

**CITY OF MARENGO
COUNCIL MINUTES
MAY 29, 2007**

CALL TO ORDER

At 7:02 p.m., Mayor Lockhart called to order the May 29, 2007, Marengo City Council meeting and then led the "Pledge of Allegiance".

ROLL CALL

Mayor Lockhart, Alderman Bradbury, Alderman Shelton, Alderman Hall, Alderman Secor, Alderman Signore and Alderman Trainor were present for roll call. Alderman Spear was absent and Alderman Smith arrived at 7:12 p.m.

PUBLIC PARTICIPATION

Jane Rausch, 6211 Maple #403, Marengo, was concerned that senior citizens would foot the bill for impact fees if the fees were reduced for developers/builders.

SPECIAL PRESENTATION

A special presentation to James Wicaryus was removed from the agenda.

NEW BUSINESS

APPROVAL OF THE MAY 14, 2007 REGULAR AND EXECUTIVE SESSION MINUTES

Alderman Shelton made and Alderman Secor seconded a motion to approve the above mentioned minutes. The motion passed with an aye voice vote from Alderman: Shelton, Hall, Bradbury, Secor and Signore. Alderman Trainor abstained.

2007/2008 APPOINTMENTS

Alderman Bradbury made a motion to approve Mayor Lockhart's appointments per the agenda supplement; seconded by Alderman Hall. The motion passed with an aye voice vote from Alderman: Bradbury, Shelton, Trainor, Hall, Signore and Secor.

Annual appointments are as follows: Scott Hartman, City Administrator; Les Kottke, chief of Police; Donald J. Craney, Superintendent of Public Works; Jayson Shull, Building Commissioner; Carlos Arevalo, Zukowski, Rogers, Flood & McArdle, City Attorney; Darrel Gavle, Baxter & Woodman, Inc., city Engineer; Joseph Hallman, Coordinator, emergency Management Agency; and Greg Arnold, Chairman of the Planning and Zoning Commission.

For the General Administration Committee, Mayor Lockhart appointed Alderman Spear, as Chairman, together with Alderman Trainor, Alderman Bradbury and Alderman Hall as committee members.

For the Community Development Committee, Mayor Lockhart appointed Alderman Signore, as Chairman, together with Alderman Smith, Alderman Shelton and Alderman Secor as committee members.

Three year appointments are as follows: Rocco Gailloro, James Carmichael (reappointment) and Kathy Meyer (reappointment) to the Economic Development Commission.

The lone five year appointment was Greg Arnold to the Planning and Zoning Commission.

ORDINANCE 07-5-1 APPROVING VARIATIONS FROM THE MARENGO ZONING CODE AND THE SUBDIVISION ORDINANCE, ISSUANCE OF A SPECIAL USE PERMIT FOR A RESIDENTIAL PLANNED DEVELOPMENT AND FINAL PLAT OF SUBDIVISION APPROVAL FOR THE FOUR SEASONS POINT IN TIME SUBDIVISION

Due to a conflict of interest, Alderman Shelton recused himself and waited outside the meeting area before any discussion was made on this Ordinance. Mr. Reschke was present, together with his attorney, to answer any questions the members of the City Council may have and stated they were looking for approval of the final plat.

There was discussion about the resurfacing of the entryway on Forest Street to Maple Street in which Mr. Reschke confirmed that was the area of resurfacing. The city engineer confirmed they were close to resolving the water

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issues. There was discussion with regard to the low growth landscaping on the access road between the single family homes and the multiple family units. There was also discussion with regard to the actual type of various trees included in the landscape for the development as the plans do not specify the type of maple tree, etc.

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Alderman Trainor made a motion to approve Ordinance 07-5-1, Approving Variations from the Marengo Zoning Code and the Subdivision Ordinance, Issuance of a Special Use permit for a Residential Planned Development and Final Plat of Subdivision approval for the Four Seasons Point in Time subdivision, subject to watermain and landscape clarification; seconded by Alderman Signore. The motion passed with an aye voice vote from Alderman: Signore, Secor, Trainor, Bradbury and Hall. Alderman Shelton was recused for this motion.

