

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
March 26, 2012**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, March 26, 2012 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

PLEDGE TO THE FLAG & PRAYER: The Prayer was said by City Clerk McKinney.

ROLL CALL: Present on Roll Call were Councilmembers Hayes, McDermott, Berg, Hollonbeck, Rice, Eckhardt, and Mayor Olson. Absent: None. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.: None

REPORTS AND COMMUNICATIONS:

- Mayor: None
- Council Members:
 - Councilman Berg: Public Works Committee met to discuss: 1) Traffic issues on 14th and 15th Streets around Silgan; still working on; money an issue. 2) Truck Permits – need trucking permits for overweight trucks; staff continuing to work on.
 - Councilman Eckhardt: Administrative Committee to meet 4/5/12 at 8:30 a.m. to discuss Liquor fees and Beer Gardens.
 - Councilman Hayes: Upcoming meeting to discuss Ambulance Fees and use of Motorized Vehicles on Sidewalks.
- Financials – February 2012: Included in Council Agenda Packets.

PUBLIC COMMENTARY:

- **John Kaminski , Rochelle Resident - Big R Development:** Feels that Big R would come without cost reductions, such as waiving building permits, tax reductions, etc.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – March 12, 2012;
- b) Accept and Place on File Minutes of Airport Advisory Board Meeting – December 12, 2011;
- c) Approve Bills 03/02/12-03/08/12= **\$71,629.26**; 03/09/12-03/15/12 = **\$2,107,340.36**;
- d) Approve Payroll 02/20/12-03/04/12= **\$195,199.66**.
- e) Approve Lincoln Highway Heritage Festival Request – August 17-19, 2012;
- f) Resolution Lincoln Highway Heritage Festival Parade – August 19, 2012;
- g) Authorize the Use of City Hall for National Day of Prayer – May 3, 2012.

Moved by Councilman Eckhardt and seconded by Councilman Rice, "**I move Consent Agenda Items (a) through (g) be approved by Omnibus Vote as recommended.**" Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Rice, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.

2) **South Main and Fourth Avenue Water Main Project:** In 2011 the Illinois Department of Transportation, through the Economic Development Program, approved a request for funding assistance to reconstruct and widen South Main Street from Steward Road to Steam Plant Road. The multi-year roadway reconstruction project is anticipated to begin in fiscal year 2014-15. In advance of the roadway reconstruction, the replacement of approximately 1100 feet of 12-inch water main on South Main Street from Steam Plant Road to the Erie Foods entrance is proposed. In addition, the replacement of 350 feet of six-inch water main on Fourth Avenue, from South Main Street to North 3rd Street, is included due to deterioration of the main. Subsequent to the required public notice, bids for the South Main and Fourth Avenue Water Main Project were opened by the City Clerk on March 14, 2012 with eight contractors submitting bids. Staff and our consultant, Willett Hofmann & Associates, have reviewed the bids and recommend the acceptance of the apparent low bidder, Stenstrom Excavation & Blacktop Group, with a bid of \$199,140.50. The proposed 2012-13 Water Division Capital Outlay Budget includes \$267,125 for the replacement of this water main. Following the bid award, the project is expected to begin in late April or early May and be completed within 60 days. Moved by Councilman McDermott and seconded by Councilman Rice, **"I move the Council accept Bid C12-03 with Stenstrom Excavation & Blacktop Group for the South Main and Fourth Avenue Water Main Project for \$199,140.50 and reject all other bids."** Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Rice, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.

3) **Development Agreement between the City, Illiana Realty and Central Big R Stores:** A variety of incentive options including: real estate tax abatements, sales tax rebates and waiving and/or reducing specific City fees were discussed at the June 13, 2011 City Council meeting in an effort to spur the redevelopment of the former Wal-Mart facility on Route 251. Following the discussion, the Mayor and Council voted to support offering incentives in order to maintain the vitality of the northern gateway commercial corridor. Earlier this month the former Wal-Mart facility, located at 1240 North 7th Street, was purchased by Illiana Realty, LLC. The owner intends to develop the property for use as a "Big R" farm, home and ranch retail store. Improvements will include the construction of a 12,000 square-foot warehouse addition and renovation of the existing structure with completion no later than September 1, 2012. Once operational, the Big R will employ a minimum of 40 full-time employees.

Based on the development of the property as outlined, and the anticipated economic impact, the following incentives are proposed:

- **Real Estate Tax Abatement** – Abatement of the City's real estate taxes attributed to any new improvements over five years as follows: 90%, 75%, 60%, 45% and 20%.
- **Sales Tax Rebate** – Rebate of ½ of the 1% portion of the Operator's Retail Occupation Tax for a period of three years. (Findings listed in the ordinance, and substantiated by memos from Building Inspector Countryman, support the ability to offer this incentive.)
- **Stormwater** – Existing impervious surface areas will not be subject to current stormwater provisions of the Municipal Code.

- **Electric Rate** – The facility will qualify for the Commercial Redevelopment Electric Rate #190 which provides a discounted rate for the first twelve months.
- **Building Permit Fees** – Waiver of building permit fees for new construction and renovations for one year.
- **Codes** – Un-renovated portions of the facility will remain subject to the codes that were in affect at the time of construction, providing it was in compliance at that time.

City Attorney, Alan Cooper, revised the ordinance to read "upon receipt of all required documentation from the Owner and Operator, to execute said agreement is substantially the same form...."

Moved by Councilman Eckhardt and seconded by Councilman McDermott, **"I move Ordinance 12-4156, A Development Agreement between the City, Illiana Realty and Central Big R Stores, as revised, be adopted."**

Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Rice, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.


DISCUSSION ITEMS:

1) **City Rail Expansion Plans:** For many years the City of Rochelle has owned and operated, via a third-party operating agreement, an industrial railroad within the city limits. This railroad provides local industries with a competitive advantage by allowing them the ability to use Burlington Northern Santa Fe and/or Union Pacific Railroads for their shipping needs. The recent construction of the Nippon Sharyo and Coated Sand Solutions facilities in the southeast industrial quadrant has resulted in a significant expansion of the City's industrial rail. Economic Development Director Jason Anderson presented information, including aerial photos, on the existing City of Rochelle Railroad and expansion plans for the next 3-5 years.

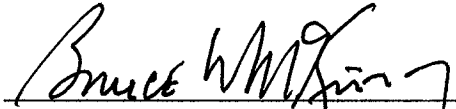
- The City has been awarded over \$8-million in grant funds for City rail improvements in the past year.
- Purchased 1.5 acres of property earlier in year to allow for expansion of new tracks.
- Americold planning expansion in future.
- Wasau Lumber plans to expand its number of products here.
- City receives 25% of \$300 revenue per car – in and out.
- Planning ahead, there are different routes in which to expand, depending upon future demands.
- With the cost of gas and trucking problems, there is an increased interest in rail.
- Plans for a trans-loading facility, giving industry new advantages.
- Land has been donated to the City.
- Looking to increase the rail south.
- GREDCO has land available.
- Future plans include eliminating rail crossings.

EXECUTIVE SESSION: None

ADJOURNMENT: At 7:55 p.m., moved by Councilman Berg and seconded by Councilman McDermott, "**1 move the Council adjourn.**" Motion passed by voice vote without dissent.



Chet Olson, Mayor



Bruce McKinney, CMC
City Clerk, City of Rochelle