

***Proceedings of the Council of the City of Joliet, Illinois
held on the 18th day of June, A.D. 2007***

PRE-COUNCIL MEETING of the Council of the City of Joliet, Illinois held on Monday, June 18, 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 and COUNCILMAN AT LARGE MICHAEL F. TURK.

ABSENT: DISTRICT 2 COUNCILMAN TIMOTHY M. BROPHY, DISTRICT 5 COUNCILMAN WARREN C. DORRIS, DISTRICT 1 COUNCILMAN JOSEPH R. SHETINA and DISTRICT 3 COUNCILMAN ANTHONY UREMOVIC.

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

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

COUNCILMAN BROPHY arrived at the meeting at this point.

The City Manager first explained Council Memo #664-07 dealing with the Recording Plat of The Reserve at Cedar Creek Subdivision Unit 2 Phase I.

Attorney Mike Martin was present on behalf of the petition.

The City Manager then explained Council Memo #666-07 dealing with a Special Use Permit to Allow the Construction of a Basketball Complex in a Commercial Subdivision know as City's Edge Commercial Park.

Mr. Bill Leach of Premier Hoops was present on behalf of the petition.

MAYOR SCHULTZ asked what it would cost to go in and play basketball.

Mr. Leach said it depends on whether you wanted to pay for a membership. He said they will be offering a smorgasbord style of services. He said you can pay for a month and play for a month or you can play and pay on a daily basis, so it just depends on what your particular budget restraints are.

The City Manager asked what it might cost for a membership.

Mr. Leach said to walk in on a daily basis would cost \$10. He said they have at least 5 or 6 different packages. He said the highest would be for a team where you get five individuals and that would cost \$100 to sign up and then \$300 per month. He said they have individual packages that cost \$100 to sign up and then \$100 per month to play. He said with that you would have full access to the entire complex and you could go into the fitness center or have pick-up basketball with referees, shot clocks, the whole gamut.

COUNCILMAN GIARRANTE asked if there were any other complexes like this around.

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Mr. Leach said there is a similar training center that the Chicago Bulls and White Sox are doing in Lisle. He said they have a section dedicated for basketball and a section dedicated for baseball. He said that's really the only similar type of location.

COUNCILMAN BROPHY asked if any of the locations involve the sales of any liquor.

Mr. Leach said no. He said when they first approached the Zoning Board they weren't in favor of the liquor, so they decided to add a juice bar.

COUNCILMAN BROPHY asked if they requested a liquor license.

Mr. Leach said yes, they initially went in asking for a liquor license.

COUNCILMAN BROPHY asked if they have any liquor licenses at their other locations.

Mr. Leach said no; this is their first location.

COUNCILMAN BROPHY asked why would you ask for a liquor license here.

Mr. Leach said their original scheme included a liquor bar, but they were told immediately not to go for that and to shoot for something else, so they came back with the juice bar and they were OK with that.

MAYOR SCHULTZ asked if the parking lot is going to be blacktopped.

The City Manager said it is all asphalt, all of the landscaping will be provided and there will be fencing and berming. He said it's very nice and their architects have done a very nice job with the layout.

COUNCILMAN BROPHY asked if this will be for members only or if it's open to the public.

Mr. Leach said it's open to the public and is for the community. He said they will have members but again there will be daily usage fees so that someone that doesn't want the long term commitment can just walk in, pay \$10 and still have full access.

COUNCILMAN BROPHY asked if there is enough parking.

The City Manager said there are 137 parking spaces so it looks like there is plenty of parking.

MAYOR SCHULTZ asked about how much it will cost to build this.

Mr. Leach said the building itself will cost about \$2 million, and the additional lots to hold the building and the parking lot is going to cost another \$600,000, for a total of about \$2.6 million.

MAYOR SCHULTZ asked if they owned the land.

Mr. Leach said they will be purchasing the land.

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COUNCILWOMAN QUILLMAN asked how many basketball courts are in the building.

Mr. Leach said there will be two full-sized NBA courts within the building and they will have the ability to cut them down into four smaller courts, so they will probably have four courts running most of the time. He said they'll save the bigger courts for the older players and for special games like playoffs and championship games.

MAYOR SCHULTZ asked if there will be a league.

Mr. Leach said they are going to have leagues, camps, personal training and pick-up basketball so there will be a whole lot going on inside.

MAYOR SCHULTZ asked if they would charge admission to get into any tournaments they might have.