ORDINANCE 07-5-2 PROPOSING THE ESTABLISHMENT OF SPECIAL SERVICE AREA NUMBER 3 WITHIN THE CITY OF MARENGO AND PROVIDING FOR A PUBLIC HEARING AND OTHER PROCEDURES IN CONNECTION THEREWITH FOR THE PROPERTY COMMONLY KNOWN AS FOUR SEASONS

At the request of Alderman Trainor, Attorney Arevalo explained the reason for establishing the Special Service Area (SSA) was to ensure maintenance of common wetlands areas. He said the SSA would only go into effect and be enforced in the event the Homeowners Association for Four Seasons does not properly maintain the common areas. Should this happen, the City would be able to levy a special tax against the area that would then pay for the common area maintenance.

Alderman Smith arrived at 7:12pm.

It was agreed that a public hearing would be held June 25, 2007 at 6:45pm and Notice would be given pursuant to Section 4 of the Ordinance.

Alderman Signore made a motion to approve Ordinance 07-5-2, Proposing the establishment of Special Service Area Number 3 within the City of Marengo and providing for a Public Hearing and other procedures in connection therewith for property commonly know as Four Seasons; seconded by Alderman Secor. The motion passed with an aye voice vote from Alderman: Hall, Trainor, Secor, Signore and Bradbury. Alderman Shelton was recused for this motion.

Alderman Shelton returned to the meeting upon conclusion of the discussion with regard to Four Seasons Point in Time.

EDC PRESENTATION: PROPOSED BUSINESS INCENTIVE PROGRAM

David Ross, the Coordinator of the Marengo Economic Development Commission (EDC), began by stating that growth in Marengo will occur, we just need to make it happen how we want it to happen. He informed the City Council, with the approval from Mayor Lockhart, within the next year there will be a 60 room hotel that will include a banquet facility with a 300 seat capacity. Mr. Ross then presented a power point slide show presentation in which he requested the **concept** of the Business Incentive Program in Marengo (BIPiM) be approved by the City Council.

In his presentation, Mr. Ross stated the goal of the EDC was to expand the existing business base by recruiting more business. He felt the most successful way of doing so would be to offer a tax abatement to business that met certain criteria, such as jobs created, wages paid and capital investment by that business. He referenced an Ordinance from 1994 that approved a tax abatement for one particular company and wanted to be able to offer something similar. He stated although it may seem as though the City may be losing tax dollars by allowing tax abatements in the years the taxes would be abated, the City would more than make up for it with increased revenue with future growth and future taxes that will be paid.

Alderman Trainor asked how the abatement would be handled with each individual taxing body. Alderman Signore suggested the EDC speak with all the taxing bodies to find out which would be willing to go along with the tax abatement before re-presenting the concept to the City Council. Mr. Ross said he would speak to the other taxing bodies and let the City Council know the outcome.

ORDINANCE 07-5-3-AMENDING CHAPTER 20, PLANNING, ZONING AND DEVELOPMENT REVIEW FEES

Building Commissioner Shull stated per direction of the members, he and several other staff members have reviewed Chapter 20 relating to planning, zoning and development review fees.

He went over the changes and then asked if there were any questions. Alderman Signore asked if there were any provisions for dispute resolution or any type of arbitration if someone was arguing the bill. Commissioner Shull stated it was discussed by staff but there was nothing incorporated into the ordinance pertaining to this as

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he thought it was left that this would be administratively. Our attorney stated this was his recollection as well and this was done to streamline the process and to ensure fees get replenished.

Alderman Signore thought we might not have to get so specific regarding the dispute but maybe we could set a time table for the dispute resolution instead of leaving something opened ended at which point the developer maybe doesn't pay to replenish the retained personnel fund which puts the City in a bind in that do we stop somebody's progress, do we pull the permit because the fund hasn't been replenished. So, he was hoping they would be considering maybe some steps if there is a dispute regarding a bill and maybe a timeline for the finalization where both parties have to agree that a decision will be made within 60 days, 90 days, and that will be a binding decision at which point after that decision has been made, if the developer still seems that it's still not fair and they are not going to pay, then it is very easy for our Building Commissioner to shut them down.

He stated he understood both sides of the issue but when he read this it really gave ground for remedies for the City but was vague on the other end. He felt if there was a dispute, it would be nice for them to know that this would come to an end in 60 days and they can't prolong it by doing nothing.

Administrator Hartman explained the current procedure for disputed bills and advised we currently do not have a time table. Alderman Signore said, "So it could go on for 30 days; it could go on for a 120 days it could go on indefinitely." He wanted to know if we currently had any disputes. He was advised that we did. He then wanted to know if they were over 90 days or over 180 days. He was advised some of them were over 90 days but felt there were none over 180 days.

