manager said yes. He said they will levy a tax annually in the amount of what their debt service is, and that will be spread across the tenants.

COUNCILMAN SHETINA said so there is no recourse to us.

The City Manager said none whatsoever.

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COUNCILWOMAN QUILLMAN asked when will they be starting on Route 59.

Mr. Gary Davidson of Brumund, Jacobs, Hammel & Davidson appeared on behalf of ACP Development and said in the spring of 2008.

COUNCILWOMAN QUILLMAN said she has some concerns because she knows this project has been ongoing for over a year and nothing has been happening out there except a lot of dirt being moved back and forth, and now we're going to do this. She asked what if this never comes to fruition.

The Corporation Counsel said if there are no improvements there will never be an actual levy of the special service tax. He said all you're doing today is establishing the legal framework that will allow them to proceed with the project. He said if they do proceed with the project and build the shopping center and all of the roadway improvements that are described in here, then they will come back and ask us to adopt a levy ordinance which would actually extend the tax onto the property. He said it would still only be paid by the commercial occupants on the property but if the project fails and there is no public improvements that come out of it, there will never be a special tax bill.

COUNCILMAN BROPHY arrived at the meeting at this point.

COUNCILWOMAN QUILLMAN said even if they get no tenants these improvements are going to be made, or aren't they going to be made unless they get tenants.

The City Manager said let's say they did the improvements and there were never any tenants, then there could be a levy every year but they would have to pay it because they still own the property.

COUNCILWOMAN QUILLMAN said even if they were to go bankrupt.

The City Manager said yes, because someone will end up with the property and there will always be someone to pay the tax bill and there will always be a tax bill on that property. He said so this will always get paid and so that's why it's pretty easy to get financing on these things because they are guaranteed payment by the tax bill.

COUNCILMAN UREMOVIC said taxes that would be coming to the City will now be going to the developer.

The City Manager said no, we would get our regular taxes. He said you will do your levy every year and you will get that; the City will get the City's money. He said this will be an additional levy sort of like the downtown special service area where we levy an additional .95 cents on their rate and that is above and beyond what the City and schools would get.

COUNCILMAN UREMOVIC said in effect you would say that you could be going to potential tenants and saying here is what your taxes would be but they're going to be higher here.

Mr. Davidson said that will have to be disclosed on any contract that we negotiate.

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COUNCILMAN UREMOVIC said wouldn't that make you a little less competitive as your square foot cost is going to have to be higher.

Mr. Davidson said there will be a bunch of factors involved in terms of acquisition costs for that particular property.

COUNCILMAN UREMOVIC asked how much higher would you be and have you calculated out what your square foot additional costs will be.

The City Manager said if they load it all in it would be about 5%.

COUNCILMAN UREMOVIC said that's not in this document anywhere. He asked if it's in the marketing study or something to let us know that this thing is for real. He said we still don't know when these improvements will be and should we have a time limit on this. He said he thinks we should. He said if you're not up and running by a certain time all of this expires and you come right back to us.

The Corporation Counsel said you have that protection in two ways. He said first off this establishes the special service area but it doesn't authorize a tax bill to go out. He said they still have to make all the public improvements. He said step two is they have a three year time limit that is already built in under the PUD the Council approved for all the public improvements including the ones covered by the special service tax.

COUNCILMAN TURK arrived at the meeting at this point.

COUNCILMAN UREMOVIC said he's not sure if we shouldn't have this come back to a committee so we could review this. He said the reason he is asking these questions is simply because some of the Council members have been called in regards to the Jewel project at Caton Farm and Ridge Road, an 80 acre parcel. He said the City is making them do \$5.5 million in off-site improvements and he said part of it is the Plainfield School District's portion and he has some serious questions about that. He said there are no incentives.

The City Manager said if you're getting contacted by the developer, the developer probably would like some relief on something, but they haven't asked us. He said we've met and we've taken your ordinances and we've asked them to adhere to those ordinances if they would like to go ahead with the subdivision, and we have had no contact back from them.

COUNCILMAN UREMOVIC asked if staff has initiated something like this with that developer.

The City Manager said the developer has not asked for that.

COUNCILMAN UREMOVIC asked if they know it exists.

The City Manager said most developers do and they ask us; we don't suggest to them. He said they come and ask us whether we would be willing to do something like this.

