

Joint Meeting
City Council and Plan Commission
City Council Chambers

January 9, 2017

Mayor Charles "Skip" Lee called a joint meeting of the Sterling City Council and Sterling Plan Commission to order at 6:30 pm on Monday, January 9, 2017. Roll call. Present: Aldermen Bob Conklin, Retha Elston, Joe Martin, Chris Schuchard, Christine Wilen, Plan Commission: Karen Chevalier, Doug Freed, Aurelio Gallardo, Eric Larson and Steve Munson. Absent: Alderman John Stauter and Plan Commission Chair Rick Andersen and Commissioner Rene Morris.

Also present were City Manager Scott Shumard, Police Chief Tim Morgan, Building & Zoning Superintendent Amanda Schmidt, City Planner Dustin Wolff, City Attorney Jock Heaton and Assistant City Clerk Monique Castillo.

Mayor Lee gave a brief history of the issue Coventry Village/Sterling Cottages (the Cottages) met with the Plan Commission September 2016 for a concept review. Mayor Lee reminded all tonight's meeting is for discussion only and no action will be taken.

Karin Berg, attorney for the owner of The Cottages and Gene Woodward, Owner's representative, gave a brief history of how we arrived here. The Cottages are losing money. Berg further stated there are financial reports available for review.

Mayor Lee requested an explanation of the proposal. Berg stated, currently the Cottages and the Nursing Home operate as one entity. The proposal is to separate the Cottages from the Nursing Home, subdivide the units to allow residents/heirs to receive deeds, and create a Homeowners Association (HOA) to care for the common areas. Berg stated this alternative is the best option for all.

The residents/heirs have concerns regarding the roads. Berg stated her clients, as negotiated with attorney Dan Hawkins, representing the HOA, are willing to fund the necessary street repairs and give an additional \$35,000 for maintenance and other miscellaneous repairs which could include sanitary sewers, storm water and the retention pond.

Hawkins noted this has been an ongoing issue for four years. Owners voted two years ago to move forward, laying the ground work for the condos and the HOA, determining responsibility for appliances, roads, sewers, etc.

Per Hawkins, 75% of the residents voted for the proposed plan to accept deeds to their unit and control their own destiny. Now the residents/heirs look to the City to move forward by approving the rezoning and plat approval. This will allow the residents/heirs to move forward. Hawkins also noted, one resident has already completed the process.

For clarification and a better understanding of this issue, several Aldermen asked questions relating to the creation of an HOA, the number of units occupied/unoccupied, who holds the deeds now and once transferred, what will deed holders be responsible for.

Planner Wolff explained the process to create an HOA is to approve the plat separating The Cottages from the Nursing Home. The revised plat will permit The Cottages to proceed with a condominium development and create individual lots for separate deeds. To do so, the City will have to approve the plat. A declaration to create a HOA has been drafted and presented to the City for approval.

Berg explained 25 of the 68 units are occupied. The current deed holder is her client, WC-Sterling, LLC. Once deeds are transferred, if approved, the HOA will be responsible for the upkeep of the exterior of each unit (such as roofs, siding, etc.) as well as the common areas. The deed holders will be responsible for the interior of their unit (such as plumbing, painting walls, door fixtures, etc.).

There was concern from the Aldermen, if deeds were transferred, it would lead to 43 units on the market making it difficult to sell at the same time. A Realtor in the audience is confident there is a demand and encouraged the City to "jump on board."

Planner Wolff noted the agreements between the HOA and The Cottages will not require City involvement. The City merely needs to approve a HOA can be created and zone the property as such. However, Wolff expressed concern that the City may be called on to assist with private roadways and sanitary sewer should something go wrong? Example, if the sewer fails and the HOA is unable to repair, will the City be willing to help repair the sewer lines and maintain? This is a worst case scenario but logical.

There was a brief discussion regarding maintenance fees and how the HOA would operate the same for occupied/unoccupied units. Berg explained that all of the units have a representative and therefore will all be treated the same. The choices made by the representative, after this matter is settled, will be of their own prerogative.

Chevalier requested documentation to clarify the language between the HOA and zoning issue, to help with the decision process.

There was brief discussion led by the residents/heirs in attendance. Those present were in favor of creating an HOA in order to end this painful and emotional journey.

Roseanne Kaletka Johnson prepared a letter, addressed to the Council and Plan Commissioners, staking her claim and battle over the past 4 years (see attached).

Peggy Wills thanked the Council and Commissioners for holding tonight's meeting and showing interest in the matter at hand. She is hopeful this process will move forward quickly now that all are involved and finally come to an end.

The next step is a Public Hearing at the next Plan Commission meeting which is scheduled for February 16, 2017. The Public Hearing will allow for the zoning changes and plat the development. If passed, the Plan Commission will refer to the City Council for approval at the March 6, 2017 meeting.

Planner Wolff noted that while this time frame is logical, it is not feasible with statutory requirements. Realistically, we are looking at finalizing March/April 2017.

Once the process is complete, it could take 2-3 days, if all necessary paperwork is available, to transfer deeds.

It was noted that Berg was recently involved in a similar transition in the City of Morris, Illinois. Alderman Martin and Commissioner Munson requested any documentation from the City of Morris with regard to notes, feedback from the Public Works Department, etc. to get an idea of how everything has been working for them since the finalization of their agreement.

With no further business, the meeting adjourned at 8:01 pm.

Monique Castillo
Assistant City Clerk