Alderman Signore then asked if we had an arbitration process. He was told typically the mayor and he will have a meeting with the parties involved and figure out whatever the issue maybe whether it is an error in the bill like if the engineer/lawyer has done some work and the developer feels he shouldn't have to pay for it for whatever reason. It might be determined the developer was charged for work that he is not liable for but is liable for the rest of charges or it might be determined he is in deed liable for all of the charges. If the disputed charges cannot be worked out, it would then probably have to go to court.

Alderman Signore guessed he understood the need for the flexibility on that. However, he was just trying to be fair to the person may dispute the bill and also to the Building Commissioner so he knows what his guidelines are.

Commissioner Shull was asked if on a residential situation if he notified them in advance of the need for any professional services that might be required in order for them to make a decision whether or not to do their project. He stated it depended on the project and what it entailed. He tries to give them an estimated amount based on what he hears out in the field, however, his department has done a lot of leg work in house to save the resident/applicant money. They try to give them as much information up front as they can.

The question was asked how amending Chapter 20 would affect people who are currently in the arrears for fees. the reply was that unless the ordinance states it is retroactive, it only applies to new accounts.

Administrator Hartman told Alderman Signore he would have to check into the people who are delinquent to see if they were disputing a bill or just weren't paying. There are a few that he was aware of that were being disputed.

Alderman Signore asked if it was possible for them to specify a date that this would become effective or would it become effective tonight with a motion. He was advised it became effective upon approval and publication.

Alderman Hall made a motion to approve Ordinance 07-5-3, Amending Chapter 20, Planning, Zoning and Development Review Fees of the Marengo Municipal Code; seconded by Alderman Signore. The motion passed with an aye voice vote from Alderman: Trainor, Signore, Secor, Bradbury, Hall, Shelton and Smith.

VARIANCE REQUEST FOR THE INSTALLATION OF A NEW SIGN ON CITY PROPRTY AT NWCC
Building Commissioner Shull stated there is currently a sign at this site that is being maintained by the Marengo Community High School. His agenda supplement listed the requested five variances along with 4 concerns staff had regarding this request.

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The property was previous zoned M-Manufacturing however it is now zoned BP-Business Park. The petitioner, F&L Realty has submitted a petition for a variance from Chapter 16 of our Municipal Code to increase the signage located on City property to incorporate signage for existing retail shops there and also for future businesses that locate there.

Commissioner Shull advised the sign would be 43' in length and 8'6" high which is not higher than the existing sign and the front of the sign he assumed would located where it currently is. There also is enough room in the existing island for the new sign.

Alderman Bradbury went to the site and personally had no problem with it as long as it was not any closer to the road and felt there wasn't an obstruction of vision as she felt there was enough space from the edge of the sign to the street to be able to see traffic coming.

Alderman Trainor stated she liked the brick look of the sign but was in opposition of the length of the sign.

Commissioner Shull stated staff had a problem as to who would be maintaining it; however, the Marengo Community High School submitted a letter stating they will maintain the landscaping of the entire parcel.

He then advised Alderman Hall that if the City had to replace a line, we typically restore it back to the original state but with a sign on personal property we are not liable to maintain it. He, however, would suggest if the members were entertaining this, an agreement be drawn up between the two parties to cover this.

He then advised Alderman Signore the sign would not be located closer to Rt. 20 than the existing sign and although he is not a traffic engineer, his concerns regarding the traffic line of sight was for when school lets out and there would be 20 cars backed up only the first four cars would be able to see Rt. 20.

Alderman Smith's concern was that as long as nothing was put on either side to obstruct the vision from eastbound or westbound traffic he would be okay with it. To ease his concern, Commissioner Shull advised both lots east and west of the boulevard there are corner lots and our Zoning Ordinance has a more restrictive corner side set back which would account for site triangles and things of that nature.

Personally, Alderman Trainor would like to see the sign scaled back a little bit just because they asked for it doesn't necessarily mean that visually it is going to look right. She thought the Lindow sign was a little bit taller than she would like to have seen there blinking and flashing. Visually, she thought she would like to have seen something meld into the landscape a little bit more but not obscured by the landscape and she had the same concern about the overall size of this sign. Other strip mall signs have numerous store names and they are not the size of this sign. She would like to encourage the petitioner to look at other options. She was also advised the sign will be illuminated by solar power.