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COUNCILMAN UREMOVIC said from a competitive standpoint, we don't have a marketing study and it's a whole new different project. He said they should be coming back to us with a marketing study showing at least their competitiveness because their square foot cost has got to be higher. He said he doesn't know if we want to wait for a 3 year time limit.

COUNCILMAN GIARRANTE said he doesn't know if that's really ours to say. He said we have nothing to lose with this deal. He said the burden is all on them and we shouldn't be concerned of what they have to tell their tenants, all we should be concerned with is it's not going to cost our taxpayers any money and we're not going to lose anything. He said they're the ones taking a chance; we're not taking any kind of a chance so he sees no reason why we should delay this thing any further.

COUNCILMAN UREMOVIC said he doesn't know if the quality of this development is what it first started out with.

Mr. Davidson said at the last meeting he attended there were some questions with respect to changes in their plan. He said the site plan has not been changed from when they first came before this Council over two years ago. He said he's not sure where that's coming from but he knows that was something that was mentioned before and he wants to make sure that the Council is clear on that. He said their site plan has not changed and quite frankly they are dealing with extraordinary off-site improvements. He said would we prefer not to have to improve Route 59 in front of Wal-Mart, absolutely. He said they would have preferred Wal-Mart, who is one of the largest retailers in the nation, to have improved their own site, but these are the cards they have been dealt so the bottom line is there is absolutely zero impact to the taxpayers of the City of Joliet and they want to put this project forward so you can have some nice restaurants out there, but we need to recapture some of these extraordinary off-site improvements that aren't just adjacent to our property.

COUNCILMAN UREMOVIC said he has to differ with him because Council Memo #1141-07 dated September 28th substantially changes what you originally proposed. He said the whole nature of this has changed; it's not the upscale that you talked about at first. He said he's still waiting for staff to generate the tax revenues we might get from this square footage and asked if it will be done soon.

The Director of Community and Economic Development said it was done Friday afternoon and you should have it hopefully by tomorrow.

COUNCILMAN UREMOVIC asked if it's difficult getting this information of what you can potentially get on a restaurant at 20,000 sq. ft. and he asked how big is a restaurant. He said a 20,000 sq. ft. proposed restaurant isn't much restaurant in this big of a development. He said the structure and character of this mall is not the same as when it first came to us. He said he would like to see a marketing study and some more information.

The City Manager said they'd be glad to take it to Public Service Committee in the morning.

COUNCILMAN GIARRANTE asked how far south and how far north are you making Route 59 five lanes.

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The City Manager said they have to go the full length north of their property plus a taper lane that is probably a quarter mile past their north property line, and then they'll have to go through the intersection. He said they'll have to go south past the Wal-Mart intersection in the front at least a quarter of a mile.

COUNCILMAN GIARRANTE said he's sure the State has OK'd this, but isn't that going to make a bottleneck.

The City Manager said actually it's going to relieve a bottleneck. He said right now we don't have any of the turn lanes, all we have is two lanes in each direction. He said they still have to widen Theodore Street further. He said it's extraordinary what they have to do but IDOT said if they want to do anything in the front they have to do that, and to do it right there needs to be curb and gutter and you need to get rid of those ditches that are out there so that this looks like an upscale subdivision. He said the entire site plan is exactly the same as it was when it was originally proposed to this Council. He said the facades of the buildings are very upscale and everything is the same as far as the quality of the materials. He said the only thing we're not guaranteed is who are the tenants going to be and we don't know that and they don't know that at this point, but that's their risk.

COUNCILMAN UREMOVIC said he understands that we don't know that, but that's what a marketing study is for. He said you have a lot of mid-size boxes making up the majority of their development now.

The City Manager said there was probably a marketing study that was submitted to Community Development.

The Director of Community and Economic Development said he didn't know if there was one but he will find out.

Mr. Davidson said he would talk to his client to find out if there is one.

COUNCILMAN BROPHY asked how were you going to finance the public improvements before this came about. He asked if there is an alternative to doing it this way.

Mr. Davidson said one of the alternatives would be to not put in the quality of construction that the City has wanted them to put out there. He said he knows this is a project that you're using as your new design standards for your commercial design guidelines, so it would literally have to be a lesser product.

COUNCILMAN BROPHY said so it asks the end user who is going to benefit from the upscale construction to then in those individual tax bills help pay for what helped bring the quality to them, and that makes sense. He said but was there a preliminary plan in your first design and did you have a strategy.

