

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
MONDAY, OCTOBER 25, 2010**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, October 25, 2010 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, T. McDermott, D. McDermott, Berg, and Eckhardt. Absent: Councilmember Hollonbeck and Mayor Olson. Also present were City Manager Alberts and City Clerk McKinney.

Moved by Councilman Hayes and seconded by Councilman Berg, **“I move that Councilman Dave Eckhardt be appointed Mayor Pro-Tem for tonight’s meeting.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, and T. McDermott. Nays: None. Abstain: Councilman Eckhardt. Absent: Councilwoman Hollonbeck and Mayor Olson. Motion passed 4-0.

PROCLAMATIONS, COMMENDATIONS, ETC.:

- **Community Planning Month:** Proclamation read by Bruce McKinney and accepted by Chris Limas, Community Development Director.

REPORTS AND COMMUNICATIONS:

- **Mayor:** N/A
- **Council Members:** Commended two ribbon-cutting ceremonies: Nippon Sharyo and the new Assisted Living Facility.
- **Financial Statements September 2010:** Included in Council Agenda Packets
- **Kishwaukee College:** Dr. Tom Choice: Updated the Council on the College’s referendum that is on the November 2nd ballot.

PUBLIC COMMENTARY: None

BUSINESS ITEMS:

1) **CONSENT AGENDA ITEMS BY OMNIBUS VOTE** with Recommendations:

- a) Approve Minutes of City Council Meeting – October 12, 2010;
- b) Accept and Place on File Minutes of Planning and Zoning Commission meeting of September 7, 2010;
- c) Approve Bills 10/01/10-10/07/10 and 10/08/10-10/14/10: \$1,496,033.83;
- d) Approve Payroll 09/20/10-10/03/10: \$196,002.60

Moved by Councilman Hayes and seconded by Councilman D. McDermott, **“I move Consent Agenda Items (a) through (d) be approved by Omnibus Vote as Recommended.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.

- 2) **Public Hearing – Amendment to the Lee County Enterprise Zone:** On December 23, 1986 the City of Dixon and County of Lee entered into an Intergovernmental Agreement to provide for the administration of an enterprise zone encompassing contiguous portions of the City of Dixon and County of Lee. The agreement was subsequently amended to include the City of Amboy, Village of Ashton, Village of Franklin Grove, Village of Paw Paw, City of Rochelle and Ogle County. As part of the agreement the government units included have indicated their willingness and desire to extend the boundaries of the Lee County Enterprise Zone to include additional properties, alter incentives, and alter the termination date of the zone. The Lee County Enterprise Zone plans to submit an application to the State of Illinois for zone changes. The ordinance amendment includes a territory expansion of 146.0 acres to include the Interstate Transportation Center, future home of Nippon Sharyo U.S.A. Inc. John Thompson, Lee County Enterprise Zone Administrator, was in attendance to conduct a public hearing. Moved by Councilman Hayes and seconded by Councilman Berg, **“I move the Council recess into a Public Hearing for an Amendment to the Lee County Enterprise Zone.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0. No one came forward and there were no written comments.

Moved by Councilmember Berg and seconded by Councilman D. McDermott, **“I move the Council return to Open Session.”** Motion passed by voice vote without dissent.

Moved by Councilman Berg and seconded by Councilman Hayes, **“I move Ordinance 10-3965, An Ordinance Amending Ordinance No. 01-3501, be adopted.”** Roll call vote was taken. Ayes:

Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.

Moved by Councilman Hayes and seconded by Councilman Berg, **“I move Agreement 10-3966, Amendment #3 to an Intergovernmental Agreement between the City of Dixon, City of Amboy, Village of Ashton, Village of Franklin Grove, Village of Paw Paw, City of Rochelle and Counties of Lee and Ogle Regarding Administration of an Enterprise Zone Dated December 23, 1986, be approved.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.

