

***Proceedings of the Council of the City of Joliet, Illinois
held on the 14th day of July, A.D. 2008***

PRE-COUNCIL MEETING of the Council of the City of Joliet, Illinois held on Monday, July 14, 2008 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 2 COUNCILMAN TIMOTHY M. BROPHY, DISTRICT 4 COUNCILWOMAN SUSIE A. BARBER, DISTRICT 5 COUNCILMAN WARREN C. DORRIS, COUNCILMAN AT LARGE THOMAS C. GIARRANTE, COUNCILWOMAN AT LARGE JAN QUILLMAN, DISTRICT 1 COUNCILMAN JOSEPH R. SHETINA and DISTRICT 3 COUNCILMAN ANTHONY UREMOVIC.

ABSENT: COUNCILMAN AT LARGE MICHAEL F. TURK.

ALSO PRESENT: CORPORATION COUNSEL JEFFREY S. PLYMAN.

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

The Corporation Counsel explained Council Memo #852-08 dealing with a Special Use Permit to Allow the Construction of an Over-The-Road Semi-Truck Maintenance Facility at the Spencer Road Industrial Park Located on the South Side of Spencer Road, West of Manhattan Road. He also explained Council Memo #853-08 dealing with the Preliminary, Final and Recording Plats of Spencer Road Industrial Park Phase 2.

COUNCILMAN TURK arrived at the meeting during the discussion.

Attorney Mike Martin and Gary Reagan, Vice President of Operations for Highway Transport, were present on behalf of the petition.

Mr. Martin stated that this is going to be a \$5 million to \$6 million business. He said Highway Transport is transferring their regional headquarters from the Calumet area which has about 40 employees now. He said they anticipate growing to about 120 employees and the company invests about \$2 to \$4 million a year in the community itself. He said he understands there were some issues before about traffic safety and several people are here to answer questions about that, but they have agreed to increase the turning radius from Briggs onto Spencer Road to accommodate Division 1 vehicles, the largest semi's. He said his client runs Division 2 vehicles and they have about 12 trucks a day at their regional headquarters, which this will be, so they really only have about 12 trucks a day. He said the developer has agreed to invest and make improvements at that off-site location. He said they have also addressed and increased the turning radius out of the industrial park from what's called Workers Court onto Spencer Road and those are two plat conditions that will be on the Final Plat and that is also so there are no vehicles turning into oncoming traffic. He said those are probably at least another \$50,000 in road improvements that he has agreed to as plat conditions.

COUNCILMAN GIARRANTE said when we tabled this two of his concerns were the widening of the road and no traffic going west. He said it sounds like those will be done.

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Mr. Martin said it is a special use condition that their trucks would not go west on Spencer and a sign would have to be placed restricting the traffic. He said they are going to go to the interstate, up and down Briggs. He said he can't imagine the semi's going over the railroad tracks by choice.

COUNCILMAN GIARRANTE said so the widening of the roads will be done before they actually start going in and out of there with trucks.

Mr. Martin said yes, that's a plat condition and that's why it's on the plat and not a special use. He said it would be done before they get their permit.

COUNCILWOMAN QUILLMAN asked what kind of restriction will you have then, how can you keep people from going west if they want to.

Mr. Martin said you can take away our special use permit if we violate it on a regular basis.

COUNCILWOMAN QUILLMAN asked how will you enforce it.

Mr. Martin said there will be a sign and you can get a ticket.

COUNCILWOMAN QUILLMAN asked if we are going to be writing compliance tickets. She said there is not going to be anyone there to patrol it.

The Corporation Counsel said it will be a law enforcement responsibility. He said throughout the City we have several roads that are not equipped for trucks because the road is not stout enough physically to handle them or there is an overpass or some structure that has a weight restriction. He said he thinks both of those conditions would exist here. He said Spencer Road is a very narrow street and was never built with truck traffic in mind. He said this is unlike some other situations the City has gotten involved with in the past, such as Division Street near Crest Hill where that road was a four lane arterial that was built to modern standards. He said here you do have proper basis to prohibit truck traffic on the roadway so it will be a law enforcement issue and it will be incumbent upon the developer under the jurisdiction and supervision of Public Works to appropriately sign Spencer Road, and then we'll need to make sure that it's appropriately enforced just like we do elsewhere in the City.

COUNCILWOMAN QUILLMAN said it was stated by Mr. Reagan that over 100 jobs will be created at this locale. She asked if these are going to be local people or people transferred in from out of state from other facilities.

