

MINUTES OF A REGULAR MEETING OF THE ZION CITY COUNCIL HELD ON TUESDAY, JANUARY 3, 2017, AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS

Mayor Hill called the meeting to order.

On call of the roll the following answered present: Commissioners McKinney, Frierson, DeTienne, McDowell, and Mayor Hill. A quorum was present.

Also present: Police Chief Steve Dumyahn, Fire/Rescue Deputy Chief Eric Montellano, Accounts/Finance Director David Knabel, Building & Zoning Director Richard Ianson and City Attorney Paula Randall. Fire/Rescue Chief John Lewis and Public Works Director Ron Colangelo were absent.

AGENDA CHANGES

It was moved by Commissioner Frierson, seconded by Commissioner McDowell to accept the City Council meeting agenda as presented. The vote on roll call was: Commissioners McKinney, aye; Frierson, aye; DeTienne, aye; McDowell, aye; and Mayor Hill, aye. Motion carried.

CITIZEN COMMENTS

Clyde McLemore, Zion, stated that 105 families were served at the "Something Under the Tree" event. He thanked all those who participated for their support. He stated that he was troubled by the increase in the vehicle sticker fee from \$30 to \$35 which was approved at the last meeting. He stated that the State raised the registration fee, taxes are high, there will be no reimbursement for the nuclear waste storage, and citizens are suffering. He stated that he has asked the Council to consider the overnight parking on City streets numerous times but he has received no consideration. Mr. McLemore offered to meet with the City to come up with a solution to the parking problem.

CONSENT AGENDA

It was moved by Commissioner McDowell, seconded by Commissioner DeTienne that the Consent Agenda be approved as follows:

- (a) **APPROVAL OF MINUTES:** a Special Meeting held December 20, 2016 at 5:30 p.m.; a Regular Meeting held on December 20, 2016 at 7:00 p.m.; and approval but not release of Closed Session Minutes of a meeting held on December 20, 2016 at 8:35 p.m.
- (a) **BILLS:** Vouchers 125339 through 125448 drawn on First Merit Bank, Total: \$414,374.48

Approved by omnibus vote as follows: Commissioners McKinney, aye; Frierson, aye; DeTienne, aye; McDowell, aye; and Mayor Hill, aye. Motion carried.

ORDINANCE/AUTHORIZING INTERGOVERNMENTAL AGREEMENT FOR DISPATCH SERVICES BY AND BETWEEN THE VILLAGE OF GURNEE AND CITY OF ZION

Fire/Rescue Deputy Chief Montellano stated that the intergovernmental agreement for dispatch services between the Village of Gurnee and the City of Zion was approved by the City Council at the December 6, 2016 Council meeting. He stated that it is necessary for the Council to pass an ordinance authorizing the intergovernmental agreement.

It was moved by Commissioner McDowell, seconded by Commissioner Frierson that an Ordinance (17-O-1) be passed authorizing an intergovernmental agreement for dispatch services by and between the Village of Gurnee and the City of Zion. The vote on roll call was: Commissioners McKinney, aye; Frierson, aye; DeTienne, aye; McDowell, aye; and Mayor Hill, aye. Motion carried. Ordinance passed.

**ORDINANCE/ESTABLISHING AND AUTHORIZING INTERGOVERNMENTAL AGREEMENT
FOR OPERATION OF NORTHEAST LAKE COUNTY CONSOLIDATED E-911
EMERGENCY TELEPHONE SYSTEM**

Fire/Rescue Deputy Chief Montellano stated that the intergovernmental agreement for operation of the Northeast Lake County Consolidated E-911 Emergency Telephone System was approved by the City Council at the December 6, 2016 Council meeting. He stated that it is necessary for the Council to pass an ordinance authorizing the intergovernmental agreement.

It was moved by Commissioner McDowell, seconded by Commissioner Frierson that an Ordinance (17-O-2) be passed establishing and authorizing an intergovernmental agreement for operation of the Northeast Lake County Consolidated E-911 Emergency Telephone System. The vote on roll call was: Commissioners McKinney, aye; Frierson, aye; DeTienne, aye; McDowell, aye; and Mayor Hill, aye. Motion carried. Ordinance passed.

ORDINANCE/DISSOLVING THE ZION EMERGENCY TELEPHONE SYSTEM BOARD

Fire/Rescue Deputy Chief Montellano stated that it is necessary for the City of Zion to dissolve the existing Zion Emergency Telephone System Board now that the Municipal Consolidated Dispatch Joint Emergency Telephone System Board has been created.

