

**ROCHELLE CITY COUNCIL  
REGULAR COUNCIL MEETING MINUTES  
JUNE 13, 2016**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, June 13, 2016 in the Council Chambers of City Hall; 420 N. 6<sup>th</sup> Street; Rochelle, IL 61068.

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

**ROLL CALL:** Present on Roll Call were Councilmembers Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott, and Mayor Olson. Absent: None. A quorum of seven were present. Also present were City Manager Plyman and City Clerk McKinney.

**PROCLAMATIONS, COMMENDATIONS, ETC:** None.

**REPORTS AND COMMUNICATIONS:**

Mayor: Mayor Olson appoints Dave Eckhart and Don Burke to the Finance Committee. Motion made by Councilmember Hollonbeck and seconded by Councilmember D. McDermott, "I move the Council approve the Mayor's appointments of Dave Eckhardt and Don Burke to the Finance Committee." Motion passed by voice vote without dissent.

Council: Councilmember Eckhart will not be at next meeting.

**PUBLIC COMMENTARY:**

**BUSINESS ITEMS:**

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

- a) Approve Minutes of City Council Meeting – May 23, 2016
- b) Accept and Place on File Minutes of Utility Advisory Board – March 30, 2016
- c) Accept and Place on File Minutes of Planning and Zoning Commission – May 3, 2016
- d) Approve Bills – 051316-051916, 052016-052616, 052716-060216
- e) Approve Payroll – 050916-052216
- f) Accept and Place on File Police Pension Board Annual Treasurer's Report
- g) Authorize VFW 4th of July Parade – July 4, 2016

Moved by Councilor Eckhart and seconded by Councilor Hayed, "I move Consent Agenda Items (a) through (g) be approved by Omnibus Vote as recommended." Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

- 2) **Preliminary and Final Plat of Subdivision – Seventh Avenue East of 2<sup>nd</sup> Street and West of Caron Road.** Seldal Properties LLC has petitioned the City to re-subdivide three lots on Seventh Avenue east of North Second Street and west of Caron Road into one lot with an outlot to the west. The petitioner would like to construct two multifamily buildings on lot one and provide storm water detention on the outlot. The property is currently zoned Multi-Family High Density Residential. It is surrounded by an industrial use on the south and multi-family residential on the west and the north. On June 6th the Planning and Zoning Commission held a public hearing to review the case and subsequently voted to recommend approval of the Preliminary and Final Plat for Seldal Properties, LLC subject to the following conditions:

- 1.) Final Site Engineering, Building and Landscaping Plans submitted;
- 2.) City staff comments are addressed in regard to the engineering, utilities, building and site plan review.

Bruce Seldal was present to answer questions. Moved by Councilor T. McDermott and seconded by Councilor Burke, **"I move Ordinance 16-4571, An Ordinance approving the Preliminary and Final Plat of Seldal Properties, LLC Subdivision, be approved."** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

- 3) **Preliminary and Final Plat of Subdivision – 1140 North Seventh Street.** Elixir Real Estate, LLC has petitioned the City to subdivide three lots on North Seventh Street, north of Route 38. The petitioner plans to demolish the existing structure, Sunset Package Liquors & Cocktail Lounge, and construct an 8,500 square foot retail building. Elixir has submitted a preliminary and final plat showing the new retail building on lot one. In addition, the petitioner plans to purchase the property to the north and has requested a variance to the setback on that side from the required 20 feet to 5 feet. The property is currently zoned B-2 Commercial Highway. It is surrounded by commercial property on the north and south and residential property on the west. On June 6th the Planning and Zoning Commission held a public hearing to review the case and subsequently voted to recommend approval of the Preliminary and Final Plat for Elixir Real Estate, LLC Subdivision subject to the following conditions:

- 1.) Final Site Engineering, Landscaping and Building plans submitted.
- 2.) City staff comments are addressed in regards to the engineering, utilities, building and site plan review.