Mr. Reagan stated he believes what he said the last time was they would have 100 plus employees with their Midwest region project here. He said he thinks they do have 45 employees in South Chicago and they will offer those people relocation, and whether they relocate or not he can't tell you for certain, but they will have 100 plus jobs here at the Joliet location. He said their intention is to hire local Joliet people in this community to replace those that do not relocate.

COUNCILMAN DORRIS asked what type of jobs the current 45 employees have and what the new jobs will be.

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Mr. Reagan said they will have approximately 75 to 80 driving jobs that will gross out to about \$55,000 to \$65,000 a year. He said they will have approximately 8 to 10 mechanics and those jobs are \$45,000 to \$50,000 gross and they will also have 6 to 8 general service tank cleaners and those jobs will be \$50,000 to \$55,000 gross. He said they will also have office supervisors and management positions and those will range from \$40,000 up to \$85,000.

COUNCILMAN DORRIS said if we were to approve it and you start building when would you have it built out.

Mr. Reagan said he thinks it would be a 10 to 12 month build out and a lot of it would depend on when they can get started. He said their wish would be to get started here in a month after it's approved.

COUNCILMAN DORRIS said he thinks the two questions they had about the traffic going west on Spencer and the turn lane have been answered. He said he thinks this would be a tremendous shot in the arm for this District. He said they have waited a long time on the east side of Joliet to start getting this type of development, so as the Councilman representing that District, he believes it would be a great project and if the Council would see fit he would like to vote on it today and get it over with so they can close on the property and move forward. He made a motion for approval.

COUNCILMAN BROPHY said he would second the motion.

Attorney Mike Hansen, representing the Joliet Country Club, said their Board is meeting tomorrow night prior to the City Council Meeting. He said they as members of the community certainly have no problem with the use and would love to bring this into the City, but he would like to request that they vote on this tomorrow night at the regularly scheduled Council Meeting so he can get confirmation from his Board.

COUNCILMAN DORRIS said he thinks if we've waited this long we can wait one more day and make sure that everything is lined up so no one thinks we tried to not give them a voice, and he would withdraw his motion.

COUNCILMAN BROPHY withdrew his second.

The Corporation Counsel then explained Council Memo #844-08 dealing with the Annexation of 1450 S. Brandon Road which is being recommended for tabling until the August 19, 2008 Council meeting so that the developer has additional time to review environmental issues and to address concerns of the surrounding neighbors.

Attorney Mike Martin was present on behalf of the petition.

The Corporation Counsel then explained Council Memo #847-08 dealing with the Annexation of 33.69 Acres Located at the Northwest Corner of Patterson and Millsdale Road, Amendments to the Annexation Agreement and Master Development Plan for Autobahn Country Club, and a Special Use Permit for an Open Air Recreational Use Facility and the Driving, Racing and Testing of Automobiles.

Attorney Mike Hansen was present on behalf of the petition.

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The Corporation Counsel then went to the beginning of the agenda to explain the remaining items.

The Corporation Counsel explained Council Memo #841-08 dealing with Awarding a Contract to S.B. Friedman & Co. to Review an Analysis Performed by Kane, McKenna & Associates of the CenterPoint Intermodal Project at a fee not to exceed \$6,000.00. The funding for this contract will be reimbursed by CenterPoint Properties.

COUNCILMAN SHETINA asked what could they possibly do for \$6,000 on a project of this magnitude other than read it. He said he doesn't understand and asked if this is a requirement of somebody. He asked if we have the original report and if our staff has looked at the original report.

Director of Management and Budget Ken Mihelich said basically the primary purpose for getting S.B. Friedman involved with this is because there are a lot of special assumptions involved here in the real estate industry such as build out assumptions with interest rates and such that we don't work with on a day to day basis. He said what S.B. Friedman would do is more of a cursory review. He said we do have the full report that was forwarded by Kane, McKenna and when they forwarded that to his office, they did so without all of the formulas in there because those were proprietary information.

COUNCILMAN SHETINA said you've got a summary report from the original. He asked what Friedman's scope is on this.

Mr. Mihelich said their scope essentially is to perform a review and he asked them to spend most of their time looking at the analysis to see if things like the build out for instance are reasonable. He said he believes the build out on the City's assumptions, if it was just with industry only, was about 1.5 million sq. ft. per year of build out which came out to anywhere from 47 to 58 years for the build out if it was done as originally intended.

