

MINUTES OF A REGULAR MEETING OF THE ZION CITY COUNCIL HELD ON TUESDAY, OCTOBER 20, 2015, AT 7:02 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 Taylor, McDowell, McKinney and Mayor Hill. Commissioner DeTienne was absent. A quorum was present.

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

Mayor Hill led in the Pledge of Allegiance to the flag.

AGENDA CHANGES

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

CITIZEN COMMENTS

Brian Dixon, Zion, stated that Zion should have a roller rink, a movie theater, a shopping mall and activities for youth. He stated that people in Zion need jobs. Mayor Hill stated that the City is working on bringing entertainment venues to Zion, but it goes slowly.

Andy DeBruler, Libertyville, owner of Zion Senior Cottages and Hebron Townhouses, asked if the rental inspection certification program had already been passed. Mayor Hill stated that the ordinance was passed in July and the ordinance before the Council at this meeting is to set the inspection fee. Mr. DeBruler stated that he has 173 units in Zion and inspection fees would total \$17,300 at \$100 per inspection which he stated is concerning. Mayor Hill stated that the Council will consider the fee at this meeting, however, at the rental inspection certification program meeting with landlords set for October 22, 2015, the City will take the landlords' input into consideration. He stated that if the Council passes the ordinance at this meeting, it can always be amended at a later date if warranted. He stated that the City must get a handle on the City's housing stock and that the rental inspection program must pay for itself.

Regina Norman-Walker, Zion, thanked Director Colangelo, Mayor Hill, and the City Council for taking care of a water drainage issue in the ditch along Franklin Court. She said the work is underway and she thanked all involved. She also stated that, in response to her earlier request, a speed bump was installed at the park entrance.

Tracey Johnson, Zion, asked how the wood from the ash tree removal program was being disposed. He stated that wood disposal is the most cost prohibitive component of a tree removal contract. He asked if the wood could be made available to residents. Director Colangelo stated that the tree removal contractor, in order to keep the bid costs down, chips the wood and sells it as mulch. He stated that the logs are loaded on flatbeds and hauled to mills. He stated that it would cost the City more if residents were allowed to take the wood. He stated that much of the wood would be too difficult for a resident to handle and there would be liability issues.

CONSENT AGENDA

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

- (a) **APPROVAL OF MINUTES:** of a Regular Meeting held on October 6, 2015 at 7:00 p.m. approval but not release of Closed Session Minutes of a meeting held on October 6, 2015 at 7:57 p.m.

- (b) **BILLS:** Vouchers 121944 through 122023 drawn on First Merit Bank, Total: \$635,193.11

Approved by omnibus vote as follows: The vote on roll call was: Commissioners Taylor, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