Mr. Leach said they have discussed that and right now they are leaning against it, because a lot of the time the people that are going to be coming in are going to be family members, so it doesn't make sense to charge people astronomical prices to come inside just to watch. He said they also want other people to come in and spectate so they can do free advertising of the building itself.

MAYOR SCHULTZ asked what kind of staff they will have.

Mr. Leach said they are shooting for college educated people. He said they will have a lot of part-timers, but their main focus will be training to make sure everyone knows what's going on. He said their biggest concern is they don't want people coming out there to do things other than to play basketball, so they want to make sure that their staff knows what's going on and they want to make sure that everything is highly organized so they don't have any problems.

COUNCILMAN TURK asked if he is one of the managers.

Mr. Leach said he is one of the CEO's.

MAYOR SCHULTZ asked when they would start construction if we OK this.

Mr. Leach said we are small fish in a big pond and there are a lot of sharks, so we have to be careful with everyone we are approaching. He said we are talking to people but we are new to this, so we have to protect our interests and get this thing off the ground. He said the architects told us if we start in the fall, we should be open by 2008.

COUNCILMAN BROPHY asked what makes this a special use; why can't this owner just sell the land to this buyer and let them build.

The Corporation Counsel said the Zoning Ordinance states that athletic facilities require a special use permit.

The City Manager then explained Council Memo #677-07 dealing with Renaming the Dover Street Park.

It was requested that this item be voted on today.

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1. A RESOLUTION Renaming the Dover Street Park was presented and read.
(Council Memo #677-07)

COUNCILWOMAN QUILLMAN moved that said Resolution be adopted.

Motion seconded by COUNCILMAN GIARRANTE.

Motion carried by the following vote:

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

NAYS: NONE.

(RESOLUTION NO. 5931)

COUNCILMAN GIARRANTE advised that the Public Safety Committee met today and he asked Battalion Chief/EMS Chief Rich Marose to explain the proposed changes in the EMS billing procedures.

The EMS Chief stated they discussed the billing procedures today and outsourcing the billing service. He said this would free up their current staff to perform duties that are required in the Fire Department without really losing any money and also gaining more money for the City budget. He said their biggest issue with this including the financial issue was the legality issue that was brought to their attention in terms of Medicaid, Medicare and private insurance and possibly us not being always up to par on the current standards. He said they have been exploring this issue for a few months and they just wanted to brief the Mayor and City Council on this.

COUNCILMAN GIARRANTE said the procedures will not change; all you're looking for is to delve into this and then come back with a recommendation. He said he believes also the amount of money collected would probably be enough to offset the cost of hiring this billing outfit and would actually bring in more money because of some of the legal aspects as far as collecting the monies. He asked if the Council can vote on this.

The City Manager said a vote isn't really needed yet because the Fire Department has the authorization to explore that and they'll bring it back to you with a little more information at your next meeting. He said what they're trying to do is find maybe three good companies so you can get a good picture of what's out there and then come back to you with proposals. He said it looks like the fee may be between 6% and 7% of the collected revenue.

The EMS Chief said nationwide the fee is between 6% and 9%, and we're looking at the 7% range.

The City Manager said we generally have about 12,000 calls a year and there are companies out there that are very, very good at this and there is no question they can bring in more revenue. He said we don't want a 60 day backlog, and these companies are so good they can get you down to about a week. He said during the first year they're going to pick up two months worth of revenue for us which is several hundred thousand dollars and they don't send out a lot of invoices that they don't get paid for. He said they are very, very good at figuring out what the amount should be and what the likelihood is of us getting paid. He said we are real impressed especially with this last company, and so maybe we

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can have the Fire Department go a little further and bring back some more information and see how you feel about it.

The City Manager said just so everybody knows, we have one full-time person and one part-time person doing the billing now, and the clerical staff in the Fire Department is not real big, so if we can make this work and outsource it, you can probably keep those people and then spread their time amongst the other Battalion Chiefs that could probably use a little bit of clerical help without adding to our budget.

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

The City Manager explained Council Memo #676-07 dealing with a Development Agreement for the Use of TIF Funds for the Auditorium Building Located at 150 N. Chicago Street.

Mr. Michael Petry of Mid Central Enterprises, Inc. was present to respond to questions.

COUNCILWOMAN QUILLMAN stated he had an open house about a year ago, and she asked if he was able to sell any of the condos yet.

