



**DEKALB CITY COUNCIL AGENDA
JANUARY 27, 2020
6:00 P.M.**

DeKalb Municipal Building
City Council Chambers
Second Floor
200 S. Fourth Street
DeKalb, Illinois 60115

REGULAR CITY COUNCIL MEETING

A. CALL TO ORDER AND ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF THE AGENDA

D. PUBLIC PARTICIPATION

E. PRESENTATIONS

1. [Proclamation: School Choice Week, January 26 – February 1, 2020.](#)
2. [Barb City Manor Annual Report by Executive Director Maureen Gerrity.](#)

F. APPOINTMENTS

None.

G. CONSENT AGENDA

1. [Minutes of the Committee of the Whole Meeting of January 13, 2020.](#)
2. [Minutes of the Regular City Council Meeting of January 13, 2020.](#)
3. [Accounts Payable and Payroll through January 27, 2020 in the Amount of \\$2,389,870.85.](#)
4. [Investment and Bank Balance Summary through November 2019.](#)
5. [Year-to-Date Revenues and Expenditures through November 2019.](#)

Assistive services available upon request.

Hearing assistance devices are available in the Information & Technology Office, which is located to the right, just before entering Council Chambers.

6. [FY2019 Human Services Funding Report – Fourth Quarter.](#)
7. [Freedom of Information Act \(FOIA\) Report – December 2019.](#)
8. [2019 City Manager Fee Waiver Report.](#)

H. PUBLIC HEARINGS

None.

I. CONSIDERATIONS

1. **Consideration of a Tax Increment Financing (TIF) Funding Request from the Balli Family for the Rehabilitation of the Property Located at 206 E. Lincoln Highway.**

City Manager's Summary: On January 13, the City Council considered a TIF funding request from the Balli family. In behalf of her family, Rosa Balli described plans to remodel the second floor of the family's two-story building at 206 E. Lincoln Highway. The second floor was gutted by the Balli family shortly after the purchase of 206 E. Lincoln Highway in the mid-1990s. Now that updated second floor apartment rentals are in demand, the family is considering an extensive remodeling of the second floor to construct four apartments: one single-bedroom apartment and three two-bedroom apartments.

The Balli family engaged an architect some months ago to create floor plans of the intended apartment uses (see attached). Based upon those plans, their architect also prepared a conceptual cost analysis of the extensive second floor remodeling. The architect has estimated the project cost for the second-floor remodeling at about \$542,000, of which about \$464,000 (86%) is TIF-eligible, based on the TIF statutory prescriptions. The exempt classifications include the estimated general contract price, project management costs, furnishings, equipment (e.g. washers, dryers, etc.), financing, architectural fees, and minor data/phone hookups.

Ms. Balli requested Council support for a TIF forgivable loan of 50% of the estimated project cost, or \$271,000. The City Council showed a strong interest in the remodeling proposal and also indicated its willingness to support some level of TIF expenditure to advance the project. A number of Council members indicated their support for a ceiling of about 30% of the estimated, overall project cost for TIF funding. With regard to the Balli proposal, the 30% ceiling would be about \$162,600.

The Mayor and several other Council members asked for funding options to be brought back by the City Manager at the next Council meeting.

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In evaluating the return on any TIF investment the Council typically considers the likely sales and property tax revenues generated over the standard 20-year life of a “forgivable” TIF loan. The property taxes generated by 206 E. Lincoln Highway in 2019 totaled \$7,896.86, based on an EAV of \$71,760. This does not include the one-story extension to Eduardo’s at 214 E. Lincoln Highway which in 2019 generated \$5,955 in taxes based on an EAV of \$51,609.

After consulting with the DeKalb Township Property Assessor, it appears the new EAV from the approximate \$542,000 investment in 206 E. Lincoln Highway is expected to be about \$45,000 to \$50,000 per apartment unit. This projection is based on the assessment formula for the costs of other new apartments in the downtown area. Accordingly, a conservative estimate of the building’s new EAV after the full build-out of the four (4) new apartment units would be approximately \$180,000 and would generate property taxes at today’s rate (11.86 per \$100 EAV) of about \$29,859 per year (\$71,760 plus \$180,000 times 0.1186), or \$597,175 over 20 years.

In addition, gross sales taxes for restaurant space equivalent to the now-vacant Eduardo’s first floor area might generate \$1,525,000 per year (average \$25 bill times 200 customers, including lunches and dinners, over 305 working days). If the gross sales are multiplied by 4.75% (1% MROT, 1.75% home rule and 2% restaurant/bar) the annual sales and use tax revenues would total \$72,438 per year. Over 20 years, the sales tax return would conservatively total \$1,448,750.