Tim Hayden and Manish Patel were present to answer questions. Moved by Councilor Hollonbeck and seconded by Councilor D. McDermott, **"I move Ordinance 16-4572, An Ordinance Approving the Preliminary and Final Plat of Elixir Real Estate, LLC Subdivision and Granting a Variance of Setbacks, be approved."** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

- 4) **Development Agreement – 1140 North Seventh Street.** Elixir Real Estate, LLC has recently purchased the property at 1140 N. 7<sup>th</sup> Street with plans to demolish the existing structure, Sunset Liquors, for the purpose of construction of a new retail location for the existing Liquor N' Wine store. Elixir Real Estate, LLC intends to construct a new 8,500 square foot retail building, pursuant to the approval of this Development Agreement. The Agreement includes the following terms: a) The City of Rochelle will provide a 50% abatement of the City's real estate taxes attributable to the improvements to the property over six years; b) the City will waive any building permit fees for new construction or renovations of existing structures on the property for a period of one year; c) the City will reduce the number of Package Sales & Tavern licenses by one upon the closing of the current Sunset Liquors Facility and allow the new property owner to transfer its current liquor licenses to the Property without payment of new liquor license fees. Also included in the development agreement is an italicized term regarding a moratorium on the issuance of new package liquor licenses as defined in Section 6-3((2) of the Rochelle Municipal Code for a period of three (3) years following the issuance of an occupancy permit to the Operator for the Property. The City Manager recommends against inclusion of this term, but the Developer has requested the opportunity to address the council on the matter. Any motion to approve this ordinance will need to specify whether or not the term is to be included in the Development Agreement. Moved by Councilor D. McDermott and seconded by Councilor Eckhart, **“I move Ordinance 16-4577, An Ordinance Approving Development Agreement (“Liquor & Wine” and Elixir Real Estate), be approved with a three year moratorium on issuing additional Package License from the date that Liquor & Wine opens their new location.”** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.
- 5) **Adopt Ordinance Approving Preliminary and Final Plat of Re-Subdivision – 1800 20th Street.** In 2005 the City entered into an annexation agreement providing for the development of Squires Landing West, a residential subdivision to be located west of 20th Street and north of 8th Avenue on 151.09 acres of land. The residential subdivision has never been developed. In 2014, at the request of Tim and Geri Hayden, the City Council approved an Ordinance Amending the Boundaries of the B-2 and PUD-R Zoning Districts in order to re-subdivide a 1.15 acre lot. This action was taken to facilitate the construction of two 40 by 240 foot enclosed storage buildings at 1800 20th Street. In addition, a variance was granted from the front yard setback of 50 feet to allow for a 35 foot setback. The current owner of the property, Haywell LLC, has submitted a petition to re-subdivide 2.87 acres of the original 151 acres in the Squires Landing West Subdivision to facilitate the construction of two 40 by 240 foot enclosed storage buildings. The current use of the property is agricultural. It is surrounded by 20th Street on the east, residential PUD on the north and west and industrial on the south. On June 6th the Planning & Zoning Commission held a public hearing to review the case and subsequently voted 4-0 to recommend approval of the Preliminary and Final Plat of Subdivision and Re-Zoning of Lot #1 subject to the following conditions: 1.) Final Site Engineering, Landscaping and Building plans submitted. 2.) City staff comments are addressed in regards to the engineering, utilities, building and site plan review. 3.) Water and Sewer installation to the property or Surety posted in lieu of installing the services. Tim Hayden was present to answer questions. Moved by Councilor Eckhart and seconded by Councilor Burke, **“I move Ordinance 16-4573, An Ordinance approving the Preliminary and Final Plat of Resubdivision for Hayden Addition Unit 1 Subdivision and rezoning Lot 1, be approved.”** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