- 3) **Public Hearing Regarding a Plan to Issue Not to Exceed \$2,940,000 in General Obligation Bonds for Public Infrastructure - Rochelle Lighthouse Pointe TIF District:** On October 12, 2010 the Mayor and Council approved an ordinance authorizing the issuance of general obligation bonds in an amount not to exceed \$2,940,000 to finance offsite improvements related to the Lighthouse Pointe Subdivision and Route 38 corridor. Pursuant to the provisions of the Bond Issue Notification Act, a public hearing must be called at least seven days prior to adopting an ordinance providing for the sale of the bonds. A copy of the parameters ordinance has been included for council review which will grant the City the authority to issue the General Obligation Bonds, (Tax Increment Financing Alternate Revenue Source), Series 2010, designated as Recovery Zone Economic Development Bonds beginning the date the Ordinance is passed, anticipated to be November 22, 2010. Proceeds from the bond issuance will be used to finance certain capital projects within the City as outlined in the Pre-Development Agreement between the City and North Route 38 LLC. The bonds will be issued in an amount not to exceed \$2,940,000 with principal payable annually on December 1 and interest due semi-annually on June 1 and December 1. The bonds will become due and payable over a period ending no later than December 1, 2030 in an amount not exceeding \$500,000 per year. Moved by Councilman Hayes and seconded by Councilman Berg, **“I move the Council recess into a Public Hearing for a plan to issue not to exceed \$2,940,000 General Obligation Bonds for Rochelle Lighthouse Pointe TIF District.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0. Dave Eckhardt read the legal statement regarding the public hearing for the issuance of the bonds. No one came forward for public commentary. Moved by Councilman Berg and seconded by Councilman D. McDermott, **I move the Council return to Open Session.”** Motion passed by voice vote without dissent.
- 4) **Ordinance Approving Development Agreement between the City and GPLH, L.L.C. – ITC Industrial Park:** A preliminary plat for the Interstate Transportation Subdivision, located on the north side of Illinois Route 38 near the intersection of 15th Street, was approved on September 13, 2010. A Development Agreement, consistent with the I-2, General Industry zoning, has been drafted and City Attorney, Alan Cooper provided a summary of the agreement at the September 27, 2010 City Council Meeting. The City of Rochelle has applied for grants to facilitate the development of this property in order to be successful in securing the Nippon Sharyo U.S.A. Project. To date the City has applied for \$1,000,000 through the Community Development Assistance Program to be used for utilities, \$2,000,000 through the Economic Development Program to assist with roadway improvements and \$5,000,000 through the Bureau of Railroads to help facilitate rail access. All of these grants will require the City, as applicant, to enter into an agreement which commits the remainder of the funds required for the improvements. The proposed Development Agreement will formally memorialize the responsibilities of the City and the Developer related to onsite and offsite infrastructure improvements as well as financial obligations. Alan Cooper was in attendance to go over agreement and answer any questions. Councilman T. McDermott, **“I move Ordinance 10-3967, An Ordinance Approving Development Agreement (GPLH, L.L.C.), be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.