Alderman Signore stated the pet store that is located here is way in back and could understand the owner's need for some visibility especially if the store front doesn't even face Rt. 20 since our ordinance will not allow them to put 4' neon letters on their building. It looked to him that each business name sign was 1'x7'. He asked Alderman Trainor if she had the problem with 43', would she be willing to go higher with the sign. She stated she could entertain something taller and again stated she would like to see a different design than 43' long.

Alderman Hall personally liked the way the sign looks and thought it was a nice additional that people will be seeing coming in off of Rt. 20 and then made the motion to approve the sign variance request for the installation of a new sign on City property (Franks Blvd.) in the Northwest Center for Commerce; seconded by Alderman Bradbury. The motion passed with an aye voice vote from Alderman: Secor, Hall, Shelton, Smith, Bradbury and Signore. Alderman Trainor voted nay.

RESOLUTION 07-5-A-AUTHORIZING APPLICATIONS FOR AND EXECUTION OF RTAP TECHNICAL ASSISTANCE GRANT

Assistant Blakemore advised the members the City was awarded a planning grant thru the RTA and right now we are in the process of ironing out the final details as to what is going to be included in the planning study. He will be meeting with the representative from the RTA to finalize the plan.

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The RTA is requesting a resolution from us in support of and the authorizing the execution of the technical assistance program. They estimate our portion of the local grant match to be approximately \$20,000.

Alderman Shelton was advised this was a Metra route not Amtrak so it was not a mute point and it was noted there would be two separate stations one for Marengo and one for Huntley. They would not share the same station nor is it a competition between the two communities. It is more of a joint effort of the two working together. Our share of the monies would be payable at the time we bid the project and get the contractor.

After stating she thought this was an exciting opportunity for the City, Alderman Trainor made a motion to adopt Resolution 07-5-A for Regional Technical Assistance Program; seconded by Alderman Signore. The motion passed with an aye voice vote from Alderman: Hall, Bradbury, Smith, Secor, Shelton, Trainor and Signore.

Alderman Signore left the room at 8:33 p.m. and returned at 8:34 p.m.

ORDINANCE 07-5-4-AUTHORIZING THE ESTABLISHMENT OF TAX INCREMENT FINANCING "INTERESTED PARTIES" REGISTRIES AND ADOPTING REGISTRATION RULES FOR SUCH REGISTRIES
ORDINANCE

Administrator Hartman advised this was in reference to the proposed TIF District the City has been working on for redevelopment for 136 North East Street which was the former Northwest Pallet Company property.

Tom Walsh, Infill Market Development, has proposed a concept to redevelop the 2.2 acres with thirty-one town homes. The proposal was received favorably by Council and PZC members. He is seeking TIF (Tax Increment Financing) assistance to help offset some of the costs including property acquisition and demolition.

We have moved forward with the public hearing to rezone the property but we have not acted upon the ordinance. In order to move on with the TIF District, the ordinance before them was a procedural issue required by the State to

establish a procedure to register if any person or organization wishes to be notified of any meetings. This is a housekeeping procedure to move forward with the TIF District. It doesn't establish the TIF District but is the next step.

Included with this were reference items North side Redevelopment Project Area and the Eligibility Report for the site. These items will come into play later on in the process.

If there was still interest in moving forward with the establishment this TIF District for the redevelopment of 136 North East Street as the concept plan proposes, Administrator Hartman was looking for adoption of this ordinance.

Some of the items/comments discussed included: the numbers on page 15 were unrealistic for the size of this project and the real numbers are being worked on; TIF doesn't include the Landings of Marengo; members will be adopting the redevelopment plan that will include the acquisition, demolition and other TIF eligible costs; the density and type of building design will be discussed at the submission of the PUD special use permit and will have to be approved by the PZC and Council; TIF adds a financial mechanism to make the project work; thought it would be nice to have a refresher course on how a TIF works for all the members as it was sometime ago that it was discussed; the members were to call Administrator Hartman if they would like a crash course on how a TIF works and if they wanted an more in depth discussion they could bring in more detailed speakers.