- 6) **Ordinance Amending the Municipal Code to Create One Restaurant Beer & Wine Liquor License.** The City has received a request from Shri Siddh Ganesh Inc. for a restaurant beer & wine liquor license for the Holiday Inn Express located at 1240 Dement Road. This business plans to sell liquor to their patrons and make it available for meetings as desired. It is our understanding that the Holiday Inn Express does not intend to operate a bar. The Liquor Commissioner, Mayor Olson, has reviewed the request and has no objection to the creation of an additional restaurant beer & wine liquor license to accommodate the Holiday Inn Express' request. The addition of this license will result in a total of two restaurant beer & wine licenses in the City of Rochelle. Moved by Councilor McDermott and seconded by Councilor Hollonbeck, **"I move Ordinance 16-4574, An Ordinance Amending Section 6-46 of the Municipal Code of the City of Rochelle to Create One Restaurant Beer & Wine Liquor license, be approved."** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.
- 7) **Expansion of Northern Interchange Yard – City Industrial Railroad.** The City of Rochelle Railroad (CIR) has been an economic driver in our region for the past several years. It offers local industries a competitive advantage by providing access to both the Union Pacific and Burlington Northern Santa Fe railroads for their shipping needs. The increasing demand for efficient rail service across the country is creating economic development opportunities for Rochelle. The CIR is currently operating at or above its designed capacity. Therefore, an extension of the rail system is necessary for further development of rail related industries. On March 14th the Mayor and Council approved an engineering agreement with Fehr Graham for the design of one parallel storage track, track #5, approximately 2000 linear feet in length and lengthening track #4 approximately 500 linear feet. The design also includes relocating one and constructing two additional turnouts. Subsequent to the required public notice, the City Clerk opened eight bids for an Expansion of the Northern Interchange Yard on June 7<sup>th</sup>. Economic Development Director Jason Anderson and our consultant from Fehr Graham reviewed the bids and recommend accepting the bid from Swanson Contracting Co., Inc. for \$649,510.45. The Expansion of the Northern Interchange Yard will be financed through current railroad revenues. Moved by Councilor Eckhart and seconded by Councilor D. McDermott, **"I move the Council accept the bid from Swanson Contracting Co. for the expansion of Northern Interchange Yard for \$649,510.45 and reject all other bids"** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

- 8) **Resolution Opposing the Construction and Operation of the Great Lakes Basin Transportation Rail Line.** Great Lakes Basin Transportation, Inc. plans to file a request with the Surface Transportation Board to construct and operate a new railroad line around the metropolitan Chicago area. The purpose provided by the GLB Railroad project is to “expedite freight movements across the nation and to provide additional capacity for growing railroad traffic.” A group of local citizens has organized the Ogle County Community against GLB to give our county information opposing the Great Lake Basin Railroad Project. Members of the group have attended multiple Rochelle City Council meetings to provide information and urge the council to pass a resolution opposing the construction and operation of the Great Lakes Basin Transportation Rail Line. Several taxing entities in the region have already taken this action. The proposed route of the Great Lakes Basin rail line runs north to south between I39 and the eastern edge of Ogle County and would be built on a 200 foot wide right-of-way. The route falls within one and one half miles of the City’s corporate limits and could impact future growth and development in this area. Moved by Councilor Hayes and seconded by Councilor T. McDermott, **“I move Resolution R16-08, A Resolution Opposing the Great Lakes Basin Railroad, be approved.”** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: Hollonbeck. Motion passed 6-1
- 9) **Ordinance for the Transfer of Property Pursuant to the Illinois Government Property Transfer Act – Old Lincoln School.** City staff and Richard Kennay, 8991 Prairie Road, Ashton, have negotiated a development agreement for the Hub Theater and the former Lincoln School property. As you may know, Mr. Kennay owns farms in the Rochelle area and industrial-zoned land in the CenterPoint Industrial Park. Mr. Kennay is proposing to redevelop the Hub Theater as a micro-distillery and the Lincoln School property as a storage facility supporting the distillery. The theater property will be used for the production and sale of distilled beverages. I understand that the business will host events at the theater as part of its business plan. Mr. Kennay will be at the meeting to brief the Council on his project. The Agreements provide for the sale of the Hub Theater and Lincoln School to Mr. Kennay. To accomplish this, the Rochelle Elementary School District plans to convey the property to the City. By statute, the City must sell properties for no less than 80% of the appraised values. However, the proceeds of the sale will then be contributed to the Kenney’s for the project by means of an economic development grant. By contributing its property to the City, the elementary school district is supporting the redevelopment and repurposing of two historic buildings in Rochelle while avoiding property maintenance costs and, perhaps, demolition costs associated with continued ownership of the old school. Under the agreement, Mr. Kenney will pay the \$94,000 in liens associated with work on the Hub Theater while under previous ownership. Mr. Kenney will close on the properties within 30 days and complete the project within two years of the closing date. The agreements include re-zoning of the Lincoln School property to I-1 (light industry) and a special use permit to allow such use; along with a revision of the Rochelle Municipal Code to allow the intended use of the theater along with a special use permit for the Hub Theater property. Moved by Councilor Hollonbeck and seconded by Councilor D. McDermott, **“I move Ordinance 16-4575, An Ordinance for the transfer of property Pursuant to the Illinois Local Government Property Transfer Act (old Lincoln School property) be approved.”** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

