

**ROCHELLE CITY COUNCIL  
REGULAR COUNCIL MEETING MINUTES  
JUNE 27, 2016**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, June 27, 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, Hayes, Hollonbeck, D. McDermott, T. McDermott, and Mayor Olson. Absent: Eckhart. A quorum of six was present. Also present were City Manager Plyman and City Clerk McKinney.

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

**REPORTS AND COMMUNICATIONS:**

**Mayor:** Mayor Olson made the following appointments to boards and commissions:

Name	Board/Commission		Term
Greg Sparrow	Airport Advisory Board	Reinstated	7/1/19
Norman Jenkins Sr	Airport Advisory Board	Reinstated	7/1/19
John (Skip) Kenney (Non-voting) Member at Large	Airport Advisory Board	Reinstated	7/1/19
Ryan Carson	Planning and Zoning Commission	Reinstated	7/1/21
Kathryn Shaw-Dickey	Planning and Zoning Commission	Reinstated	7/1/21
Vicki Snyder-Chura	Planning and Zoning Commission	Reinstated	7/1/21
Ronald Stonebraker	Police & Fire Commission	Reinstated	7/1/19
Malcolm W. Patterson	Railroad Advisory Board	Reinstated	7/1/19
Kent L Reed	Stormwater Advisory Commission	Reinstated	7/1/19
Thomas E Richter	Trucking Advisory Board	New	7/1/20
Marshall (/Bud) Norcross	Trucking Advisory Board	New	7/1/19
Patricia Burch (Non-voting) Member at large	Trucking Advisory Board	New	7/1/19
Daniel Carmichael	Utility Advisory Board	Reinstated	7/1/20

Motion made by Councilmember Burke and seconded by Councilmember Hayes, **"I move the Council approve the Mayor's appointments of members to Boards and Commissions."**

Motion passed by voice vote without dissent.

**Council:** Councilor Hollonbeck asked about parking on 20<sup>th</sup> Street for the 4<sup>th</sup> of July. Sam Tesserae stated that there will not be any work that weekend and there will be parking.

**PUBLIC COMMENTARY:**

Dennis Berg reported on Golf Course Advisory Committee.

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

- a) Approve Minutes of City Council Meeting – June 13, 2016
- b) Approve Bills – 060316-060916, 061016-061616, 061716-062316
- c) Approve Payroll – 052316-060516, 060616-061916
- d) Approve Wine on Lincoln Committee Request – September 24, 2016
- e) Approve Ordinance Establishing Prevailing Wage Rates

Moved by Councilor Hollonbeck and seconded by Councilor D. McDermott, **“I move Consent Agenda Items (a) through (e) be approved by Omnibus Vote as recommended.”** Roll call vote was taken. Ayes: Burke, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

- 2) **Ordinance Amending Section 110-291 to Allow for Micro-Distilleries as a Special Use in the B-1 and I-1 Zoning Districts.** The Rochelle City Council approved a development agreement along with the sale of the Hub Theater on June 13th. The purchaser, Richard Kennay, plans to redevelop the theater property as a micro-distillery for the production and sale of distilled beverages. Mr. Kennay plans to host events in a banquet hall at the facility and conduct tours. In addition, he plans to store and age liquor and conduct other distillery related activities at 108 S. Main Street, the former Lincoln Elementary School, which has also been purchased. The City of Rochelle currently has no zoning to allow the use of micro-distillery. Staff recommends that the use of micro-distillery should be a Special Use in the B-1 and I-1 Zoning Districts. The use of micro-distillery is consistent with other uses already permitted in the B-1 and I-1 Zoning Districts, and will not impede normal development in and around those districts. Staff recommends that the micro-distillery use be added as a use requiring a special use permit because the operation of multiple distilleries and the manner in which certain liquors are distilled may require consideration of the surrounding property owners prior to allowing for the use. The Planning and Zoning Commission will hold a public hearing to consider micro-distilleries as a Special Use in the B-1 and I-1 Zoning Districts at its meeting on June 27<sup>th</sup>, immediately preceding the council meeting. As a result, the commission’s recommendation will be shared with the Mayor and City Council at the meeting. Moved by Councilor Hollonbeck and seconded by Councilor T. McDermott, **“I move Ordinance 16-4678, An Ordinance Amending Section 110-291 to Allow for Micro-Distilleries as a Permitted Use in the B-1 zoning districts, be approved.”** Roll call vote was taken. Ayes: Burke, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