It was moved by Commissioner McDowell, seconded by Commissioner Frierson that an Ordinance (17-O-3) be passed dissolving the existing Zion Emergency Telephone System Board effective upon the commencement date of the Municipal Consolidated Dispatch Joint Emergency Telephone System Board. The vote on roll call was: Commissioners McKinney, aye; Frierson, aye; DeTienne, aye; McDowell, aye; and Mayor Hill, aye. Motion carried. Ordinance passed.

ZION MUNICIPAL CODE SECTION 102-206(a)(2)/NON-CONFORMING STRUCTURES

Mayor Hill stated that Christopher Elliott is interested in purchasing the property at 2400 Elisha from Arne Paulsen. He stated that the property is legal, non-conforming and Mr. Elliott is having a financing problem as lenders refuse to write a mortgage due to a Zion ordinance, Section 102-206(a)(2) of the Municipal Code which states that a non-conforming structure that is damaged may be restored unless the damage exceeds 50% of its replacement value, in which case, it must thereafter conform to the Zoning Ordinance. Mayor Hill stated that Mr. Elliott petitioned the Planning & Zoning Commission for a variance from this ordinance section and the Commission recommended denial. He stated that Commissioner McDowell asked for special consideration and that a meeting which included Commissioners McDowell, McKinney, and staff was held to discuss the possibility of amending the ordinance.

Commissioner McDowell stated that he felt the variance should have been granted and the Council should review the ordinance. He stated that if economic conditions are such that a person cannot buy a multi-family unit, such as 2400 Elisha, because they cannot get a mortgage, then the City is creating a bad situation for Zion. He stated that only large companies who would continue to maintain such properties as rental units would be able to purchase the properties. He asked if this would accomplish what the Council wants from this ordinance.

Mayor Hill stated that the ordinance was originally created to return as many multi-family properties to single family as possible to reduce the number of rental units in the City. He stated that the ordinance has been effective in some cases, and in some cases, it has not. He stated that there have been two recent cases where it worked as the City had hoped. He stated that in the 2400 block of Elisha, Affordable Housing of Lake County wanted to serve veterans and in another case, the petitioner was requesting to create a 3-unit. He stated that both were denied. Mayor Hill stated that both properties were purchased and both are now single family structures. He stated that he believes the existing ordinance is effective. He stated that he understands Mr. Elliott's dilemma. He stated that he is concerned that in wanting to help everyone, the City must be careful not to make a decision that negatively impacts the entire community. He stated that the City cannot help just one resident if it may harm others.

Commissioner McDowell stated that the better course of action may be to approve the variance.

Mayor Hill stated that the City must be careful as others have been denied. He stated that two City attorneys have advised caution as unfair treatment could invite law suits.

Commissioner McDowell asked Mr. Elliott if the rebuild portion of the ordinance is the issue or if it is the vacancy portion. Mr. Elliott stated that vacancy is not the issue. The issue is the 50% rebuild clause.

Mayor Hill asked if the rental income is included in his financial request. Mr. Elliott stated that he can make the purchase without relying on the rental income.

Mayor Hill stated that the property is zoned R-5 Residential and asked if the property was single family if it would qualify for a mortgage. Commissioner McDowell stated that substantial remodeling would be required to create a single family structure. Attorney Randall stated that, if the structure was converted to single family, Mr. Elliott could get financing. Mayor Hill stated that this is not an issue of uncertain financial times.

Commissioner Frierson stated that Mr. Elliott cannot get conventional financing in the property's present state but this is not a hardship. Mr. Elliott stated that he has dealt with at least nine lenders and none would underwrite a mortgage due to federal restrictions.

Commissioner McDowell asked if an exception could be made in the ordinance for owner occupied which would have families moving into Zion not large companies buying properties for rental purposes. He stated that it could be restricted by requiring that, if the property is sold, it must be sold as owner occupied. Attorney Randall stated that owner occupied sounds prejudicial, however, she offered to further investigate. Commissioner Frierson asked who would bear the administrative responsibility regarding ownership changes. Director Ianson stated that it would be difficult to control as there is no procedure in place to track ownership changes.

Mayor Hill asked if the structure burns, can it be rebuilt as a 6-unit, multi-family structure. Attorney Randall stated that it could be if the variance was granted.