Mr. Petry stated no units can be sold until the building is completely fire protected which means a full sprinkling system. He said that's what they've been working on in the two phases. He said the first phase would include all the common areas and the units that are sold and also include the fire suppression system which includes all of the fire alarms and smoke detectors and whatnot.

COUNCILWOMAN QUILLMAN said the one corner unit was just beautiful.

The City Manager said they're all going to be like that and if you get an opportunity, you should go through and see the rest of them. He said all 17 units are completely framed out now so you can see the loft bedrooms and where the stained glass windows in each unit will be. He said this is requiring substantial investment on Mr. Petry's part and he is working with one of the local banks. He said we have to make sure he has done all the sprinkler systems, the elevator systems and all of the common areas and the fire code issues in connection to the parking decks and all those other things before we can let him sell the first unit, plus you have to get all of the legal descriptions of all the units and you really have to have them pretty well laid out before you can get the legal descriptions done. He said it is a very difficult, time consuming project. He said it's a pioneering effort.

COUNCILWOMAN QUILLMAN thanked Mr. Petry for investing in downtown.

Mr. Petry said two units have already been purchased by outside parties with deposits and the third unit is being purchased by one of his workers, so he had a special incentive package put together for him. He said so 3 units out of the 17 have been purchased. He said he really appreciates the opportunity in working with the City and said the City Manager and his staff have been absolutely fantastic. He said the Inspections Director has been able to work with him in giving him permits specifically for what he is trying to do to keep the costs down versus having to purchase the entire permit packages that would run into the tens of thousands of dollars.

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MAYOR SCHULTZ asked Mr. Petry how his deal goes if we turn the TIF down.

Mr. Petry said he'd probably put it on hold for five or ten years.

The City Manager explained Council Memo #678-07 dealing with a Development Agreement with the Andrew Corporation that provides for a partial tax rebate of 35% in exchange for Andrew's commitment to accept all purchase orders from Illinois companies at its Joliet location. He said Andrew also has the ability to accept Illinois orders at its Westchester, Illinois headquarters, in which case the City would not receive any sales tax revenue from Andrew sales. He said Andrew has offered to accept all Illinois purchase orders at its Joliet facility in exchange for the rebate to be paid for the duration of its 15 year lease.

The City Manager said Andrew's average annual taxable sales to Illinois companies over the last four years has been about \$14 million, and if this average were to continue over the next 15 years, the City would receive over \$3 million in local sales tax revenue after the payment of the partial rebate.

COUNCILMAN BROPHY asked if the \$3 million that the City would receive in local sales tax revenue would be annually.

The City Manager said no, that would be over 15 years. He said it could be more than \$3 million because their sales have been going up substantially and when we look at the last four years, the last two years have been really, really high.

COUNCILMAN BROPHY asked what kind of benchmark do you use for the rebate with 35% and whether there is any kind of comparable treatment in the State or in the country.

The City Manager said a lot of them are generally 50/50. He said this is really a different situation because almost all facilities that open up have their business unit right there and that is their headquarters because they're relatively small like, for example, a car dealership. He said Andrew has had their headquarters in Westchester and so we've asked them about moving and they were really receptive. He said they were really good when they were in Orland Park and they had done the same thing for Orland Park.

COUNCILMAN BROPHY said so they are transferring an existing type arrangement and the City Manager said yes.

COUNCILMAN BROPHY asked if he has seen details of that and talked to Westchester. He asked if they are bidding against us for this.

The City Manager said we did not ask them the name of the municipalities. He said they did go to two other municipalities and of course any municipality in Illinois would take them and probably give them a lot more. He said they are very, very community minded. He said when they went to their grand opening they took Mike Hennessey from United Way along with them and he thinks they are going to do a real nice United Way campaign.

COUNCILMAN BROPHY said you feel good we're not leaving anything on the table as far as that rebate goes.

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The City Manager said right, we've been negotiating for about 4 months.

COUNCILWOMAN QUILLMAN asked what happens if this company is bought out within this 15 year period, is everything null and void and we start all over again or does that go with this agreement.

The Corporation Counsel said it depends on what type of buyout there is, but if there is still an Andrew Corporation that survives a buyout, this agreement would continue.

The City Manager advised there was no need to go into closed session.

The meeting adjourned.

ARTHUR SCHULTZ
Mayor

JANET K. TRAVEN
City Clerk

Recorded on Tape