- 3) **Ordinance Amending the Boundaries of the R-5 and I-1 Zoning Districts and Amending the Official Zoning Map to Rezone the Old Lincoln School Property from R-5 to I.** The Rochelle City Council approved several documents on June 13<sup>th</sup> to facilitate the sale of the Hub Theater and former Lincoln Elementary School to Richard Kennay. Mr. Kennay plans to redevelop the Hub Theater at 416 Lincoln Highway as a micro-distillery and use the school property at 108 S. Main Street for distillery related activities. The school property at 108 S. Main is zoned R-5 multi-family residential and has been vacant since 2013. The property is surrounded by residential on the south, a place of worship on the west and light industrial on the north. Staff feels that rezoning the property to I-1 would allow for a new use in an otherwise blighted property that currently abuts the I-1 Zoning District. Richard Kenney, the purchaser of the Hub Theater and Lincoln Elementary School, has filed a petition to have a special use permit issued to allow him to use the properties for a micro-distillery operation. The former Hub Theater is zoned B-1 Commercial Central Business and staff recommends that the former Lincoln School be rezoned I-1. Staff recommended that Council approve an ordinance to allow for micro-distilleries as a special use in the B-1 and I-1 Zoning Districts in the previous agenda item. The Planning and Zoning Commission will hold a public hearing to review the rezoning and issuance of special use permits for Micro-Distillery at its meeting on June 27<sup>th</sup>, immediately preceding the council meeting. As a result, the commission's recommendation will be shared with the Mayor and City Council at the meeting. Moved by Councilor Hollonbeck and seconded by Councilor Hayes, **"I move Ordinance 16-4679. An Ordinance Amending the Boundaries of the R-5 and I-1 Zoning Districts and Amending the Official Zoning Map to rezone the Old Lincoln School Property from R-5 to I-1, be approved."** Roll call vote was taken. Ayes: Burke, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.
- 4) **Ordinance Approving a Special Use Permit for Micro-Distillery - 416 Lincoln Highway and 108 S Main Street.** Item 4 was withdrawn.
- 5) **Compliance Commitment Agreement - Well 11.** According to state statute, RMU is required to respond in writing to the IEPA outlining the actions that will be taken to return the well back to compliance. Also, the response must state whether we are willing to enter into a Compliance Commitment Agreement (CCA) with the state. Superintendent Lanning has had a series of conversations with IEPA representatives and they have agreed to resolve this violation with one of two options. RMU will move forward with the planning and design of a radium removal plant at Well 11 and continue quarterly sampling and testing for radium over the next year. If we are able to lower the running average for radium below the MCL for 4 consecutive quarters then we will be in compliance and have no reason to proceed with the construction of a treatment plant. If the continued sampling does not yield results below the MCL, we will need to construct the treatment plant as outlined in the CCA at an approximate cost of \$2-3 million. If we construct a treatment plant, it would not be operational until February of 2018. The IEPA agreed to these provisions which are reflected in the proposed CCA. Superintendent Lanning recommends entering in to this agreement as these are the best options available at this time. Adam Lanning was present to answer questions. Moved by Councilor Hollonbeck and seconded by Councilor D. McDermott, **"I move Agreement 16-4681, a Compliance Commitment Agreement with the Illinois Environment Protection Agency related to Violation Notice W-2016-00015 got Well 11, be approved."** Roll call vote was taken. Ayes: Burke, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

6) **Second Amendment to Intergovernmental Agreement between the City and Flagg Rochelle Community Park District - Rochelle Golf Course Property.** On March 20, 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. On April 25<sup>th</sup> the Mayor and Council approved a First Amendment to the Intergovernmental Agreement to facilitate the operation of the golf course for the 2016 season, excluding the restaurant. The amendment memorialized the terms of the joint operation regarding employees, administration of revenue and expenses and insurance responsibilities. The City Council subsequently approved a Preliminary and Final Plat of Subdivision on May 9<sup>th</sup> to subdivide the restaurant parcel from the golf course parcel. This action was taken so that a potential buyer could acquire the restaurant while the City of Rochelle and Flagg Rochelle Park District preserved the golf course use. The City and Park District have agreed to further amend the Intergovernmental Agreement to provide for the sale by the Park District to the City of the Park District's interest in the restaurant parcel and to provide for the continued operation of the golf course for the 2017-2023 golf seasons. The terms included in the proposed Second Amendment to the Intergovernmental Agreement are as follows:

- On or before June 29, 2016 the Park District will execute and deliver to the City a warranty deed conveying the Park District's interest in the Restaurant Parcel to the City for a purchase price of \$100,000 to be paid on or before June 29, 2018, without interest.
- The Park District and City will jointly operate the golf course facility on the terms set forth for the 2016 golf season and additionally for the 2017 through 2023 golf seasons, providing however that the total contributions of the parties toward the operation of the golf course shall not exceed \$150,000 for each golf season, with each party contributing 50%.
- The City will have the right and authority to grant the purchaser of the restaurant parcel the exclusive right to sell food and beverages on the golf course.

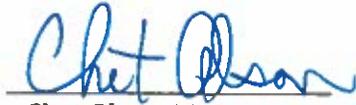
Chris Cardott was present to answer questions. Moved by Councilor T. McDermott and seconded by Councilor Burke, "I move Agreement 16-4682. A second Amendment to Intergovernmental Agreement between the City of Rochelle and Flagg Rochelle Community Park District - Rochelle Golf Course Property, be approved." Roll call vote was taken. Ayes: Burke, Hayes, Hollonbeck, T. McDermott and Mayor Olson. Nays: D. McDermott. Motion passed 5-1.

- 7) **Resolution Authorizing the Sale of the Golf Course Restaurant Property Pursuant to Amended Redevelopment Agreement.** On June 13<sup>th</sup> the Mayor and Council approved a Resolution Authorizing the Sale of the Golf Course Restaurant Property to John Scanlan. Mr. Scanlan owns and operates restaurants in Rockford, New Milford and Davis Junction and plans to make over \$700,000 worth of improvements at the golf course restaurant including remodeling the restrooms and kitchen and installing new floors, ceilings, HVAC and lighting. The associated 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 Flagg Rochelle Park District subsequently met on June 20<sup>th</sup> to consider the sale and tabled the item pending some concerns about contract language. Representatives from the City and Park District met following the June 20<sup>th</sup> Park District meeting and negotiated the Second Amendment to the Intergovernmental Agreement which removes the Park District as a party to the amended Redevelopment Agreement. The provisions of the amended Redevelopment Agreement are as follows:
- 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 revised agreement, C.C.S. will purchase the property for \$200,000 and the City will contribute the proceeds of the sale to C.C.S. by means of an economic development grant. The City may be reimbursed by the TIF fund for the grant contribution if sufficient TIF revenues are available in the future.
  - The Developer will have the right to sell the property at any time, however, the City is granted a right of first refusal during the term of this agreement.
  - Developer is granted a right of first refusal during the term of this Agreement to purchase the golf course should the City desire to sell it.
  - The Developer will commence construction of the project within 30 days of the date of conveyance of the property and will complete the project by January 1, 2017.
  - The Developer will purchase parking lot light fixtures and materials and the City will be responsible for installation at its cost.
  - The City will resurface/restripe the parking lot no later than October 1, 2016.
  - The City agrees that it will operate and keep open for business the golf course located adjacent to the property for a minimum of 7 years from the date construction of the developer project is completed.
  - The City agrees that the Developer will have exclusive right and authority to sell food and beverages for the golf course. The developer agrees that it will provide food and beverage sales year round including utilization of the beverage cart during golf season.
  - The Developer will have sole control and ownership of the sign along 7<sup>th</sup> Street and the parties agree to shared use of the sign on an equitable basis.
  - 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.

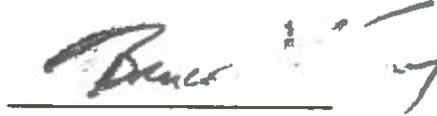
Attorney Cooper was present to answer questions. Moved by Councilor Hollonbeck and seconded by Councilor D. McDermott, "**I move Resolution R16-12, a Resolution Authorizing the Sale of the Golf Course Restaurant property Pursuant to Amended Development Agreement, be approved.**" Roll call vote was taken. Ayes: Burke, Hayes, Hollonbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

**DISCUSSION ITEMS:**

**ADJOURNMENT:** At 7:58 PM, moved by Counselor Hollonbeck and seconded by Counselor T. 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