- 5) **Economic Development Program Agreements and Resolution – IL Route 38, Nippon Sharyo Drive and ITC Parkway Improvements:** The City of Rochelle submitted an Economic Development Program (EDP) grant application to the Illinois Department of Transportation (IDOT) on August 9, 2010 in an effort to acquire funding to assist with roadway improvements related to ITC Industrial Park and Project E-Rail. On August 19, 2010 the City received an award letter through the EDP program for assistance with funding up to \$2 million for construction of Nippon Sharyo Drive and improvements to ITC Parkway and Route 38, including associated expenses. An additional \$48,000 in Truck Access Route Program funding was also committed for construction of one intersection and 1.1 local lane miles. City staff and representatives from IDOT District 2 have prepared a State/Local Joint Agreement which has been sent to Springfield for review and approval. This agreement will not be finalized until the City approves the agreement and related resolution defining the limits of the proposed 80,000 pound truck route and identifying the truck route class. This particular Class II truck route will be established from the new intersection of Illinois Route 38 and include ITC Parkway and Nippon Sharyo Drive. The Local Agency/Company Agreement is another requirement of the EDP agreement. A letter of commitment and agreement has been secured with Nippon Sharyo USA and Mayor Olson has executed the agreement on behalf of the City. Once the State/Local Joint Agreement has been approved by the State, the mechanism for releasing funds is secured. Per the development agreement previously approved, all expenses related to the roadway improvements that are over and above the available EDP funds will be the responsibility of the developer. Mick Gronwald, of Fehr-Graham was present to answer any questions. Moved by Councilman T. McDermott and seconded by Councilman D. McDermott, **“I move Resolution R10-24, A Resolution Establishing a Class II Designated Truck Route along ITC Parkway and Nippon Sharyo Drive, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.
- 6) **Engineering Agreement between the City of Rochelle and Fehr-Graham & Associates – EDP Grant ITC Industrial Park:** As previously stated, the City has been notified that IDOT will provide funding through the Economic Development Program of up to \$2 million for construction of roadway improvements to provide access to the Nippon Sharyo USA facility in the ITC Industrial Park. The preceding agenda item included approval of the State/Local Joint Agreement and associated documents which will facilitate the means to access these funds. The EDP approved project includes 2,214 feet of pavement improvements on Illinois Route 38 and the construction of 2,462 feet of roadway for ITC Parkway and Nippon Sharyo Drive. Fehr-Graham & Associates have submitted a proposal for engineering services related to the design, preparation of bid documents and contract award at a fee of 6% of the estimated contract cost of the improvements, not to exceed \$209,077. The proposal also includes construction observation and inspection services to be provided based on time and materials. The approval of this agreement will provide for the engineering necessary to allow construction of the roadways in spring 2011. These engineering services are allowable expenses through the Economic Development Program and will be paid through grant funds. It was asked if they were incorporating the possibility of an overpass to Jack Dame Road. Mr. Gronewald’s answer was that at this point it is in the plans. Moved by Councilman D. McDermott and seconded by Councilman Berg, **“I move Agreement 10-3968, An Agreement between the City of Rochelle and Fehr-Graham * Association for Engineering Services – EDP Grant ITC Industrial Park, be approved.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.
- 7) **Final Plat - Interstate Transportation Center Subdivision:** On September 13, 2010 the Mayor and Council approved the preliminary plat for the Interstate Transportation Center Subdivision, which included six buildable lots, with one lot reserved for stormwater detention purposes. Two variances from the City of Rochelle Municipal Code were also granted allowing for a “flag lot” and an exception to the requirement that roads extend to the farthest limits of the plat boundary. The final plat for Interstate Transportation Center includes an eight-lot subdivision with lot one, as shown on the Preliminary Plat, being divided into two lots. On October 18, 2010 the Planning and Zoning Commission reviewed the petition for a final plat and voted to recommend approval by a vote of 8-0. City staff members are still working with the developer and his engineer on a few minor revisions so language is included in the ordinance to allow staff approval of any modifications prior to signatures. Alan Cooper, City Attorney and Chris Limas, Community Development Director, were present to answer any questions. The developer has been working very well with city staff. Will be a new drainage channel. Moved by Councilman Hayes and Seconded by Councilman Berg, **“I move Ordinance 10-3969, An Ordinance Approving the Final Plat of Interstate Transportation Center Subdivision, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.