Here are three scenarios for possible TIF funding:

Option #1: 30% TIF Funding

- Estimated Project Cost: \$542,000
- Estimated TIF Forgivable Loan: \$162,600
- Time for Repayment, based on projected property tax alone: 5.5 years (\$162,600 / \$29,859 per year)
- Time for Repayment, based on projected property and sales taxes: 1.6 years (\$29,859 per year + \$72,438 per year = \$102,297 per year): \$162,600/\$102,297 = 1.6

Option # 2: 40% TIF Funding

- Estimated Project Cost: \$542,000
- Estimated TIF Forgivable Loan: \$216,800
- Time for Repayment, based on projected property tax alone: 7.26 years (\$216,800 / \$29,859)
- Time for Repayment, based on projected property and sales taxes: 2.12 years (\$29,859 per year + \$72,438 per year = \$102,297 per year): \$216,800/\$102,297 = 2.12

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Option #3: 50% TIF Funding

- Estimated Project Cost: \$542,000
- Estimated TIF Forgivable Loan: \$271,000
- Time for Repayment, based on projected property tax alone: 9.08 years (\$271,000/\$29,859)
- Time for Repayment, based on projected property and sales taxes: 2.65 years (\$29,859 per year + \$72,438 per year = \$102,297 per year): \$271,000/\$102,297 = 2.65

Based on the construction values presented by the Balli family, it appears that the Council could reduce the typical 20-year term to a 10-year term for repayment for either of the 3 options. The standard TIF agreement carries the following language:

“If, upon the expiration of the term of this Agreement, the TIF incentive provided herein has not been completely repaid or forgiven, then the remaining balance shall be a debt due and owing to the City requiring repayment within 120 days of Owner’s receipt of written notice of same from the City. The City may enforce its right of repayment by virtue of a contract action seeking damages for violation of this Agreement, initiate an action for foreclosure of the City’s mortgage, and pursue such other legal or equitable remedies as provided by law.”

City Council direction is requested. With the Council’s direction, the City Manager can bring a resolution and development agreement back for consideration at the February 10 Council meeting.

J. RESOLUTIONS

- 1. Resolution 2020-009 Authorizing an Amendment to Resolution 2018-138 Approving an Intergovernmental Agreement with Northern Illinois University for the Coordination of Integrated Transit Services to Include Advertising on Fixed Route Vehicles.**

City Manager’s Summary: On January 1, 2019 the City of DeKalb, in partnership with Northern Illinois University (NIU), began oversight of the consolidated transit system as defined within the [Intergovernmental Agreement \(IGA\)](#). The IGA explains the responsibilities of both parties including individual and joint requirements; however, the IGA is silent on the topic of policies and procedures concerning advertising on fixed route transit vehicles.

The City’s Transit staff have created an “Advertising on DeKalb Public Transit” policy document to be included as Exhibit B within the IGA. The Policy is based upon the current Chicago Transit Authority (CTA) Advertising Policy, and clearly explains acceptable and prohibited advertising content including rates.

NIU's Corporate Counsel and the City Attorney have reviewed and recommended the attached Policy.

Additionally, language has been added to page 9 of the IGA, "Joint Responsibilities," item D, to address the incorporation of the Policy:

Advertising: The Parties shall jointly undertake and perform the responsibilities set forth in the City of DeKalb's "Advertising on DeKalb Public Transit" Policy (the "Policy") attached hereto and incorporated herein as Exhibit B. The City shall receive 25% of all available external vehicle advertising space; NIU shall receive 25% of all available external vehicle advertising space; and the remaining 50% of all available external vehicle advertising space shall be available for commercial consumption pursuant to the Policy. All revenue generated from any commercial advertising shall be shared equally (50/50) between the Parties.

Both the City and NIU have access to 25% of all external advertising space at no cost to either Party; however, each entity is responsible for the production cost of the advertising signage. The remaining 50% of external advertising will be sold to commercial entities and managed jointly between the NIU Student Association Director of Advertising and the City Transit Manager. All commercial advertising revenue that is generated will be shared equally between the City and NIU.

City Council approval is recommended. ([Click here for additional information](#))

2. Resolution 2020-010 Authorizing an Amendment to Resolution 2019-121 as it Pertains to an Agreement with the Illinois Convenience and Safety Corporation (IC&SC) and the Addition of a Bus Shelter on Health Services Drive.

City Manager's Summary: On December 13, 2004, City Council approved [Resolution 2004-083](#), which established an agreement between the City and the Illinois Convenience and Safety Corporation (IC&SC) for the placement of bus shelters along transit routes within DeKalb. In return for the construction and maintenance of the shelters, IC&SC was given access to manage and sell advertising space within the shelters. The City is paid 10% of gross annual billings generated by the rental space of shelters within the City.

With the approval of [Resolution 2019-121](#), the original agreement was amended to include shelters constructed and installed since 2004. This included a variety of locations along with recently installed shelters located along Annie Glidden Road and Locust Street. One additional shelter recently installed on Health Services Drive needs to be added as well. The attached

resolution amends Exhibit B of Resolution 2019-121 to include the bus shelter located on Health Services Drive.