Alderman Shelton stated that as long as this was just a housekeeping issue more or less, he would make a motion to adopt the ordinance (05-7-4) Authorizing the Establishment of Tax Increment Financing "Interested Parties" Registries and Adopting Registration Rules for Such Registries; seconded by Alderman Secor. The motion passed with an aye voice vote from Alderman: Smith, Bradbury, Shelton, Trainor, Hall, Signore and Secor.

OLD BUSINESS

GRAND POINTE HOMES DEVELOPMENT FEE DISCUSSION

Administrator Hartman stated this was discussed at the last meeting and it was tabled primarily as representatives from the ad hoc committee who participated in the original structure of the fees were not present. Alderman

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Trainor the chair of the committee was present tonight to shed some light on their efforts to establish the structure of the fees and from there they could have further consideration on the fees for Grant Pointe Homes.

Grand Pointe Homes is proposing to align their fees with all the fees as proposed by the Council resolution with the exception of the school districts. They are proposing a reduction in the impact and transition fees.

Alderman Trainor gave the new members background information as to how the impact/transition fee numbers for the resolution were derived.

Alderman Signore stated he has struggled with this since the last meeting and after a week of deliberation and discussions with Mayor Lockhart, Administrator Hartman and our attorney, he came up with a proposal that he presented to the other members.

He looked over Mr. Zirk's April 30th letter and felt there were three main considerations in this letter. One was the fees had changed from when he first started looking at this project; secondly institutions have become far more conservative when evaluating project financing and the third item mentioned was any fee or improvement installation required upfront, i.e., recapture of offsite improvements directly increases the project.

With that in mind, he came up with his proposal. He didn't know where any of the aldermen were at with this and then asked Mr. Zirk if his folks felt like he should move forward and voice his proposal or should he just toss it out. Alderman Smith asked he to present it as he felt what he suggested made some sense and would like to see what the reaction would be.

Alderman Bradbury felt if they would make concessions for one developer they would have to make it for all the developers. She felt they just needed to revisit the fee structure for the school.

Alderman Hall commented the impact fees we have on a three bedroom home puts us third in the entire list that was put out there by the Northwest Herald. The only two above us are home ruled communities which have to do things differently all the way around. For a four bedroom house, there is only one home rule community that is higher than us. So, he was looking at this like we are literally at the top. We have gone from the bottom which he felt we were way to low to now being the highest. He doesn't want to be another Lake in the Hills but he would like to get more commercial and manufacturing development.

Since it has been three years that this project was presented, he felt it was time to get it taken care of one way or the other so Grand Pointe Homes could move on.

He agreed with Alderman Bradbury in that if they reduce the fees for one, they need to make it across the board. He cited how much higher our fees for the school districts where compared to Union's who is in the same school district. He felt Union's was too low but at the same time felt we can't sit here and make up for Union.

Alderman Shelton wanted to hear Alderman Signore's proposal and what Mr. Zirk had to say about it and stated he perhaps might be in favor of revisiting the fees with the concession if they were reduced as a result of a committee meeting and Mr. Zirk would benefit from those, he thought the concessions being considered are the things that are specific to this development and would not apply with concessions to others and if Union wasn't willing to set forward and meet the needs of the schools, that if the need for a school arises, they should build their own.

Alderman Smith the proposal Alderman Signore came up with was a creative financing type thing that doesn't reduce the fees. It is a common practice in software sales to backload a contract do that that majority of the fees are paid at the end of the contract or over a period of years which reduces the financial obligation to you up front. This is no way a concession of the fees because we feel the fees are appropriate but it is a way a developer who wants to build here would provide a mechanism to do so.

Alderman Signore stated what he had come up with was specific for Grand Pointe Homes and not any other development. The first thing was he felt we should give them a credit on the transportation fee and they would be responsible for paying a portion of the improvements on Rt. 20. If we relieve them of this fee, there is a savings of about \$80-85,000 would be realized based on our fee structure the transportation fee line item for a

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two bedroom home is \$714 with the highest amount for that line item being \$1,000 for a four bedroom home. He felt this could be waived as Grand Pointe will be making a larger investment for Rt. 20 than the \$80-85,000.

The second item pertained to the addition of transition and City fees which we didn't have previously. The transition fees on a four bedroom house are \$5,118.00. The City's fee minus the transportation fee is \$3285.00 which totals \$8,403.00 for the two types of fees. He is proposing we not collect the transition and City fee at the time the permit is issued but rather collect them as part of an occupancy permit once the home is complete. By doing this, Grand Pointe Homes financing would be reduced by that portion of the fees. He feels there isn't any need for the transition fee or City fee need when you are moving dirt and nobody is living in it.