Mr. Davidson said he didn't know if the improvements that we now know are being required by IDOT were known at the time that we acquired the parcel.

The City Manager said they planned on commercial financing for the entire project at commercial rates and then IDOT said you have to do all of these improvements. He said they have done the cost estimates now and it is \$3.5 million higher than what they thought, and they came to us and said would you be willing to do a special service area and then we could get financing probably a

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point and a half less. He said it makes sense to do that because if they can get a point and a half less then it makes it more competitive for their tenants and for them with their tenants, so it reduces the overall cost of the project and doesn't cost us anything at all to do it.

COUNCILMAN BROPHY said the design that had the restaurants on the corner kind of surrounding the pond, those 3 buildings as drawn total only 20,000 sq. ft.

The City Manager said if you get 6,000 – 7,000 sq. ft. that's a good size restaurant.

COUNCILMAN GIARRANTE asked if the design standards for the mall that's going by the truck stop on Route 30 and I-55 are the same as this.

The City Manager said yes, high quality with stone and brick with a lot of two story facades with glass.

COUNCILMAN GIARRANTE said so we are not asking them to do anything more than we ask anybody else.

The City Manager said no, it's the same and it's high quality.

COUNCILMAN SHETINA said he has no problem with Bronk's Corners, it's a good corner and it's going to do fine. He said the State of Illinois is requiring all of these extraordinary finish on the roads and there will be a bond issued and they will do all of this up front. He said if they walked away and there was nobody in title sitting with the County, is there any recourse to us then.

The City Manager said there would be a tax sale. He said somebody would buy the property and they would pay the taxes.

COUNCILMAN SHETINA said at no point in time are the taxes on the property in jeopardy.

The City Manager said absolutely not.

COUNCILMAN SHETINA said that's all he cares about, that's fine.

COUNCILMAN UREMOVIC said he's not against the project, he just wants to make sure there are no loose ends here. He said when you say that the bond is being then supported by these taxes you are not talking about undeveloped property taxes, you have to be saying from improved property taxes. He said if this thing doesn't come to fruition all of a sudden you don't have enough tax to support the debt service.

The City Manager said you do. He said if they did the improvements that's the only requirement.

COUNCILMAN UREMOVIC said if they didn't do the improvements how does the raw property tax then cover the bond.

The City Manager said it does. He said their taxes would be higher and there would still be a levy. He said if they do these improvements the Council would authorize the levy and the levy would happen whether there are buildings there or not and we would love to have somebody do this for us next year. He said

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probably the biggest bottleneck on Route 59 right now is at Theodore Street. He said if they do this we get that bottleneck taken away now five years before the State is ever going to think about doing the improvements out there. He said so we would love to see this happen even if there was no project.

COUNCILMAN UREMOVIC said just to make sure, we're not issuing the bond or are we.

The Corporation Counsel said it's not a standard City bond issue. He said the City staff would work with the developers and lender and essentially one of their borrowing instruments would be called the special service area bond. He said it would not be a bond that is marketed to the investment community, it would be a one buyer bond, and whoever does the financing for the development would buy that. He said because there are public improvements there is a potential for tax advantaged borrowing and they get it at a cheaper rate and it allows them to do the improvements for the public.

Mr. Davidson said at this point what they're talking about doing is doing it similar to what they did at the racetrack. He said they have already had some initial discussions with First Midwest Bank on it.

The City Manager then explained Council Memo #1282-07 dealing with the Annexation of 22901 W. Mound Road and Classification to I-1 Zoning. He said the parcel contains a trucking company and a residential unit and the petitioners desire to be annexed to obtain access to City services and public utilities. He said the petitioner appeared before the Land Use Committee to discuss proposed improvements to the site including paving after soil settlement and the construction of a building that would conform to the City's building design standards. He said the Committee recommended approval of these items.

COUNCILMAN UREMOVIC said it's not that he's against the project, he just wants to make sure that everything is right and falls into place. He said when we had the USF Holland project come in just north of this they had to jump through every hoop in the world. He said when this went before the ZBA there were five pages of questions and answers, it went before the Land Use Committee and there were seven pages of questions and answers and every "t" is crossed and every "i" is dotted. He said when we get to this one he doesn't see anything. He said he doesn't see any attorney, any engineering layout, any landscaping. He said that's what concerned him right away and secondly in regards to USF Holland they are the number 5 transportation company in the country and they got B-3 zoning right across the street and this developer will get I-1. He asked why they get I-1 and not B-3 for the same operation.

