

**CHANNAHON VILLAGE BOARD  
SPECIAL MEETING  
JULY 19, 2008**

Village President Joe Cook called the meeting to order at 9:02 a.m. with Trustees Davidson, Militello and Greco present.

Also present were Village Administrator Jamie Bowden, Village Attorney David Silverman, Finance Director Robert Guess, Director of Public Works Ed Dolezal, Director of Community Development Mike McMahon, Village Clerk Missey Schumacher and Deputy Clerk Leti Anselme.

Present representing IDI were Senior Vice President Tom George, Vice President Jeff Smith, Christopher Keppner of Jacob & Hefner Associates Engineers/Surveyors, and Sara Disney Haufe of Metro Transportation Group.

**IDI ANNEXATION AGREEMENT AND LAND USE**

**ROAD IMPROVEMENTS**

Mike McMahon opened the discussion stating that we were considering a draft annexation agreement, that is the product of 6-7 months of work with IDI. Issues include zoning and some variances that IDI would like. Bigger issues for the board to consider. One of these is traffic at the Bluff Rd. interchange, the other is getting water to the site for fire suppression. Joliet would service the site for sewer. Also to be discussed are any development fees that the Village would collect from IDI. The agreement is approximately 75% - 80% completed. IDI would like to bring this agreement before the board in August. The public notice for the zoning and PUD is next week. It is their intention not to annex at the moment. Once the agreement is settled on and approved that will be upon their application for a petition to annex. Another issue is off-site road improvements. How will that be funded? One idea is a tax abatement. That is where Staff is leaning.

Tom George of IDI introduced Jeff Smith who handles the I-55 and I-80 areas for Chicago region of IDI. Mr. Smith will be in charge of this project. Tom George is in charge of all development for Chicago. He stated that IDI would like to reach an agreement quickly and it is his understanding that the major issues are a land donation by IDI and interchange improvements. Significant improvements would be needed, including left and right turn lanes at the ramps, signalization at the ramps, and improvements to Bluff Rd.

The Lewis property has development potential, but IDI must develop a stand-alone solution without assuming that the Lewis property will be developed in the event that that property remains undeveloped.

Metro Transportation representative, Sara Disney Haufe stated that a traffic study shows that more than half of the traffic to Bluff Rd. would come from the Lewis property. Metro Transportation happens to be doing the traffic studies for both parcels. The Lewis property

actually comprises 71% of the developable property in question, while the IDI parcel comprises 29%. The Lewis property would contribute slightly more than 50% of the traffic to Bluff Rd. because their traffic would be split between Rt. 6 and Bluff Rd.

IDI would like to, in some way, split the cost of Bluff Rd. improvements with the Lewis property. Possible ways to accomplish this include the village paying for half of the improvements and recapturing that cost from the Lewis property or IDI fronting the money for the improvements and recapturing through possible TIF or tax abatement. Concerns were raised over inability to qualify for TIF as the land is currently actively farmed. Mr. Smith prepared an analysis of how the payback would work (see attached Tax Abatement Analysis).

**Trustee Slocum and Mr. Keppner entered the meeting at 9:10 a.m.**

IDI explained that their plan calls for a 4 building plan, with the first of the building starting construction in late 2009, and being completed in 2010. In 2011 it would be partially assessed and the tax abatement would begin in 2012 and run for 5 years. The next building would begin about 2 ½ years later.

IDI is willing to invest \$2.5 million in infrastructure improvements. IDOT requires improvements to the intersection that would handle both the Lewis and IDI properties.

Tax abatement would be 50% for 5 years beginning for each building as that building is built. This would pay off IDI's interest and Lewis share of principal by 2018. The analysis also shows the monies that each taxing body would receive.

Jamie Bowden pointed out that the effect of the tax abatement is less for the Village than for other taxing bodies and suggested that IDI set up meetings with the other taxing bodies in question to garner their support.

Mike McMahon asked if the tax abatement would amount to \$5.5 million by the year 2023 as per the Tax Abatement Analysis provided by IDI?

Mr. George said that if the Lewis property developed, they would be required by the Village in their annexation agreement to pay the balance of their part to IDI and the tax abatement would be voided at that time.

Jamie Bowden suggested that there are options to be discussed regarding how the Lewis property would repay their portion if a portion of the principal is paid off by the tax abatement before the Lewis property develops. One option might be that the difference be paid to the taxing bodies.

President Joe Cook recapped that a portion of IDI's investment in Bluff Rd. improvements would be recaptured with the development of the Lewis piece. In the meantime, IDI would receive a tax abatement to offset that investment.