The third item was entertain the possibility of allowing three to five more lots if they could be squeezed in. He has had some discussion with residential builders in the area and based on the numbers they gave him, they stated the typical net profit margin in bad times is about 7%. If we were to use that number, a \$350,000 home would generate about \$24,500 profit in a poor market. So, if they were able to put in four more homes, that would generate about \$100,000.

He felt if they were to consider the three suggestions which are unique to Grand Pointe Homes situation, we would create somewhere in the neighborhood of \$180,000 assuming we could fit a couple more homes in there for them. This creates some more money, creates more value for Grand Pointe Homes but at the same time, we do not have to go back to the drawing board and rethink all of our fee structures.

Alderman Trainor stated it was not uncommon for communities to give credits. This is what she has seen the more she has looking into this; so, it is not like they are a blazing trail if this is something that appeals to them.

Mayor Lockhart stated it is not uncommon to change the number of homes to benefit the project as he thought Union just increased the density for sewer lines.

Alderman Signore thought as they move forward with more projects for annexations that will take place, he didn't think everyone of them would be cut and dry and thought there would be situations where based on the development or the City's desire for the development they could get a little creative. He personally didn't think there was anything wrong with this as he felt there were ways they could work aside from gouge the fees and it is not something they have to do on every development.

Mr. Zirk then addressed the members. He stated the bigger issue here is when this project started out, it was their understanding that another developer would be paying for half of the improvements. He will take a look at the plan to see if there would be room for additional units. He will come back to the next meeting with his findings.

He again stated since Marengo & Union had the same school districts, a potential homebuyer would probably buy in Union since the school fees would be about \$10,000 less. He would like to see area communities get together and have

all fees around the same amount as that way developers would be playing on the same level. He also again mentioned that when they started on this project the fees were very low, they came in with fees that they felt were in the middle and now they are way up there.

Alderman Signore wanted to talk about the off site improvements as he felt Grand Pointe should not be paying for more than his fair share. He also asked if we had a commitment for the other portion of the offsite improvements.

Administrator Hartman advised we have talked about a trade up of recapture for George St. which is about \$70,000. Grand Pointe Homes would not get this up front but receive it when there is additional development that will benefit from George St.

There is a commitment of a certain amount of cash (not quite 50%) for the Rt. 20 improvements. One of the disparities came in with the methodology to calculate the degree of impact. We have a gas station/convenience store that will generate so many cars; we've got a residential development that will generate so many cars and then overall we have so many cars that will benefit from these improvements.

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We are having a hard time putting our hands around as to who is going to be responsible for the overall other benefits for Rt. 20-not just specific to Grand Pointe Homes, not specific to the commercial development but for future development that will benefit. There is a calculation of so many cars per day that will be anticipated at this intersection and the question is who is going to upfront this?

Alderman Signore asked why Mr. Zirk felt he is going to be saddled with paying for this whole project as he didn't think it was fair that they should have to pay for it all. Administrator Hartman advised, "There is going to be either the commitment of cash up front but it is not-it is an eighth of the cost. There is assignment of the recapture which will go to Grand Pointe Homes but all the costs upfront are born by Grand Pointe Homes. Recapture to whatever level, whatever degree, that's due to them only when there's another development that is going to come in and pay that recapture. If nothing ever happened ever, that is still money they put out with no money coming back in to pay for it or when it does occur lets say five years down the road, they still have that money sitting on the table that they are paying interest on for five years until they can get a recapture fee back. That's the difficulty."

Mr. Zirk stated in the beginning it was their understanding they would pay for half of the improvements to George St. and would get half of the recapture down the road. The dedication of the road has not occurred and they are now be stuck with \$370,000 worth of improvements on Rt. 20 and they don't believe it should be all their responsibility.

Alderman Signore asked if we had any commitments in previous documents. Administrator Hartman stated we have an obligation in a Special Use Permit for Rt. 20 improvements and there is no dollar amount or a percentage mentioned.

Alderman Signore wanted to know what we got in return for this Special Use Permit in terms of the improvement to Rt. 20 or what did the petitioner that received the Special Use Permit guaranteed regarding the Rt. 20 improvements. Administrator Hartman advised he would have to look at the language for the Special Use Permit as it is addressed in there. It will make an argument that there is an obligation based on the Special Use Permit that those improvements be made.

