

Mayor Charles "Skip" Lee called a meeting of the Sterling City Council to order at 6:30 pm on Monday, March 18, 2013. Roll call. Present: Aldermen Barry Cox, Retha Elston, Joe Martin, and Lou Sotelo. Absent: Alderman Amy Viering.

Also present were City Attorney Ron Coplan, City Manager Scott Shumard, Assistant to the City Manager Hadley Skeffington-Vos, Director of Financial Services Cindy Von Holten, Building and Zoning Superintendent Amanda Schmidt, Acting Fire Chief Gary Cook, Police Chief Ron Potthoff, and City Clerk Marie Rombouts.

The Pledge of Allegiance was recited.

Alderman Cox made a motion to approve the items on the Consent Agenda, as follows:

- A) Approval of March 4, 2013 Regular Council Meeting minutes and March 11, 2013 Study Session minutes
- B) Approval of Bills and Payroll totaling \$1,159,815.40
- C) Change Order #4 for City Hall remodeling project in the amount of \$61,838.71
- D) Partial Pay Request #1 from C & C General Constructors for the Public Works building in the amount of \$134,335.70
- E) Refer to Plan Commission a Petition from CGH Medical Center to rezone property located at 1805 First Avenue from R-4 to R-5 Special Use to match the surrounding properties and expand their Special Use Permit for the properties at 1803 and 1805 First Avenue, 16 East Miller Road, and the vacant lots 1-16
- F) Refer to Plan Commission a petition from Timothy Schwingle, owner of 1603 Seventh Avenue and nine adjoining property owners to vacate the unimproved alley right-of-way at the rear of the properties

The motion was seconded by Alderman Elston. Voting: Ayes – Aldermen Cox, Elston, Martin, Sotelo, and Viering. Nays – None. Motion carried.

David Sidney and Gary Anderson, with Gary Anderson Architects, gave a presentation on the Lawrence and Stanley/National Manufacturing site. David Sidney is a planning and land use expert. The principal building should be eligible for the Historical National Register with a 25% tax credit. The question was to remove the Lawrence Building or offer alternatives. For the best market potential Sidney recommends removing some of the square footage and open up the river view for quality of life with amenities. It is the gateway to the community. Suggestions for use of the old National Building are a Children's Science Museum and a restaurant. The suggested use for the Lawrence Brothers building is a boutique hotel. Energy tax credit could be accessible with hydro power or geothermal systems. It can be made a regional destination. To attract a master developer for all 13 buildings would be ideal. These building are unique,

traditional, and part of Sterling's history. It would cost approximately \$67 million for the entire project. The project can be completed in sequences.

Mayor Lee asked if the sequences formed a place holder for areas of development. Sidney stated that the sequences would give a developer the opportunity to start a specific area before others.

Alderman Martin asked if the traffic patterns in the downtown area would affect this project. Anderson admitted the railroad tracks have posed a problem in the area, but the tracks and traffic can be accommodated. Access will be under the railroad tracks. Martin asked how a hotel will be with the railroad tracks nearby. Anderson stated that hotel rooms would be soundproofed.

Remediation of the site is approximately \$4 million. State funding can be sought for government to remediate the site.

Alderman Elston made a motion to approve **Ordinance #2013-03-02 Providing for the Purchase of Certain Real Properties** located at

- 512 East Tenth Street
- 910 Fifth Avenue
- 606 Third Avenue
- 1213 12th Avenue

These properties will be purchased utilizing Neighborhood Stabilization Program 2 funds. The motion was seconded by Alderman Martin. Voting: Ayes – Aldermen Cox, Elston, Martin, and Sotelo. Nays – None. Motion carried.

Alderman Sotelo made a motion to pass **Resolution No. R2013-03-04 Providing for the Issuance by the City of Sterling, Illinois in an aggregate principal amount not to exceed \$5 million revenue bonds (Sauk Valley Community College Project) Series 2013** in connection therewith; authorizing the execution and delivery of a bond and loan agreement and related matters; seconded by Alderman Martin.

Mayor Lee introduced the bond issue for Sauk Valley Student Housing, LLC and United Housing and Community Service Corporation. Sterling can be a conduit for the bond to refinance the original obligation to Harris Bank, successor of Amcore. The City is legally permitted to issue bonds to finance a project within ten miles of the City's boundaries. The City would be fully indemnified by Sauk Valley Student Housing, LLC and United Housing and Community Service Corporation for any loss or expense incurred in connection with the issuance of the bonds.

The bonds and obligation to pay will not be deemed to constitute an indebtedness or a loan or credit of the City and any default of the bonds would not affect the credit rating of the City.

Jim Snyder with Ice Miller was available for questions on the bond issue for Sauk Valley Community College. Mayor Lee expressed concern that if the repayment goes well, the City looks good but if they default, the City looks bad. Snyder stated that he has not seen it affect any credit rating. The only negative aspect could be a newspaper article tying the City to the defaulted bonds.