Commissioner McDowell asked if the ordinance remains as it is, and a prospective buyer cannot get a mortgage, what would happen to the property. Mr. Elliott stated that the property would remain a rental.

Commissioner Frierson stated that different non-conventional financing options are still an option. He stated that the buyer and seller can come to an agreement in a rent to own arrangement. Attorney Randall agreed that there are other mechanisms available to secure a mortgage. Commissioner Frierson stated that one option would be to not include the rental income and look into a rehabilitation loan. He stated it would have a slightly higher interest rate but it could accomplish what Mr. Elliott is trying to do.

Commissioner McDowell asked if a variance could be granted to attach to the owner rather than the property. Commissioner Frierson stated that that would be prejudicial and he asked what the City would tell the next owner of the property. Commissioner McDowell stated that the ordinance encourages rental property. Commissioner Frierson asked what criteria would separate one variance request from another.

Mayor Hill offered a scenario in which a property would meet legal requirements but the owner decided to make an apartment in his basement and requested a variance to do so. Planning and Zoning Commission Chairman Juanita Winfrey stated that, if such a variance request came before the Commission, it would be denied. Mayor Hill stated that the homeowner in his scenario would ask why another resident was granted a variance and he was not. Chairman Winfrey stated that if Mr. Elliott's variance request is granted, there will be a flood of people requesting variances.

Commissioner McDowell asked Mr. Elliott if the NeighborWorks America program was appealing to him. Mr. Elliott stated that he is not sure how it will bear out but it tentatively appears they would purchase the property and sign a land contract with him. They would handle the financing and, in four or five years, attempt to find a lender who would write a mortgage for him.

Commissioner McDowell stated that if property owners cannot sell legal non-conforming structures, the City is forcing owners to rent their properties, and therefore, there would be no change in the status of the properties.

Commissioner Frierson stated that he takes exception to Commissioner McDowell’s statement that the City is creating rental units. He stated that properties will remain “as is” but no new rental units would be created.

Mayor Hill stated that Mr. Elliott’s problem is a mortgage problem not an ordinance problem. He stated that the City cannot change the ordinance as the economy changes. Commissioner McDowell stated that it is the City’s job to flex to help residents during tough economic times.

Commissioner Frierson stated that the City needs to move back toward single family and away from multi-family which was the result of the City responding during hard economic times.

Commissioner McKinney stated that he would like to help residents, but this issue is more of a banking issue not an issue for the City of Zion. He stated that the City attorneys and the Planning and Zoning Commission have recommended against the variance and the City may incur legal liability and set a precedent if it changes the ordinance. He stated that the City would take a risk from a prejudicial standpoint and may set the City up for law suits.

Commissioner DeTienne asked Mr. Elliott if he had major construction work to do and if perhaps the lenders thought that he couldn’t afford both the mortgage and construction costs. Mr. Elliott stated that payments are not the problem, but that the ordinance is the problem. He stated that he needs to be able to rebuild the structure as a two unit if it is damaged more than 50% in order for lenders to meet the federal standards and be able to write a mortgage.

Commissioner McDowell stated that he appreciated the dialogue and had nothing further to add.

There was no action taken.

APPOINTMENT/TRUMPET PARK TIF DISTRICT REVIEW BOARD

It was moved by Commissioner McDowell, seconded by Commissioner McKinney to appoint Christopher Szymanski to the Trumpet Park TIF District Review Board. The vote on roll call was: Commissioners McKinney, aye; Frierson, aye; DeTienne, aye; McDowell, aye; and Mayor Hill, aye. Motion carried.

DEPARTMENTAL COMMENTARY

Director Knabel stated that, at the last City Council meeting, he announced that vehicle stickers would be on sale on January 23, 2017. He corrected the date to January 17, 2017.

Mayor Hill stated that he felt the ordinance discussion was healthy. He stated that it is important that residents hear what the City Council is talking about. He stated that the Council cares about everyone in the City of Zion. He stated that on occasion the Council members may disagree, but with no animosity.

ANNOUNCEMENTS

January 9	6:30 p.m.	Special Zion Township Meeting to receive presentation from Harris Policy Labs regarding Township consolidation study findings
January 16		City Offices Closed for Martin Luther King Jr. Day
January 17	6:30 p.m. 7:00 p.m.	Zion Township Board Meeting Zion City Council Meeting

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner Frierson, seconded by Commissioner DeTienne and unanimously approved the meeting be adjourned at 7:45 p.m. Motion carried.

City Clerk

Approved January 19, 2017