COUNCILMAN SHETINA asked if he is talking about the absorption rate on the property.

Mr. Mihelich said yes, and CenterPoint has said that if they go with the intermodal portion he thinks it would be 11 to 14 years depending on the different assumptions that they're using. He said with evaluations of the assessed valuation and these absorption rates, those are things that we don't typically look at, so we asked them to spend a little extra time on it for us and we felt that it was a wise investment to do so.

COUNCILMAN SHETINA asked what would that accomplish for us.

Mr. Mihelich said he thinks it gives us a little extra comfort that the Kane, McKenna report was done to something that is reasonable. He said obviously when you're looking at numbers that are 40, 50, 60 years in the future there are a lot of assumptions in there and a lot of room for error, and we're trying to make sure they're reasonable so that when we present a summary to you later in the week that we are comfortable with those.

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COUNCILMAN SHETINA said it's like a numbers review and a real estate absorption rate review. He said so we're looking at real estate, development and cost to build.

Mr. Mihelich said yes. He said he could look at the math and he understands how the math is done but he is not a specialist in real estate absorption rates and what seems reasonable and how many acres and how many square footage would fall in there. He said so we're asking them to do kind of a cursory review, something to give us some additional comfort.

COUNCILMAN SHETINA asked if CenterPoint provided us with some kind of an idea as to absorption rates, build out periods and costs and that kind of thing.

Mr. Mihelich said yes.

COUNCILMAN SHETINA asked if S.B. Friedman is also looking at what CenterPoint gave to us, is that part of it too.

Mr. Mihelich said no, actually we gave them the Kane, McKenna report and they're basically performing an analysis of that report.

COUNCILMAN GIARRANTE said there was some kind of disagreement between former City Manager John Mezera and CenterPoint on how fast this was going to build out. He said he believes they did this study to show the importance of the intermodal to show that that's going to build out faster. He said we got the report and now the City has said that we want to check it to make sure and they said ok, we'll pay for it more or less.

Mr. Mihelich said essentially what you're doing with this project is if you add the intermodal portion you're assuming that the build out will be much quicker otherwise you wouldn't go with it because you'd lose that 1,000 acres of land because the real estate return on that is much less. He said so this report was supposed to substantiate that and what we did was try to take it a little step further and say we're not really questioning their integrity or anything, but we're asking S.B. Friedman to look at it with an unbiased opinion and confirm the assumptions that were used to make sure they're reasonable.

COUNCILMAN GIARRANTE said this just proved that the intermodal is a catalyst to make this thing go faster.

Mr. Mihelich said yes, and he thinks even a non-trained person would probably realize that, but what we're trying to do is get a little bit more comfort as to the reasonableness of the build out. He said let's say the build out wasn't a 30 year difference and was a 10 year difference, you all might have a different decision in front of you.

COUNCILMAN BROPHY said CenterPoint hired KMA and he assumes it was without a bidding process.

Mr. Mihelich said he assumes they do a lot of work for them.

COUNCILMAN BROPHY said so it's their pick and their pay and because of that we're asking for an objective review which will also then, or he's hoping it will, unveil the formula a little bit. He said that's what he wants to know, where did they go with their assumptions and is that what we're buying.

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Mr. Mihelich said yes, actually what we're trying to do is we're trying to say look at the report and if there is anything that needs to be peeled back, let us know.

COUNCILMAN BROPHY said he understands KMA wants to protect their formulas and that's fine.

Mr. Mihelich said and he can almost recreate the formulas but that's only a part of it because a part of it has to do with the assumptions and with the assumptions there is a gray area, it's not real black and white so we're asking someone else to take a look at that gray area and give us some comfort.

COUNCILMAN BROPHY said you say we're comfortable with S.B. Friedman and he asked where they're from.

Mr. Mihelich said they are a Chicago firm.

COUNCILMAN BROPHY said OK, because that's the values, you have to take the math and pull it out and apply it to Joliet, Illinois and see what we all think in our gut about those assumptions.

Mr. Mihelich said our Planning staff has some idea from talking with them of how the build out has happened in the past, but it is hard to tell as to which portion of that was due to let's say the Elwood intermodal because some of our growth is probably the result of that, and at what pace.

COUNCILMAN BROPHY said but again, this thing we're paying for is our pick and our pay even if we are going to be reimbursed for the \$6,000 so they'll respond to our request for information.

Mr. Mihelich said right, we're working with them directly so it gives us a little bit better comfort and CenterPoint will be reimbursing us for it.