ORDINANCE/AMENDING ZION MUNICIPAL CODE/SECTION 10-9(c)
RENTAL INSPECTION PROGRAM FEES

A memo (15-DOC-104) was received from Director Ianson stating that at the August 4, 2015 City Council meeting, the rental certification inspection program was discussed. He stated that it was determined that a \$100.00 fee would be the appropriate amount per inspection. Director Ianson recommended amending Zion Municipal Code Section 10-9 (c), "Certificate of Occupancy/Miscellaneous Inspections", to reflect the \$100.00 rental certification inspection fee. Daniel Kotcher, general partner of Woodstone Village Apartments and Horizon Village Apartments, totaling 542 units, provided history on Woodstone Village, formerly Crane Meadows, Apartments. He stated that he acquired the property in 2009 which was only 60% occupied, in foreclosure, and had a reputation for being a crime haven. He stated that he constructed a creative, intricate financial package in order to allow for the purchase and renovation of the property. He invested \$15 million in the renovation project. Ludwig & Company of Gurnee, who manages thousands of multi-family units in Lake County, currently manages the complex. He employs full time, on-site management and security. He stated that rents are no greater than in 2010 following the renovation and that only expenses have increased. He stated that for every dollar he collects in rent, 25% of it goes to pay property taxes. He stated that rigorous on-site inspections are conducted annually by multiple agencies due to the tie to his original funding sources, with the HUD inspection being the most tedious. He stated that their HUD inspection score is 96 out of 100. Mr. Kotcher stated that the amount of the proposed rental inspection fee is unprecedented and unbelievable. He stated that compared to other municipalities, none charge fees nearly as high as what Zion is proposing. He stated Waukegan is the highest at \$30.00 per unit with only 30% of units being inspected annually. If Woodstone Village was in Waukegan, his inspection fee would be only \$5,000 annually. He stated that under Zion's proposed fee, the fees for Woodstone Village and Horizon Village would be \$37,000 each for a combined total of \$74,000 annually and 100% of his units must be inspected. He stated that rents are stagnant and expenses are increasing which causes ongoing problems for him. Mr. Kotcher stated that an exemption for his properties would not be an unreasonable request based on precedent and not on hardship. He stated that the City should solicit much input on the matter of fees prior to taking action. Mayor Hill stated that the City will be listening for landlord input at the rental inspection program meeting on October 22, and if compelled to do so, the Council could amend the fee ordinance. He stated that Zion has 60% rental units in the City and a healthy community has only 23%. He stated that Zion has 3.5% of Lake County's population but it has 38% of the Section housing vouchers. Mayor Hill stated that the City Council must address the high number of rental units and Section 8 tenants. Commissioner McDowell asked if DKI is a not-for profit organization. Mr. Kotcher stated that DKI is not not-for-profit but is owned by a partnership. Commissioner McDowell asked if Mr. Kotcher received any assistance from taxpayers when he purchased and renovated the property. Mr. Kotcher stated that no direct assistance was received from taxpayers, however, he did receive assistance from programs supported by taxpayer dollars. Commissioner McDowell asked if Mr. Kotcher could pass on the rental inspection fees to his tenants which would amount to \$8.00 per month per unit. Mr. Kotcher stated that he cannot pass the costs on to the tenants as the rents are already set at the maximum they believe they can be for the Zion market. He stated that he could not recoup the additional expense. Mr. Kotcher noted that he has not been able to collect any increment from the TIF District created at the time he purchased the property because the EAV is no greater now than it was then but the tax rate has increased dramatically. Pamela Bangs, Ludwig & Company property manager at Woodstone Village, asked the City not to place further burden on the tenants. She stated that they already endure six inspections annually, permitting strangers in their homes. She suggested requiring that only a sampling of units be inspected annually, not 100%. Ms. Bangs stated that the money DKI will have to pay in inspection fees will force the reduction of services to the tenants. Mayor Hill stated that the Council needs to adopt the \$100 inspection fee due to the large number of single family rental units. Commissioner McDowell stated that the rental inspection guide posted on the City website indicates that the inspections include the entire structure and the property surrounding it. He stated that apartments share common walls, electrical and plumbing systems, roof, etc. whereby common space versus personal space. He stated that perhaps there is room for two fees, one for multi-family and one for single family units. Director Ianson

stated that inspections could be limited to a certain percentage of units per year and that it does make sense to discount the rate in the case of these large multi-family properties. Commissioner McDowell stated that the rental inspection program and hiring two inspectors was based on charging \$100 per inspection. He stated if the fee is reduced, it will affect the program's income. He suggested removing "per unit" from the ordinance and just charge \$100 for rental inspection. Attorney Randall stated that removing the unit fee would be too ambiguous and recommended against it. Commissioner McDowell stated that the taxpayers must not be further burdened and the levy must not be increased in order to hire new employees. Mayor Hill stated that the program must pay for itself.

It was moved by Commissioner McKinney, seconded by Commissioner Taylor that an Ordinance (15-O-52) be passed amending Zion Municipal Code Section 10-9 (c), "Certificate of Occupancy/Miscellaneous Inspections" to establish the rental certification inspection fee at \$100. The vote on roll call was: Commissioners Taylor, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried. Ordinance passed.

**SPECIAL USE PERMIT/ENTERTAINMENT ROLLER SKATING RINK
AND RESTAURANT/ 3357 SHERIDAN ROAD**

A memo (15-DOC-105) was received from Director Ianson requesting a Special Use Permit to operate an Entertainment Roller Skating Rink and Restaurant at 3357 Sheridan Road as petitioned by Darlene Hardison, Zoning Docket 15-Z-9. He stated that a 17,000 square foot partitioned off area in the old K-Mart building, along with the old Radio Shack location, would be used for this venue. Director Ianson stated that the Predevelopment Team expressed concerns regarding security. He stated that Ms. Hardison has since provided a proposal and security plan from Star Detective and Security Agency, Inc. He stated that the proposed hours of operation would be 7 days per week, Monday through Friday from 3:00 p.m. to 5:00 p.m. and from 3:00 p.m. to midnight on Saturday and Sunday. Director Ianson stated that at the October 1, 2015 Planning & Zoning Commission meeting, the Commission voted three in favor and one opposing. He stated that due to the lack of four concurring votes, no recommendation by the Commission was made. He stated that the Commission did suggest the following conditions: 1) building owner complies with all current and outstanding code violations and 2) security must be provided as proposed at all times. Commissioner McDowell asked if the petitioner would apply for a liquor license. Director Ianson stated that Ms. Hardison rescinded the application for a liquor license. Commissioner McDowell asked about the anticipated clientele. Ms. Hardison stated that the venue would cater to young people of all ages and she intends to provide a family oriented, safe environment. Mayor Hill stated that there was a former roller rink in Zion which was a source of trouble, especially on Sunday nights. He stated that businesses in the area had to close to protect themselves. He asked the petitioner who would monitor security. He asked, if money is tight, will security be sacrificed. Chief Dumyahn stated that armed police officers were on site at the former rink and the issues still could not be controlled. He stated that assistance was required from County and Winthrop Harbor officers. He stated that drugs and guns from Chicago and Milwaukee came to the rink which created a dangerous situation and the rink was finally forced to close. Mayor Hill stated that guns are more prolific now than before. Ms. Hardison stated that she discussed security with Deputy Chief Henderson who informed her all should be OK if she stuck to the security plan. Mayor Hill stated that it is unfortunate that a positive idea, from a police prospective, is jeopardized due to past history.