Alderman Signore heard Mr. Zirk say he might potentially be on the hook for \$200-300,000 more than what he thought coming into the project he thought this was a bigger factor probably than us being a few thousand dollars different per unit on our fees. He felt this was a huge upfront issue and wanted to know if the previous document that also pertains to this improvement is any good because if it is, then Mr. Zirk would know where he stands on his project and what his potential contribution is. Administrator Hartman stated we would have to pursue this legally to see whether or not it is any good.

Alderman Trainor seemed to remember this discussion before an occupancy permit was issue which she was not in attendance. The vote was taken and an occupancy permit was given to the petitioner of the Special Use Permit and one of the points of discussion before the vote was taken that night was, "What if the Rt. 20 improvements are not made?" and our attorney was specifically asked what we had to fall back on and that was basically the agreement.

Alderman Signore stated he couldn't see how we could have Grand Pointe Homes take the lead on this when we had a previous player involved in it. He felt foolish for voting yes because he probably did.

Administrator Hartman stated for more detailed discussion they should go into Executive Session given the nature of the subject. Regardless of the certain obligations of the Special Use Permit, there is still entitlement to recapture. So when they talk about who is going to make the initial capital outlay, somebody is going to have to make it; it is going to come back thru recapture.

Alderman Signore felt we should not have to use either the schools portion of our fees or the City's portion of our fees to subsidize a project that should be moving forward at this point. They weren't clear enough in terms of what the responsibilities of parties were because that is what they will be doing if we reduce our fee structure. We will be subsidizing that project.

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Mr. Zirk said the question is what is right sometimes it is not if but when. If you have an agreement that is one thing and another thing to throw the hammer down in force. He felt that was the bigger issue here. Administrator Hartman said, "That is exactly the issue."

David Juhre, 1071 East Grant, came forward to address the members. Originally Marengo Market Place had a Special Use Permit to build a gas station with a right in, right out. He said, "That's what they wanted to build. It was done. We were going to build it. We saw Teska came out with a new plan for redeveloping Marengo. Okay, Marengo wanted to build and develop a new community in back of us. So, when we saw that new plan, we came to the City and we asked them if we gave you that land and we paid a \$168,000 to build George Street sewer infrastructure, water and connected so that if somebody wanted to build in back of us it would be ready for them, what would you do? They said that would be a great idea; so we did, and we were going to donate the land, I don't know if it's a full acre but it's 60 something 67' wide. So we are going to give this property to the City. Sure, it certainly benefits us and it certainly benefits Grand Pointe Homes and then we want to make sure that it was clear that originally we wanted to share the costs. There was never a discussion of any kind that was ever written down as to what that cost sharing would be but then now there is a whole bunch of people that benefit from it. There are people that are going to build commercial property to the east. A property directly to the north, property all around would benefit from that and finding out who would be responsible for that. So, as what started in our budget, okay, what started out in our budget of a simple right in, right out, that's what we were happy with, and then we got brought into the 'work with the City, work with Marengo' they will work with you they will make it happen for you, okay and then that's what happened. Next thing 'you know, \$168,000 later, I built George Street. All the infrastructure underneath it for a development someone at that time must have committed to a new home subdivision and said, 'We'll give you and we will guarantee you access.' We never did that. We never made that promise. All we said to the City is that we will give you the land and we have a right in, right out and eventually it will turn into a full access which is all we wanted in the first place. So then somehow that got interpreted as, gee, we are going to pay for the whole million bucks at that time because now it's reduced to four hundred and we still don't think it can be done for that. All of a sudden it got turned from a simple right in, right out, give some property to the city, let them have a street so they can have a subdivision, and now, my cost went up another million bucks. That doesn't seem like a good deal to me. So, that is the perspective of where we are and now, can we go back, I don't know that would be something we would have to discuss. But after all the extra costs and the extra burdens putting another \$90,000 in plumbing to solve IDOT issues and creating a new structure in the front and the extra added cost for George Street, there is no way in the world that Marengo Market Place would ever be able to afford to spend \$750 to \$1 million bucks just to increase so that a subdivision, so we could give that to the city for free. Is that clear? Is there anything that's not clear?"