COUNCILMAN GIARRANTE said KMA was not CenterPoint's pick totally. He said they came up with 2 or 3 firms and it was kind of mutually agreed upon between John and CenterPoint to go with KMA.

Mr. Mihelich said Kane, McKenna do a lot of work in this area and they are pretty well respected. He said when he's talked with them we've felt comfortable and this was just an additional layer given the magnitude of the project.

COUNCILMAN SHETINA said the staff is going to be doing a review and they are going to be helping you do the review. He said it doesn't make any sense to him, he doesn't know what they can do for \$6,000 on a project. He said he hasn't even seen that report, not that he could decipher it but he thinks we need to see it. He said he doesn't want a copy, he just wants to look at it.

Mr. Mihelich said he'd be glad to show it to anyone.

COUNCILMAN BROPHY asked what the turn around time is on this review.

Mr. Mihelich said they are supposed to have it to us later today.

COUNCILMAN BROPHY said we didn't approve it yet but they're going to have it done.

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Mr. Mihelich said we had to have it prior to this week.

COUNCILMAN GIARRANTE said we're going to get it whether we approve it or not because we're not paying for it.

COUNCILMAN BROPHY said he meant how long does it take them to do it.

Mr. Mihelich said about a week to 10 days.

1. Citizens to be Heard

a. Marty Lepacek re: Silver Cross Hospital

The Corporation Counsel said Mr. Lepacek was at every one of the Silver Cross hearings and he was an independent voice and was a very active participant in the entire process, and he thanked him for his support.

Mr. Marty Lepacek of 1307 E. Jackson Street stated he is here today to respectfully ask the City Council to consider all reasonable legal options in regards to the relocation of Silver Cross Hospital to New Lenox. He said the Health Facilities Planning Board broke their own rules on multiple occasions. He said the State agency report listed several deficiencies such as the proposal did not appear to be in conformance with certain provisions of the Planning Board rules. He said major deficiencies listed were location, alternatives, need and size and yet at the hearing on July 1st in Springfield, Silver Cross Hospital did not have to respond to these deficiencies. He said the Planning Board's decision was arbitrary and inconsistent with its mission.

Mr. Lepacek said if someone needs in-patient services now that are not provided at Silver Cross Hospital and currently must go to Chicago, when the new hospital is built in New Lenox they will still have to go outside the area and the same with a child in the same case. He said there will be no new category of services at the new hospital, no open heart surgery and no neo-natal care, it's the same hospital.

Mr. Lepacek said the land that the New Lenox hospital will be located on was not a donation, not a gift, and they bought the property in 2004 for \$4.5 million. He said records indicate this land was purchased to be used as a farm. He said at the hearing on July 1st Silver Cross Hospital stated they did not know anything about a toll road in 2004 and yet in 2004 there was a person on the Board of Directors of Silver Cross and this same person in 2004 was on the Board of Directors of the Illinois Tollway Authority. He said in 2004 an engineer was hired for the I-355 toll road and in 2004 plans were unveiled for the I-355 toll road. He said in 2004 ground was broken on the I-355 project. He said another member of the Board of Directors of Silver Cross Hospital in 2004 was involved in land zoning laws and yet Silver Cross states under oath that in 2004 they knew nothing about I-355 being developed in New Lenox right next to the farm they purchased in the very same year.

Mr. Lepacek stated he has a document that says Silver Cross Hospital put in their application to the State of Illinois Health Department on April 28th that they will be leaving vacant the present and up-to-date facilities in 2011 and it also states that the hospital is in very good condition with in-patient and out-patient rehab facilities. He said at the same time Silver Cross Hospital is telling the

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people of Will County that the current facility is antiquated and obsolete. He said they are misleading somebody.

COUNCILWOMAN BARBER asked Mr. Lepacek if he could come back for tomorrow's Council meeting and repeat his statements so they can be televised, and Mr. Lepacek said he would try to attend.

The Corporation Counsel advised there was a need to go into closed session to discuss personnel and pending litigation.

COUNCILMAN SHETINA moved that the Council recess to closed session to discuss personnel and pending litigation at 4:30 p.m. after which the meeting will be adjourned.

Motion seconded by COUNCILMAN BROPHY.

Motion carried by the following vote:

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

NAYS: NONE.

ARTHUR SCHULTZ
Mayor

JANET K. TRAVEN
City Clerk

Recorded on Tape