- 10) **Resolution Authorizing the Sale of the Hub Theater and Lincoln School Properties.** In March of 2013 the Mayor and Council approved an Intergovernmental Agreement with the Flagg-Rochelle Community Park District relating to the acquisition and leasing of 74.285 acres improved with a golf course and restaurant. The City and Park District subsequently entered into lease agreements for the operation of the golf course and restaurant, all of which have expired. On April 25th the Mayor and Council approved an amendment to the Intergovernmental Agreement between the City of Rochelle and Flagg Rochelle Community Park District to facilitate the joint operation of the golf course for the 2016 golf season, excluding the restaurant. In May the City Council approved a subdivision of 1.433 acres of the original golf course subdivision and rezoned the property to B-2 Commercial. This action was taken to allow a potential buyer to acquire the restaurant while the City and Park District preserve the golf course. In order to facilitate the sale of the golf course restaurant property, the Rochelle Park District will convey their interest in the property to the City of Rochelle under this ordinance. Aubrey Kennay was present to answer questions. Moved by Councilor Eckhart and seconded by Councilor Hayes, **“I move Resolution R16-09, A Resolution Authorizing the sale of the Hub Theater and Lincoln School Properties, be approved”** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

**11) Ordinance For the Transfer of Property Pursuant to the Illinois Local Government Property Transfer Act – Golf Course Restaurant Property.****12) Resolution Authorizing the Sale of the Golf Course Restaurant Property.**