Mike McMahon clarified that 50% of the Bluff Rd. improvement cost would be rebated to IDI unless they've already been paid through tax abatement, at which time the recaptured investment money would go to the various taxing bodies.

Trustee Davidson asked if the development would consist of 4 large boxes and whether they would be owned by IDI.

IDI assured that all buildings are held by IDI. Eventually, all buildings are sold. However, IDI keeps an average of 50% of the buildings and manages the park long term.

Jamie Bowden asked how the interchange at Bluff Rd. would work.

Trustee Davidson questioned the feasibility of an SSA where the Village would float the money for the improvements and collect interest. Mr. Smith suggested that the problem with that is that it would pile onto the taxes and deter tenant from locating at the facility.

Mike McMahon stated that there are many unknowns with regard to Rt. 6. Also, it would be hard to tag the Lewis property with \$1 million fee. Further, we don't know what IDOT will require at that time. Staff thought is that an abatement would work better. A joint traffic study including the IDI property and Lewis property will be submitted to IDOT in the next few weeks. It is being prepared for the Lewis property, but includes the IDI property. Recapture could be based on usage as defined by traffic contribution. A stand alone study for IDI has been submitted to IDOT.

President Joe Cook stated that we, as the Village, don't have the luxury of planning without the Lewis property. The Village must assume that the Lewis property will be developed and consider the traffic that will produce

Trustee Greco asked what IDI plans for the frontage roads?

President Joe Cook stated that it is difficult for a taxing body to budget when years of abatement are variable.

IDI's Mr. George expressed that they would like to begin building during the development of the park property and get paid back for infrastructure improvements through their own tax bill which makes them motivated to build. IDI will manage the off-site improvement project without additional cost to the Village. Mr. George offered that the negative side of this plan is that IDI will charge an interest rate of 9% on the money they front for the share of the improvements that are not their responsibility. 9% is the minimum that IDI will allow them to charge given that they are a real estate company and in the business of making money on their investments.

Jamie Bowden asked if IDI would be open to an abatement limited to 10 to 15 years. IDI would get 5 years on each building, but they must be built within a 10-15 year time frame

IDI responded that a 15 year abatement limit seems reasonable and to work with their numbers as presented in the tax abatement analysis.

President Joe Cook stated that his concern with an open ended abatement is that there would never be a closer date.

Jamie Bowden replied that we would like them to build as fast as possible to avoid managing the abatement and accrued interest 20 years from now.

President Joe Cook asked whether we would have the Lewis property on the hook for any improvements.

Mike McMahon stated again that we don't know IDOT's plan.

IDI's position is that they want to get their money back. An abatement with a sunset date leaves the possibility that they would not get some of their money back. They believe that if the Lewis property uses the interchange, they should pay.

President Joe Cook asked Mike McMahon about the possibility of looking at setting up the recapture and what hasn't been paid back by the abatement, we look and see if there's any extraordinary issues that Lewis property still has and maybe allocate some of those dollars toward that. He stated that this would not be popular with the taxing bodies. Mike McMahon said that leaves a lot of "what if."

Mr. George again stated that if Krause (Lewis) develops the Lewis property, IDI wants to get paid for the improvements that IDI made to the Bluff Rd. interchange. They want that included in their agreement. The Village would still have the opportunity to make other arrangements with the Lewis property.

Mike McMahon pointed out that in the original proposal the Village would pay 50% of the off site improvements and how we recoup that money is up to us.

Jamie Bowden stated that was off the table. IDI would get half back on rebate and there would be no out of pocket for the Village.

President Joe Cook stressed that the Village wants full improvements, not only at Bluff Rd., but at Rt. 6, as well. With or without the abatement, the Village portion is very small. It is our responsibility, however, to protect the Village's interest with regard to infrastructure, traffic, etc.

IDI believes that the improvements they propose to make will take pressure off of Rt. 6 and will result in a virtually new intersection at Bluff Rd. The interchange will include left and right turn lanes on both of the off ramps, signals, new pavement, curb radii that are brought up to standards for trucks, expanded stacking distance on the ramps, improved visibility and sight lines. The project will also include grading the ramp, removing the scrub and other brush, and planting specimen trees. They project that these improvements will manage the traffic through 2030.