- 8) **Resolution Authorizing City Manager and Mayor to Sign Grant Documents – Project E-Rail:** In connection with Project E-Rail the City of Rochelle has applied for three grants totaling \$8,000,000 through the following agencies: Economic Development Program for road improvements, Community Development Assistance Program for water and sewer improvements and the Freight Rail Program for rail improvements. Over the next several months all of these grants will require signatures on multiple documents by a representative of the City deemed to have the authority to do so. Nippon Sharyo's contract with Metra requires the delivery of rail cars within a stringent time frame. To meet these requirements the associated infrastructure at the site must also be completed in a timely manner, much of which is being funded through grants. In order to accommodate the construction schedule, and the time sensitive nature of these documents, a resolution has been prepared which provides both the City Manager and the Mayor the authority to sign any and all grant documents related to this project. The resolution also allows, when deadlines dictate, for the documents to be signed prior to approval by the City Council. City Attorney, Alan Cooper was present to answer questions. Either the Mayor or City Manager can sign. Moved by Councilman Berg and seconded by Councilman T. McDermott, **"I move Resolution R10-25, A Resolution Authorizing the City Manager and Mayor to sign all necessary Documents for Grants Related to Project E-Rail, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.
- 9) **Resolution for Maintenance of Streets and Highways – Municipal Parking Lots and Alley:** Several municipal parking lots have been identified for rehabilitation due to a breakdown of the surface resulting in a crumbling condition. These parking lots include three sections south of the gazebo on Main Street and the recent addition of the lot west of City Hall, including the adjacent alley. Subsequent to the required public notice, bids were opened on October 18, 2010, with four contractors submitting bids. City Engineer, Sam Tesreau reviewed the bids and recommends the acceptance of the apparent low bidder, William Charles Construction Company with a bid of \$99,972.87. The 2010-11 Capital Improvements Fund budget includes \$63,000 for the rehabilitation of various parking areas. Due to the availability of Motor Fuel Tax funds and a drainage issue which is deteriorating the surface, the lot and alley adjacent to City Hall were added to the original budgeted project. The recommendation is to proceed with the Municipal Parking Lots and Alley Project. Don Elliott was present to answer questions. Moved by Councilman T. McDermott and seconded by Councilman Hayes, **"I move Resolution R10-26, A Resolution for Maintenance of Streets and Highways, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.
Moved by Councilman Berg and seconded by Councilman T. McDermott, **"I move the Council accept Bid C10-15 for maintenance of Municipal Parking Lots and Alley from William Charles Construction Company for a total amount of \$99,972.87 and reject all other bids."** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.
- 10) **Track Construction Grant Agreement between the City and IDOT – Nippon Sharyo Facility:** The City of Rochelle submitted a Track Construction Grant application to the Illinois Department of Transportation (IDOT) Bureau of Railroads on August 20, 2010 in an effort to acquire funding to assist with the installation of a rail spur from the BNSF main line to service the Nippon Sharyo facility and other industrial properties. On September 13, 2010 the City was notified that the application looked favorable and a Track Construction Grant Agreement would be forthcoming. The City received a letter and Track Construction Agreement from IDOT on October 20, 2010 which provides for grant funds in an amount up to \$5,000,000 to assist with the installation of the rail spur. The new rail spur will be constructed on land deeded to the City by Black Earth and Center Point Properties located on West Illinois Route 38. The total cost of the rail spur project is estimated to be \$7,610,698.46. Per the Development Agreement with GPLH, LLC, the developer is financially responsible for the balance of the rail project which is not covered by grant funds. A Recapture Agreement is being negotiated between GPLH, Center Point and the City which will allow for a cost sharing by Center Point when an industry accessing rail locates on their property. City Attorney Alan Cooper has reviewed the Track Construction Agreement and recommends approval of the document. Moved by Councilman Berg and seconded by Councilman Hayes, **"I move Agreement 10-3970, A Track Construction Grant Agreement between the City of Rochelle and IDOT be approved."** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Eckhardt. Nays: None. Absent: Two. Motion passed 5-0.

DISCUSSION ITEMS:

- 1) **Recovery Zone Bond Funding for Rail Expansion and Stormwater Mitigation:** The Greater Rochelle Economic Development Corporation (GREDCO) has been very involved in the development and extension of the City of Rochelle (CIR) Railroad. Since the inception of the CIR, several industries have located in the Rochelle due to the availability of dual rail options for shipping. Recently GREDCO evaluated the CIR to ascertain its ability to continue meeting the needs of existing industries and providing opportunities for prospective industries. GREDCO has been approved for Recovery Zone Bonds through Ogle County in the amount of \$4,409,000 for improvements to the CIR and water mitigation in the east industrial park. Economic Development Director, Jason Anderson discussed the proposed project and responded to questions Council had.

EXECUTIVE SESSION: None

ADJOURNMENT: At 8:47 pm, Councilman Berg moved and seconded by Councilman Hayes, **“I move the Council adjourn.”** Motion passed by voice vote without dissent.

Dave Eckhardt
Mayor Pro-tem

Bruce McKinney, CMC
City Clerk, City of Rochelle