Alderman Cox asked why they are looking for \$5 million when the settlement is \$1.5 million and there are \$.5 million in renovations. Snyder admitted that he cannot give an opinion on the cash flow of the project. Snyder is suggesting a maximum of \$4 million.

Alderman Sotelo asked if this bond issue would limit the City's ability to borrow more money for ourselves. Snyder admitted it would reduce the City's borrowing ability for this year.

WSDR Reporter Mary Carlson asked why they pursued Sterling for this bond issue instead of Lee County or Dixon. Snyder stated that because of the time frame, Sterling made the best sense.

John Stauter, 802 East 16th Street, commented that banks do not want to loan to non-profits. Issuing bonds saves the investor the interest.

Voting on the bond issue: Ayes – None. Nays – Alderman Cox, Elston, Martin, and Sotelo. Motion failed. The City of Sterling will not be a conduit for the bonds.

Alderman Elston made a motion to pass **Resolution No. R2013-03-05 Regarding Street Closures**, a certain public way bounded by Second Street on the south and Fifth Street on the north, west by Locust and east by First Avenue, commonly named Light Street; seconded by Alderman Martin.

Alderman Cox believed this topic had been explored with The Depot. Manager Shumard explained the Depot was seeking permission to use the park to the south of their property and that park has stipulations on its use.

Alderman Cox stated that he uses this alley regularly. Manager Shumard explained this would be only on weekends and no bands would be permitted in the alleyway.

Manager Shumard pointed out that Sterling Main Street and Sterling Today want to

keep the downtown intact. When Champs wanted to demolish the store front on Third Street, these organizations worked with Dennis Strader on this solution.

Alderman Cox asked Chief Potthoff for his point of view. Chief Potthoff does not like the alley being blocked because it restricts access. Alderman Sotelo stated that it would be no different than inside one of the bars.

Alderman Cox asked what liability the City will have. Attorney Coplan clarified that an indemnification agreement would be signed along with insurance to protect the City.

Alderman Cox asked if anyone could lease this alley. Attorney Coplan stated that only adjacent property owners would be allowed to lease the alley.

Mary Benson, with Sterling Today, informed the Council that they have been looking at this alley project for about ten years. This could be Phase I and save the building from demolition. They are working with Sterling Main Street. This was a creative way to keep the store front on Third Street. The alley, commonly known as Light Street, could provide a festival space. The lighting will make the alley unique.

Orrie Peterson from Bullseye Bar & Grill asked that Champs outdoor area be located on private property. The Precinct has had events but once a year is different from every weekend. This proposal could take business away from him after he worked on his outdoor seating area with no help from the City. This does not benefit everyone. Peterson would like more time to review the proposal because he was just made aware of this matter.

Dennis Strader stated that the more people downtown the better for all businesses concerned. This is just the beginning.

Tanya Strader, with Champs, acknowledged using this alley daily. It is presently unattractive and dangerous.

Alderman Sotelo declared this would be a destination opening up many opportunities. It creates momentum for the efforts of Sterling Today and Sterling Main Street.

Mary Benson explained that Sterling Today has purchased the old Boese building and will begin streetscape in that block to continue the preservation mode.

Alderman Cox asked Peterson for more details. Peterson explained that he had contacted the State Representative and would like to look at alternatives.

Dick Card, Sterling resident, stated that we have a great opportunity for something positive in our community; he does not want to see this disrupted.

Voting on closure of Light Street for special events: Ayes – Alderman Elston, Martin, and Sotelo. Nays – Alderman Cox. Motion carried.

Alderman Elston made a motion to pass **Ordinance No. 2013-03-03, Amending Ordinance No. 2012-07-23, Tree Ordinance** regarding tree topping; seconded by Alderman Cox. Voting: Ayes – Alderman Cox, Elston, Martin, and Sotelo. Nays – None. Motion carried.

Alderman Elston made a motion to set Monday, April 1, 2013 at 6:35 pm as the date and time of the public hearing for the proposed FY 2013-2014 Annual Budget; seconded by Alderman Sotelo. Voting: Ayes – Alderman Cox, Elston, Martin, and Sotelo. Nays – None. Motion carried.

Assistant Hadley Skeffington-Vos announced that summer movies have been scheduled and encouraged everyone to attend. May 17 and 18 are the days designated for Green and Clean.

Alderman Martin reminded everyone that Consolidated Elections are on April 9.

Alderman Cox proposed the City look into an ordinance restricting companies from throwing telephone books onto private properties. When residents are out of town, it becomes evident when the phone books remain in the yard.

Mayor Lee thanked everyone for their input at tonight's meeting. Mayor Lee admitted that he has been remiss in not mentioning the contributions that Marie, Monique, and Susan have done to help with the sewer billing process. It has involved all City staff.

Manager Shumard announced there would be no study session to follow. The budget would be completed for public hearing at the next meeting.

With no further business to discuss, the meeting was adjourned at 8:20 pm.

Marie Rombouts
City Clerk