IDI also projects that the interchange will need signals by 2020 whether or not their property is developed, just to handle growth traffic. Their study shows that the on ramps don't need

widening. They are, however going to put in right turn lanes, improve the turn radii, make left turn lanes onto the ramps, and have a dedicated through lane coming from the IDI property and heading west to I-55 North. Their improvement area would extend 100 ft into the ramp. The Northeast frontage road would become a right in-right out road. The Southwest frontage road doesn't show enough traffic to warrant improvements at this time. Northwest frontage would likely also eventually need to be right in/ right out for safety. When the signals go in, something would have to be done at the intersection.

Jamie Bowden requested that IDI e-mail him a diagram of their proposed road improvements.

President Joe Cook asked if a vehicle traveling east on Bluff Rd. would be unable to turn left onto the Northwest frontage road or the northeast frontage road.

Ed Dolezal suggested this would encourage traffic to cut through the subdivision near the frontage road.

Trustee Greco asked if the traffic study was completed yet and stated that we need to figure out the traffic issue.

IDI reiterated that the Bluff Rd. improvements would relieve traffic on Rt. 6 and that Bluff Rd. would have a dedicated left turn lane onto the northbound I-55 ramp. This would encourage vehicles to stay off the frontage roads and access I-55 at Bluff Rd.

Trustee Slocum asked, in regard to eastbound Bluff Rd. onto northbound I-55, how many vehicles would the turn lane allow room for stacking?

IDI answered that the left turn lane would have 200 ft. of left turn storage and their study showed this would accommodate traffic through 2030. The also stated that there is 1100 ft between the 2 ramps and the signals could be timed to make quick movement through the bridge. The hope is that with development, this whole are would rise in IDOT's view of importance.

Trustee Slocum added that this is our dilemma. Do we put development in so they'll improve it or do we improve first and then put in development?

Ms. Disney said that the IDI improvements would address much of what IDOT envisions for this interchange.

Mike McMahon also estimated that it would be 5 plus years before IDOT would do anything.

Mr. Smith stated that their improvements will dramatically improve the Bluff Rd. interchange. The interchange would operate at a rating of no less than C, which is acceptable in the state of Illinois. Mr. George stated that IDI is an industrial business park and their type of development is the lowest traffic generator. Retail, residential and office generate higher traffic volumes.

Trustee Slocum agreed that we want better infrastructure, but asked if there was any way around the right in-right out at the northwest frontage road.

Ms. Disney answered that the frontage road is an IDOT road and it does not meet their spacing standards, so IDOT wants a right in/ right out. Mr. Smith also pointed out that they would construct a new north/south road through IDI property that would connect to Amoco Rd. and eventually connect Rt. 6 to Bluff Rd.

Mike McMahon expressed concern that the northwest frontage right in /right out would be inconvenient for drivers.

Ms. Disney stated that it would improve the safety condition of the interchange and drivers would still be able to turn left onto Edwin Dr.

Mike McMahon asked when interchange improvements would start. Trustee Slocum asked whether the improvements would begin before or after site development.

IDI stated that improvements would begin immediately and the signals would come into use when traffic warrants them. Mr. George said that they would like to do improvements and development simultaneously. They would do the improvements including signals now and the signals would come online in possibly 6 years. That is up to IDOT, however, all the work would be done now.

Trustee Greco and Jamie Bowden asked IDI to submit a plan.

## **WATER**

President Joe Cook brought up the subject of water service on the property. He suggested that the obvious choice for sewer service would be from Joliet. Water service, however, could come from Joliet or from Channahon. President Cook is of the opinion that we should expand the Village's water system and erect a new water tower at the IDI site. He asked whether IDI had looked at the alternatives.

Mr. Smith of IDI stated that the simplest solution would be to use Joliet. They would be, however, willing to accept Channahon's system expansion, but stated that time is an issue. They would need water by spring of 2010. Mr. George also questioned how much land would be needed for a water tower, how much it would cost, and when it would be ready.

Ed Dolezal offered that a water tower capable of holding 750,000 gallons would cost approximately \$2 million. It would also cost approximately \$500,000 to cross I-55 with 16 inch main. The Village could possibly build the tower and, at least, some portion of the crossing of I-55 should be paid for by IDI, in addition to tap on fees. This share would be based on water usage and is estimated at \$110,000.

President Joe Cook also said that they would need water capacity for fire suppression, even though they may typically be a low water usage facility. President Cook questioned whether Joliet would be able to service that area without building a tower of their own. Ed Dolezal agreed that this would be unlikely.