The Corporation Counsel said the west portion of USF Holland which is the operating portion of the property is I-1. He said the B-3 is the area closer to Houbolt that they reserved for future development.

COUNCILMAN UREMOVIC said so this one is going to get all I-1.

The City Manager said the discussion when USF Holland came in was that the B-3 piece on the corner would probably be used for a hotel at some point in time and that's why that was zoned B-3.

COUNCILMAN UREMOVIC said so basically you're saying it's the same operation.

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The City Manager said they are not proposing to build on the property at this point but when they do decide that they are going to build and expand their trucking operation, then they would come in and go through the process. He said that's when they would bring in the details for the building and all of the site improvements and all the rest of that.

COUNCILMAN UREMOVIC asked if they were sure part of this is I-1. He said it has B-3 in 1998 on the part that was annexed and the same thing for 1996; he doesn't see I-1 anywhere in it.

The City Manager asked the Director of Community and Economic Development to have someone check on the zoning for USF Holland.

COUNCILMAN UREMOVIC said if we do that I-1 what else does that include. He asked what happens a year from now when they don't want to make the improvements. He asked if there is a timetable for this for when they have to come back to us with engineering, detention and berms.

The City Manager said in order to build on the property they have to provide all of that information.

The Director of Community and Economic Development said the applicant was at the Land Use Committee meeting and explained all of this in great detail. He said he is going to start in on filling the property and that is in progress now. He said when he is totally done with that he wants the property to compact for a year or so and when that's all done then he's going to determine how big of a building he wants to build. He said he can't give us a landscaping plan because he doesn't know how big the building is going to be. He said he has it engineered for his parking areas and he knows he's going to maximize his detention for now and have an operational footprint on the property so he said he is bound and determined to get all of that stuff and follow all of our rules. He said right now he is in the County with industrial zoning; he has that in place now.

COUNCILMAN UREMOVIC said but he needs us for sewer and water.

The Director of Community and Economic Development stated he said that he could stay in the County and run it on well and septic and put up a tin building if he wanted to. He said he prefers not to do that because this is his trucking company. He said he believes he hauls for DHL and has 20 trucks that go into Michigan, Arizona and everywhere and that is his main client and his name is on the tractors and trailers and he wants to do a good job. He said he wants to build an institutional quality building with City sewer and water.

COUNCILMAN UREMOVIC said when he looks at this operation at present he is not real comfortable. He said he has 15 semis just stored there.

The Director of Community and Economic Development said the petitioner told the Committee members that he has only owned the property for roughly two years now and he struck his deal to fill the property over a year ago, so he is not going to make substantial improvements knowing that it's going to be constantly in a state of flux until he gets finished and filled up to grade level with Mound Road.

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The City Manager said there is still a lot of fill to do but he brings up a good point. He asked how long will the City let him operate a trucking operation there without paving and doing any improvements and he said he has a concern about that. He said if he wanted to operate out of there for the next 20 years we would not allow that.

The Director of Community and Economic Development said what he talked about is 1 to 2 years for compaction.

The City Manager asked the Director of Community and Economic Development to talk to him and put a limitation of no longer than 2 years with the current operation and then he would have to come in and do improvements, and if he was going to do a building then he'd have to do it all.

COUNCILMAN UREMOVIC said or he loses his zoning. He said he wants this to be as nice a facility as USF Holland.

The Director of Community and Economic Development said it should be. He said he did say that he is being paid in kind by the people that are bringing the fill to him and that is "D" Construction. He said instead of getting paid to take the fill he ended up taking it out in trade where they are going to do all the improvements for him. He said they have a specific time frame in their contract for that, and he will find out what that is and we can probably write that in as part of the requirements.

COUNCILMAN UREMOVIC asked him to also find out if maybe he just needs B-3 and not I-1 zoning.

The Director of Community and Economic Development said there really is not a big difference between B-3 and I-1. He said the only exception is in I-1 you can do limited outdoor storage if it's neat and orderly. He said you can operate a trucking company in B-3.

COUNCILMAN UREMOVIC said if this thing doesn't go and he still has I-1, he can sell it to somebody else with I-1 zoning.

The Director of Community and Economic Development said but again there is not a marketable difference between a B-3 and an I-1. He said it currently enjoys "I" zoning in the County.