It was moved by Commissioner Taylor, seconded by Commissioner McDowell to deny a Special Use Permit to operate an Entertainment Roller Skating Rink and Restaurant at 3357 Sheridan Road as petitioned by Darlene Hardison. The vote on roll call was: Commissioners Taylor, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

ORDINANCE/USE OF RIGHT-OF-WAY LEASE/2260-2264 SHERIDAN ROAD

A memo (15-DOC-106) was received from Director Ianson stating that Michael Kim, MJK Group, LLC, owner of the property located at 2260-2264 Sheridan Road, recently entered into a lease with a new tenant who plans to open a gaming cafe in the space at the north end of the building at this location. He stated that the building does not meet the City requirements for parking. Director Ianson stated that Mr. Kim is asking the Council to consider entering into a lease with him for 1,584 square feet situated on the 23rd Street right-

of-way, south of the building, to allow for an additional five (5) parking spaces. He stated that staff has reviewed Mr. Kim’s request and has determined that there is adequate space for the additional parking spaces. Director Ianson stated that the annual payment for the commercial lease would be \$250.00.

It was moved by Commissioner McKinney, seconded by Commissioner McDowell that an Ordinance (15-O-53) be passed authorizing the City to enter into a lease agreement for 1,584 square feet situated on the 23rd Street right-of-way, south of the building located at 2260-2264 Sheridan Road to allow for the installation of five (5) parking spaces. The vote on roll call was: Commissioners Taylor, nay; McDowell, aye; McKinney, aye: and Mayor Hill, aye. Motion carried. Ordinance passed.

CITY OF ZION COMPREHENSIVE PLAN

It was moved by Commissioner McDowell, seconded by Commissioner McKinney to approve the 2015 – 2035 City of Zion Comprehensive Plan. The vote on roll call was: Commissioners Taylor, aye; McDowell, aye; McKinney, aye: and Mayor Hill, aye. Motion carried.

BUDGET/FISCAL YEAR MAY 1, 2015 THROUGH APRIL 30, 2016

A budget workshop was scheduled for November 9, 2015, 5:00 p.m. at City Hall to discuss budget deficit issues which may require additional cuts from the 2015/2016 budget.

DEPARTMENTAL COMMENTARY

Director Colangelo stated that leaf pick-up started on October 19th. He asked that residents not rake leaves into ditches or off the curb into the street.

ANNOUNCEMENTS

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| October 30 | 5:00 – 7:00 p.m. | “Trail of Treats” sponsored by Lake County’s Lakeshore Chamber of Commerce and the City of Zion |
| October 31 | 2:00 p.m. to 5:00 p.m. | Zion Trick or Treating |
| November 3 | 7:00 p.m. | Zion City Council Meeting |

CLOSED SESSION

It was moved by Commissioner McDowell, seconded by Commissioner Taylor that the Council recess to Closed Session at 8:20 p.m., pursuant to 5 ILCS 120/2 “Open Meetings”, for the discussion of collective bargaining and the purchase of real estate. The vote on roll call was: Commissioners Taylor, aye; McDowell, aye; McKinney, aye: and Mayor Hill, aye. Motion carried.

It was moved by Commissioner McDowell, seconded by Commissioner McKinney to reconvene the Regular Council meeting at 9:10 p.m. with all members present. The vote on roll call was: Commissioners Taylor, aye; McDowell, aye; McKinney, aye: and Mayor Hill, aye. Motion carried.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner McKinney, seconded by Commissioner McDowell and unanimously approved the meeting be adjourned at 9:10 p.m. Motion carried.