IDI said that Joliet said they can service the site. They would like the Village to bring water to IDI. They also want the Lewis property to pay 70% of the cost of that expansion. IDI would be willing to contribute to total cost and dedication of a portion of the land for a water tower. They asked if the Lewis property would be donating land, as well. IDI is willing to donate ½ an acre. If Lewis property builds, IDI would like Lewis to pay them through recapture 70% of the value of the ½ acre that IDI donated. They suggested that it may be possible to include such a recapture agreement in the Lewis property annexation agreement. If the Lewis property never develops, IDI does not get paid back for the land donation and the Village owns the land free and clear. They also expressed that they would like to locate the water tower somewhere near the retention pond. Originally, their intention was to locate the water tower 70% on Lewis land and 30% on IDI land.

Ed Dolezal said that a mutually agreeable site would be chosen and depend on appropriateness based on soil tests.

### **RETAIL, LANDSCAPING, LIGHTING, NOISE**

President Joe Cook stated that he and Trustee McMillin wondered if some retail space could be located at the corner (i.e. truck service, gas station, convenience store, etc.). Retail makes money for the Village. Mr. Smith does not think that the IDI facility would generate enough truck traffic to warrant a truck stop and said that IDI has never seen a great desire on the part of any truck stop to locate in one of their industrial parks. Mr. George also pointed out that the IDI property has no visibility from the highway, although the Coffman piece does.

President Joe Cook also stated that he would like landscaping to be conservation style in design. Trustee Militello asked if the buildings would be LEED certified. Mr. George confirmed that the buildings would all be LEED certified. IDI stated that they would like the pond to be totally infiltration in design, a dry basin where storm water would percolate into the ground. However, Will County does not recognize infiltration as a method of storm water management. The ponds at their Rock Run facility were built this way and have never held water for any length of time (approximately 2 hours). They stressed that IDI has a strong environmental side. They would like a naturalized pond, heavily landscaped. They would like to look at experimenting with the pond. Build it the way they would like and see how it works for 4, 5, 6 years. If it works, they would leave 7-8 acres of retail next to Coffman on the frontage road with highway exposure.

President Joe Cook also said that the Village would like to look at partnering with IDI to access grant money to install energy efficient lighting on the site. Com Ed and other energy providers have to have money available mandated by legislation for install LED street lights.

IDI agreed that LED lights would be great and also stated that all of their lighting is dark-sky compliant.

In regards to landscaping, they would like to look at an irrigation system using pond water and naturalized plantings that call for low water usage. They would like to get away from lawn irrigation. They assured that they will exceed landscape standards.

President Joe Cook asked if noise from the site would present a problem for neighboring areas.

IDI stated that they are downwind from residential property. Also they believe that highway noise will cancel out any noise at the IDI site. They stated that IDI doesn't generally operate at night and they are sensitive to refrigerated truck noise.

President Joe Cook asked what the view would be from I-55 and stated that he doesn't want to see loading docks.

IDI stated that their buildings would sit 800 ft. back from the frontage road and would be bermed and landscaped.

President Joe Cook stated that there are several likes and dislikes in regards to buildings on the property.

IDI said that they use clear story windows, glass and skylights to enhance appearance.

Mike McMahon said that Staff would be O.K. with an exception to the 300 ft. break up ordinance based on changes in landscaping, windows, etc. The concern is that something breaks up the wall, and that is what IDI is proposing.

IDI said they could meet this requirement with building bump-outs and landscaping.

Mike McMahon questioned the feasibility of a development fee. IDI's position is that they do not like to do that. Also they would consider the \$1.5 million they are willing to spend on the interchange as sufficient in lieu of a development fee.

Jamie Bowden said when considering the traffic study and the impact on Rt. 6, when you take the 1,000 acres and divided it by \$29,000,000 it came out between \$26,000 - \$30,000 per acre. That was discussed and our thought was that was not a practical number. Then the Village suggested \$1,000 - \$2,500 per acre. IDI was not comfortable with this. IDI said let's see what happens at Bluff Rd. They are fronting \$3 million for fix Bluff Rd. That is where they see their contribution.

Ed Dolezal asked whether IDI had spoken to the county regarding Bluff Rd.

Ms. Disney stated that the county said the area of the interchange doesn't belong to them and that IDOT owns the ramps.

Ed Dolezal stated that none of it belongs to the Village, at this point. East of I-55 belongs to Channahon Township, and west of I-55 belongs to the Will County. Once the IDI land is annexed, the road will belong to the Village.

Village Attorney Silverman stated that annexation area goes to the far side of the road.

IDI stated that they would like to landscape at the Werner facility.