COUNCILMAN UREMOVIC asked him to let the Council know what the difference is and what else can he do with I-1 that he can't do with B-3.

The City Manager said we'll bring some information back on that tomorrow.

COUNCILMAN UREMOVIC said if you look in that document there is a recapture clause where he has to pay for the improvements including curb, gutter and roadway. He said it almost looks like we're the ones responsible for enforcing that recapture.

The City Manager said if there is a recapture we normally enforce the recapture and we collect it.

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Mr. Richard Wright of USF Holland said at the time they built their facility they had an obligation to invest in the off-site City infrastructure in that area, and he asked if this new company would be committed to the same obligation that they had, and if so would USF Holland be able to recapture some of their original investment in the area. He said they put in the street, sewers, curbs and sidewalks.

The City Manager said he guesses you are saying that at the time you did not request a recapture so there is no recapture in place at this time. He said that was an obligation that you undertook so that you could build your facility. He said unless they request a recapture and an ordinance is done at the time there is no ability to recapture. He said you're asking whether we could at this point now that development is imminent require this person to pay for some of the improvements that you previously put in.

Mr. Wright said yes and he asked if he would be held to the same standards that USF Holland was.

The City Manager said if the improvements are already there, there is nothing for him to be held to other than he just can use what's there. He said there are streets built all over the City and if there is no recapture on whoever did it then anybody who is adjacent to that can use that property.

COUNCILMAN UREMOVIC said there is a recapture clause in that agreement to make improvements on the south side of this if developed in the future.

The Corporation Counsel said you are talking about the USF Holland agreement.

COUNCILMAN UREMOVIC said right. He said they should be compensated for all the improvements that they made; that's what it says in the recapture.

The Corporation Counsel said what he remembers from the USF Holland project is I-1 zoning and he also remembers there was discussion of a recapture not for all the items this gentleman is referring to but for the south portion of the roadway, the curb and the south half of the pavement. He said that request never came in. He said there was maybe some problem with wrapping up the construction of the USF Holland site and he doesn't believe the City ever received a formal recapture request, so he believes the City had entertained that idea when the USF Holland facility was being approved, but we never received a formal request and never adopted an ordinance and certainly never recorded it.

COUNCILMAN UREMOVIC asked if the Corporation Counsel could get them a summary of that. He said when he looked at that it spells out a recapture agreement.

The City Manager said the answer is we can consider anything. He said if USF Holland is now making a request for a recapture then they would need to submit to us all of the information that they should have submitted years ago; all the engineering, all the final costs, proofs of payment and all of that and that would then be reviewed by the Legal Department and Public Works and then we would have to talk to this developer and make sure he's still interested in annexing to the City if it would mean that he would have to pay those improvement costs. He said he doesn't think he has considered that because there is no recapture on file. He said he should know that if you're going to consider a recapture this many years later.

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COUNCILMAN SHETINA said USF Holland did not come in here in a vacuum; it was very a difficult transaction that the City was taken to task for. He said we got sued by the neighbors that are across the street from them and there was a lot of heat on us about bringing USF Holland in. He said they have a great operation and do a great job there. He said at the same time this guy picked up for \$300,000 the 3 acres to reclaim the floodplain. He said he looked at the property and it's going to take 2 or 3 years to settle. He said all of the trucks have his name on the side and he is an individual entrepreneur who does a nice job. He said he thinks that USF Holland has to look at what we went through. He said they did a great job and have a nice facility but it didn't happen easily. He said they fought and fought to put that thing together. He said he doesn't see that neighborhood coming in and complaining about this particular issue. He said he would love to see this in the City rather than in the County venue; it will be a better building and much better controlled by the City. He said he thinks it would be an improvement for us. He said whatever the recapture requirement is he thinks we would know if it was a recapture and so would USF Holland.

The City Manager said there isn't any recapture because it was their responsibility if they wanted to to come back in with all of that and request it and that was never done.

COUNCILMAN SHETINA said he understands COUNCILMAN UREMOVIC'S concern, it is his district and he's concerned about his district. He said he thinks the odds are in our favor to have control over the property and he thinks Mr. Beckman will do a good job with it.