In March of 2013 the Mayor and Council approved an Intergovernmental Agreement with the Flagg-Rochelle Community Park District relating to the acquisition and leasing of 74.285 acres improved with a golf course and restaurant. The City and Park District subsequently entered into lease agreements for the operation of the golf course and restaurant, all of which have expired. On April 25th the Mayor and Council approved an amendment to the Intergovernmental Agreement between the City of Rochelle and Flagg Rochelle Community Park District to facilitate the joint operation of the golf course for the 2016 golf season, excluding the restaurant. In May the City Council approved a subdivision of 1.433 acres of the original golf course subdivision and rezoned the property to B-2 Commercial. This action was taken to allow a potential buyer to acquire the restaurant while the City and Park District preserve the golf course. City staff has negotiated a redevelopment agreement with John Scanlan which involves the sale and renovation of the restaurant. Mr. Scanlan currently owns and operates restaurants in Rockford, New Milford and Davis Junction. I understand that Mr. Scanlan will be present at the meeting to brief Council on his renovation and business plans. The redevelopment agreement provides for the sale of the property to C.C.S. Golf LLC, a legal entity established by Mr. Scanlan for this project. The agreement calls for a substantial renovation of the facility, including the remodeling of restrooms and kitchen, new floors and ceilings, new HVAC and new lighting. Renovation costs will exceed \$700,000. By statute, the City must sell properties for no less than 80% of the appraised values. The current appraised value of the restaurant is \$250,000. Under the proposed agreement, C.C.S. will purchase the property for the appraised value and the City will contribute the proceeds of the sale to C.C.S. by means of an economic development grant. The City and Park District may be reimbursed by the TIF fund for the grant contribution if sufficient TIF revenues are available in the future. The agreement also provides for property tax increment rebates from the TIF fund. For the first \$250,000 of property tax increment generated from the project, the city will return half of the increment (\$125,000) to the developer. The City will then rebate 100% of the increment generated from the project, up to a total rebate of \$250,000. As such, the City will be able to recover its expenses associated with establishing the TIF district early in the life of the district while the developer will gain rebates to lower his operating expenses. The proposed agreement provides that the City will resurface/restripe the restaurant's portion of the parking lot within three years. The City's costs associated with the maintenance on the restaurant's portion of the lot may be recovered from TIF revenues. In order to facilitate the sale of the golf course restaurant property, the Rochelle Park District will convey their interest in the property to the City of Rochelle under this ordinance. John Scanlan was present to answer questions. Moved by Councilor Eckhart and seconded by Councilor Hollonbeck, "**I move Ordinance 16-4578, An Ordinance for the transfer of property Pursuant to the Illinois Local Government Property Transfer Act (Golf Course Restaurant property) be approved.**" Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0. Moved by Councilor Hollonbeck and seconded by Councilor D. McDermott, "**I move Resolution R16-10, A Resolution Authorizing the Sale of the Golf Course Restaurant Property, be approved.**" Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

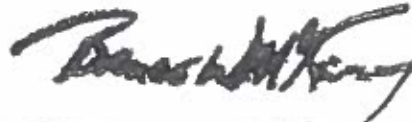
- 13) **Intergovernmental Agreement between the City of Rochelle and the Ogle County Metropolitan Exposition, Auditorium, and Office Building Authority a/k/a Ogle County Civic Center Authority.** The Hickory Grove Civic Center, located at 1127 North 7<sup>th</sup> Street, is owned and administered by the non-profit Ogle County Metropolitan Exposition Auditorium and Office Building Authority commonly known as the Ogle County Civic Center Authority (OCCCA). For the past several years OCCCA has leased the restaurant and dining space to the Hickory Grove Banquet & Conference Center/Abraham's Grille & Lounge. Per the Illinois State Statute, "the corporate authorities may appropriate and expend funds for economic development purposes, including, without limitation, the making of grants to any other governmental entity or commercial enterprise that are deemed necessary or desirable for the promotion of economic development within the municipality." The proposed agreement would allow the City to grant OCCCA \$30,000 which would subsequently be delivered to Abraham's Grille and Lounge to be applied against the delinquency owed to Rochelle Municipal Utilities. Funds for this economic development grant would be made available through the City's portion of the hotel-motel tax. Robin Gounaris was present to answer questions. Moved by Councilor T. McDermott and seconded by Councilor D. McDermott, **"I move Ordinance 16-4576, An Ordinance approving Intergovernmental Agreement between the City of Rochelle and the Ogle County Metropolitan Exposition Auditorium and Office Building Authority regarding Hickory Grove Civic Center, be approved."** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

**DISCUSSION ITEMS:**

**ADJOURNMENT:** At 9:29 PM, moved by Counselor Eckhart's and seconded by Counselor D. McDermott, **"I move the Council adjourn."** Motion passed by voice vote without dissent.



Chet Olson, Mayor



Bruce W. McKinney, CMC  
City Clerk, City of Rochelle