Village Attorney Silverman stated that property rights would be limited to the roadway. This would allow only for road improvements, not landscaping on the far side of the road.

President Joe Cook asked where the boundary agreement with Joliet comes in.

Village Attorney Silverman stated that typically the first entity to annex along a road, gets to the far side of the road

IDI stated that they do not want to improve Bluff Road eastward past the entrance to their facility. Their land extends approximately 800 ft. past the entrance, but the roadway east of the entrance would only be used by others. They do not like the south side or the east side of the road, all of which are in Joliet's planning area. President Joe Cook stated that he would like to look at Channahon having control of that issue.

Mike McMahon mentioned that Trustee McMillin expressed interest in locating some type of truck scale on Bluff Road, east of I-55.

Mike McMahon stated that he would like to bring up a couple of matters on behalf of Trustee Nash. The first of those is that Trustee Nash would like to interchange to be signalized at first occupancy.

IDI stated that they are willing to do this and it can be included in the annexation agreement, but that operation of them is under IDOT control.

Secondly, Trustee Nash would like IDI to make a cash contribution to hire a lobbyist to petition IDOT for interchange improvements.

IDI stated that they are already putting a lot of money into this project. They need to know that that is it, and a dollar amount on the water tower, and a definite amount on the land donation.

President Joe Cook would like to be sure that IDI would be a vocal partner with the Village in asking legislature for help in economic development.

IDI stated that they attract private investment and provide jobs.

### **SITE PLAN APPROVAL**

Mike McMahon stated that, in regards to site plan approval, there would be a preliminary plan included in the annexation agreement. Also, IDI would like Staff to have final approval of site plans instead of going back to the board. They are concerned this would cause a 2 month delay.

Trustee Greco stated that it is the board who is held accountable for decisions and should, therefore, have final approval.

Mike McMahon stated that Staff approval would only apply to the buildings. Plats would still be approved by the board.

IDI stated that they need to be able to make deals without delay.

Trustee Greco responded that the board is responsible to the homeowners of Channahon.

IDI stated that their corporation does not like board site plan approval. Staff approval would eliminate delay.

Village Attorney Silverman stated that site plan approval is done everyday.

President Joe Cook asked if their fear was a timing issue or what the answer would be.

IDI responded that they are concerned about both.

Mike McMahon stated that site plan approval is not subjected to public notice.

President Joe Cook assured that the Village can overcome any time issue. He asked IDI to understand the board concerns; and said that with an annexation agreement, the Village is obligated to approve a site plan that meets the standards set forth in the agreement. Also, it is possible to include a time table for approval in the annexation agreement.

Village Attorney Silverman asked how it would be possible to make an exception to our process for IDI only. He also suggested that engineering is the most time consuming part of the process.

Trustee Davidson stated that bypassing board approval is a non-issue, end of discussion.

IDI suggested that the Village would not be able to attract desirable clients if the process is delayed.

Mike McMahon stated that the PUD has already been approved.

IDI asked what does it matter if it meets requirements? If there is a question as to whether it meets requirements, the Staff should be the arbitrator.

Village Attorney Silverman questioned whether the Staff would approve a building that the President and the board didn't want. President Joe Cook asked why the board would want approval on other 2,000 square foot buildings if they were willing to forego approval of a 500,000 s.f. building. Mike McMahon stated that until a year ago Planning and Zoning was the final approval. President Joe Cook stated that the timing issue could be fixed, thus making Staff approval a moot issue.

IDI asked if the Planning and Zoning Board step could be eliminated since they only meet once a month.

President Joe Cook said that the Village could look at holding a joint meeting. He also stated that Trustees are willing to hold special meetings and that the Village wants good tenants.

Trustee Davidson pointed out that the Planning and Zoning board is a non-binding recommending body and that the process is 7 days. He also stated that he is 100% in favor of the IDI project, but that their request makes him uncomfortable. He asked if a 7 day process is going to make or break the project.

IDI stated that if the approval can be handled within a certain timeframe, IDI would be willing to work with it.

President Joe Cook stated that Channahon has always welcomed business. He also asked if anyone had further questions.

Trustees Greco and Slocum said they would like more information on traffic.

Trustees Militello and Davidson had no further questions.

President Joe Cook thanked everyone for coming and made a motion to adjourn the meeting at 10:58 a.m. Seconded by Trustee Davidson.

**VERBAL VOTE: ALL AYES**

**MOTION CARRIED**

Submitted by  
Janet Schumacher  
Village Clerk