Alderman Signore wanted to know about the nature of the agreement that granted Special Use permit as he believed there were some concessions in there. Administrator Hartman stated the Special Use agreement was not just for the gas station and convenient store, the Special Use permit included a commercial retail office building to the west where the duplex currently sits. Mr. Juhre confirmed there is a 20,000 sq ft office building with retail on the first floor. Administrator Hartman explained Mr. Juhre is benefiting from the Special Use Permit which will allow for the additional building on one zoning lot.

Alderman Trainor recalled Teska recommending an access road so there would not be turn off, turn on to Route 20. So the development plan for that sub-area would have an access road with limited in and outs. Mr. Juhre said that was correct. And added, "What happened was, because that access point was in the back, the city needed access to that road and we thought that we would do everybody the right thing by giving, donating that road to the city. Not only that we paid for the road and all the sewer underneath it and went under Route 20 to deliver all those things." Mr. Juhre then said if he was to be responsible for the improvement to Route 20 he would put a for sale sign out and pack up and leave as he had no intention of doing it. Mr. Juhre then stated the original plans called for two right ins and right outs, but IDOT did not approve it. Alderman Signore wanted to discuss only the plan that was actually approved because previous approvals are a non-issue and we, as a city, cannot trump IDOT.

Alderman Signore wanted to know if all the concessions based on that Special Use Permit been satisfied. Administrator Hartman said no, that is why we are having this discussion. Alderman Signore wanted to know where we were at on it. Administrator Hartman said right now we have one building, one of the two building has been built. We have a right in, right out for George Street and the intention is for it to be a full intersection. George Street has been built, but it has not yet been dedicated as clear in the Special Use permit. They have the obligation to have that dedication be made which would then make it city property which would give access to Grant Pointe Homes. That has not yet been done. Alderman Signore wanted to know if there was a specific time

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line in the Special Use Permit for the performance. Mr. Juhre said no and it could be done in the next 20 years, if that is what they wanted. Administrator Hartman stated he received a letter from Marengo Market Place to open and they needed certain things. He had drafted a letter for the City Council's consent and it stipulated what had to be done, which included, among other things the upgrade to Rt. 20. He said timelines have not been properly addressed by the Marengo Market Place and this has been an issue. Alderman Signore felt that another project is suffering, and felt we had an obligation to satisfy the outstanding issues that were required by granting by the Special Use permit because another project is suffering. Mr. Juhre wanted to know if possibly Alderman Signore was kidding. He could not believe that this is "business friendly". Mayor Lockhart wanted to know if anyone else had anything further and suggested the Council go into executive session, but first wanted to confirm with Mr. Zirk could review the information provided and get back to us by the next meeting, June 11th. Mr. Zirk said he would.

COURTNEY LANE DISCUSSION

It was decided to move this discussion to the next meeting and Mayor Lockhart said we can. He wanted everyone to make sure they received a copy the letter from the McHenry County Division of Transportation regarding the speed study on Maple Street, near the Courtney intersection that the City of Marengo requested. The response stated there were already speed studies completed, one in 2003, the other in 2005. The bottom line is they are not interest in doing another one. The Mayor quoted the letter as stating, "experience has shown that with very little change occurring on Maple Street since the last speed study, any future speed studies would only result in prevailing speed being greater than the current 55 mph speed limit." There was a question as to why Maple Street is still a county road and the reply was that even though the city may annex a road, the county does not give up jurisdiction. Alderman Smith said he spoke with Jeff Young, who is the lead engineer, or the assistant lead engineer, he said whatever the city wants, we will design it. But the Mayor pointed out Jeff Young was the guy who sent the letter that was just quoted, so obviously there is conflicting information being given.

EXECUTIVE SESSION

Alderman Signore made motion to move to Executive Session; seconded by Alderman Secor. The motion passed with an aye voice vote from Alderman: Smith, Bradbury, Shelton, Trainor, Hall, Signore and Secor.

After returning from Executive Session, roll call was taken. Those present were Mayor Lockhart, Attorney Arevalo, Administrator Hartman, Alderman: Signore, Hall, Secor, Shelton, Bradbury, Smith and Trainor.

ADJOURNMENT

Alderman Shelton made motion to dismiss; seconded by Alderman Secor. The motion passed with a unanimous aye voice vote.

Submitted by: Theresa A. Hoschouer
City Clerk

TAH/dls