COUNCILMAN UREMOVIC said he's bringing this up also because when you look at that you can't bring a recapture if it's not in the City, so you have to take into consideration that he's not even in the City yet but when he does that's when he's sure you can file that recapture. He said there are only 3 houses there and he knows the neighbors are happy now because the streets with the curb and gutters are beautiful. He said that's because of USF Holland. He said he thinks we just want as good a neighbor as USF Holland is and that's what he's interested in and that's why he's bringing this up and wants make sure it's all covered and he expects it to be that way. He told Mr. Wright he could get in contact with our attorneys and take that next step.

The City Manager then explained Council Memo #1288-07 dealing with a Variation of Use to Allow the Addition of a Convenience Grocery Store in an Existing Take-Out Restaurant Located at 1023 Woodruff Road.

Ms. Susana De Avila and Ms. Elizabeth De Avila were present on behalf of the petition.

It was requested that this item be voted on today.

1. AN ORDINANCE Approving a Variation Use to Allow the Addition of a Convenience Grocery Store Within an Existing "Take-Out" Restaurant in an R-3 District Located at 1023 Woodruff Road as recommended by the Zoning Board of Appeals subject to the following conditions was presented and read: 1) That adequate off-street parking be maintained in the future; 2) That the property be landscaped in accordance with the landscape ordinance;

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3) That if the above conditions are not completed within the specified time period, this matter shall be scheduled for an administrative hearing; 4) That the hours of operation be Sunday through Thursday from 8:00 a.m. to 8:00 p.m. and Friday through Saturday from 8:00 a.m. to 10:00 p.m.; and 5) Should the property be declared a public nuisance, it shall be subject to a rehearing and a possible revocation of the Variation of Use. (#2007-82/Dist. #4)

(Council Memo #1288-07)

COUNCILWOMAN QUILLMAN moved that said Ordinance be adopted as recommended.

Motion seconded by COUNCILMAN BROPHY.

Motion carried by the following vote:

AYES: COUNCILWOMAN BARBER, COUNCILMEN BROPHY, GIARRANTE, COUNCILWOMAN QUILLMAN, COUNCILMEN SHETINA, TURK, UREMOVIC and MAYOR SCHULTZ.

NAYS: NONE.

(ORDINANCE NO. 15970)

The City Manager then went to the beginning of the agenda to explain the remaining items.

The City Manager explained Council Memo #1276-07 dealing with a Position Vacancy and filing the position of Deputy Fire Chief due to the retirement of the incumbent.

COUNCILMAN SHETINA said the Deputy Chief position is not yet vacated or is it.

The City Manager said the person has turned in his retirement papers.

COUNCILMAN GIARRANTE said but he is still on the payroll until the end of the month.

The City Manager said yes.

COUNCILMAN SHETINA said but there is a lapse of time now, and there's really no one there. He said there's been no Deputy Chief for a long time. He said he doesn't know how big a deal that is to the department but it would seem to him that we would try not to have that happen in the future where if somebody is going to take off, let them get their sick pay and get out of there. He said he's not picking on the guy but there shouldn't be a position open that long. He said if that position is supposed to be there and if it's necessary it shouldn't be open that long. He said he thinks it has been open for a couple of months.

COUNCILMAN GIARRANTE said we also had the same thing with the training officer and he's not going to be done until the first of the year.

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The City Manager said they've had discussions and he thinks the Chief felt that the Deputy needed to decide what he was going to do, whether he was going to come back or not, so he gave him the flexibility and he understood that it was going to be more work. He said he has other staff people that filled in along with him and it has been more work, but they wanted to let the situation play out.

The Fire Chief said so as not to set precedence, they understood with due respect to these positions that these gentlemen wanted to take their time and it was well due to them and they felt it was probably best to let them run their time out. He said they've been backfilling with other people that were interested in the jobs and it's been working out quite well and gives them some opportunity to get out there and see what goes on at the administrative level.

COUNCILWOMAN QUILLMAN asked if this is costing us more in overtime and if we know how much.

The Fire Chief said it's costing a little bit in overtime and he has kept a running record on it.

COUNCILWOMAN QUILLMAN said she knows in the Police Department when someone takes a supervisor position they get paid a little extra and she asked if that also happens in the Fire Department as well when they take on more responsibility.

The Fire Chief said no. He said their rates are set by contract.

The City Manager explained Council Memo #1296-07 dealing with Determining the Amount of Money Estimated to be Necessary to be raised by Taxation for Tax Year 2007 for the General Tax Levy and Joliet special Service Area No. 1996-14 (Joliet City Center), authorizing the publication of the Truth in Taxation legal notices in the Herald News, and setting December 4, 2007 as the date for the public hearings on the proposed estimated tax levies. He said the City's growth over the past few years and the rise in housing valuations have been favorable to the City, and the projected 2006 Equalized Assessed Valuation (EAV) is expected to increase in 2007 by 12.09%.

The City Manager said as a part of the Administration's review of the 2008 budget, it has been noted that the turn in the housing industry has negatively impacted several City revenue sources including permits, connection fees, impact fees and sales tax revenues. He said it may be appropriate to tentatively adjust the levy slightly higher to compensate for those losses and review it in more detail later in the budget process.

The City Manager said the Administration is required to extend a tax rate to the assessed valuation and estimate the levy, and a rate of \$116/\$10,000 of EAV will be estimated for this purpose. He said this preliminary 2007 levy tax rate would be higher than the previous year's rate of \$111/\$10,000 of EAV and represents an increase of 0.7% in the total property tax rate for a homeowner based upon 2006 tax rates.

COUNCILMAN SHETINA said even though the levy is being increased by virtue of some of the houses being kicked up higher and commercial kicked higher, that is the biggest part of the increase in the AV. He said so that's all captured. He asked how much it would increase if you have a \$200,000 home based on the \$116 vs. the \$111.

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The City Manager said it would be \$33 a year.

COUNCILMAN UREMOVIC said if we do nothing and stay at \$111 people will be paying higher taxes this year coming up anyway because of the quadrennial.

The City Manager said it depends on their AV, if their AV went up yes.

COUNCILMAN UREMOVIC said he doesn't know of anybody's that hasn't gone up. He said so in Joliet, Plainfield and Troy Townships we would be getting more revenue just from the assessed valuation going up.

The City Manager said yes.

COUNCILMAN UREMOVIC said on top of that you want us to do a property tax increase.

The City Manager said he is suggesting that as we move forward through our budget process it is an appropriate thing for us to bring to your attention that you have an opportunity here should you need the revenue as you go through the budget process. He said it is appropriate for us to mention that to you and to mention it to the public because we may have to recommend that to you as we present the budget to you. He said if we don't have to recommend that to you when we present the budget we won't and you won't have to do that, but it is appropriate for us to have this discussion.

COUNCILMAN UREMOVIC said but to do this now you're asking us to raise the taxes.

The City Manager said no, we're asking you at this point to provide a notice that says that the levy is going to be at least 5% more than last year because of the growth that we've had and because of the potential for needing 5 points on our tax rate. He said this does not set your levy, that will come back to you on December 4th and by then you will already have the budget in your hands and probably have already had one or more budget meetings by that time. He said the levy does not have to be set until the second meeting in December but it is healthy for us to discuss it at the first meeting rather than wait until the second meeting. He said so we're suggesting that we provide the notice because regardless of what you do with our rate here, the AV has gone up and you're going to get more than 5% in terms of your levy back. He said so we need to send the notice out and then between now and the second meeting in December you'll deliberate as to whether you need any increase in that area or whether you don't.

COUNCILMAN TURK said it could end up somewhere in between the \$111 and \$116.

The City Manager said absolutely.

MAYOR SCHULTZ said at these rates for a \$200,000 home it would be an increase of \$33, for a \$250,000 home it would be an increase of \$42, and for a \$300,000 home it would be an increase of \$50.

The City Manager said that would be the increase if you implemented this.

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The City Manager then explained the remaining items on the agenda.

2. Citizens to be Heard

a. Frank Vaisvilas re: Mowing Issue

Mr. Vaisvilas did not appear at the meeting.

The City Manager advised that there was a need to go into closed session to discuss personnel and pending litigation.

COUNCILMAN GIARRANTE moved that the Council recess to closed session to discuss personnel and pending litigation after which the meeting will be adjourned.

Motion seconded by COUNCILMAN TURK.

Motion carried by the following vote:

AYES: COUNCILMEN BROPHY, GIARRANTE, COUNCILWOMAN
QUILLMAN, COUNCILMEN SHETINA, TURK, UREMOVIC,
COUNCILWOMAN BARBER and MAYOR SCHULTZ.

NAYS: NONE.

ARTHUR SCHULTZ
Mayor



JANET K. TRAVEN
City Clerk

Recorded on Tape