City Council approval is recommended. ([Click here for additional information](#))

3. Resolution 2020-011 Authorizing the Waiver of Competitive Bidding and Approving the Purchase of Water Meters and Radio Transmitters from Badger Meter Inc. and Core & Main in an Amount Not to Exceed \$50,000.

City Manager's Summary: Since over 95% of the Water Division's revenue is attributed directly to water sales the accurate reading and billing of water use is essential. Accuracy also ensures fairness to the consumer.

The Water Division uses a drive-by radio system to gather meter reads from over 11,000 water meters currently in use. The first meter radio devices were purchased through the Badger Meter Company and installed in 1995. By 2005, essentially all water meters within the City had been converted from manual read meters to radio read meters, substantially decreasing the time involved to gather water meter readings.

This Agenda item is prompted by the fact that each year a certain number of meters and radio transmitters reach the end of their useful life and need to be replaced. The replacement of each water meter and radio device occurs on average every 15 to 20 years, as the accuracy of the water meter begins to decrease, and the battery life of the radio transmitter is exhausted.

Once the battery stops functioning, the radio ceases to transmit and the drive-by reading equipment can no longer read the water meter. For accounts with radio transmitting devices that are no longer functioning, the water bill is estimated until such time as the radio device can be replaced and an actual meter reading can be taken off the face of the water meter.

Prior to 1995, when water meters were read manually from the face of the meter, having multiple meter manufacturers within a water system had little effect on the ability to read the meters. This is not the case with the radio read devices. In 1995, after a request for proposals, a commitment was made to Badger Meters, Inc. for radio transmitters throughout the system.

Recently, in addition to Badger water meters, the Utilities Department has been installing Sensus brand meters, obtained through the distributor, Core & Main. The design of the Sensus meter is better suited than that of the Badger meter for many large meter applications of three-inch size or greater. The Sensus meters allow for a connection of a Badger radio transmitter without any modification, which allows the Sensus brand meters to be read with the current Badger meter reading equipment.

Accordingly, Director Bryan Faivre requests the Council's waiver of competitive bidding in order to proceed with the purchase of the water meters and radio devices through Badger Meter Inc. and Core & Main. It is estimated that of the \$50,000 budgeted in the FY2020 Budget, approximately \$35,000 would be spent on purchases of Badger water meters and radio devices, and the remaining \$15,000 would be spent on Sensus brand large water meters purchased through Core & Main.

City Council approval is recommended. ([Click here for additional information](#))

4. Resolution 2020-012 Authorizing a One-Year Extension to the Conditional Rezoning and Planned Development Preliminary Plan for a Solar Energy Facility for SunVest Solar Inc. Proposed Along the North Side of Gurler Road, East of S. First Street.

City Manager's Summary: On January 28, 2019 the City Council approved [Ordinance 2019-002](#) granting the conditional rezoning to PD-I for about 26 acres along the north side of Gurler Road, east of S. First Street, to allow for a community solar garden for SunVest Solar Inc. Language in the ordinance noted the rezoning to PD-I was contingent upon the applicant obtaining the required approvals from the State within one year of approval of the ordinance. The ordinance also allowed for a one-year extension to the conditional rezoning if approved by the City Council. SunVest Solar was not selected in the first round of the Illinois Power Agency procurement for a license but they have re-applied. SunVest has submitted a letter to the City requesting a one-year extension to the conditional rezoning and the Planned Development Preliminary Plan so they can obtain the state approval. The solar garden facility would be developed on approximately 26 acres of the subject property. About 10-11 acres on the north side of the site would be reserved for future industrial uses.

There was no requirement in Ordinance 2019-002 for a public hearing prior to Council consideration of a time extension.

City Council approval is recommended. ([Click here for additional information](#))

K. ORDINANCES – SECOND READING

None.

L. ORDINANCES – FIRST READING

1. Ordinance 2020-005 Amending Chapter 35 “Towing”, Chapter 52 “Offenses Against Public Peace – Safety and Morals”, and Chapter 64 “Smoking Regulations” to Conform to New Cannabis and Tobacco Laws.

City Manager's Summary: At the City Council meeting of January 13, the Council reviewed and tabled Ordinance 2020-005 to give the staff time to revise the provisions that address (a) cannabis smoking in tobacco smoke shops by persons 21 years of age or older, and (b) the possession of cannabis paraphernalia by persons under 21 years of age.

Pursuant to the Council's direction, the attached revisions should eliminate the ordinance violation for possession of cannabis paraphernalia by minors and allows the smoking of cannabis on the same terms as the smoking of tobacco under the City's smoke free ordinance (e.g., smoke shops and smoking rooms in hotels or nursing homes) with the caveat that the smoking of cannabis is still not allowed in public places as defined by State law. The owners of smoke shops, hotels, and nursing homes retain the prerogative to privately prohibit the smoking of cannabis in their establishments.

The Police Department would appreciate Council action so citations can be issued under the local ordinance instead of making arrests under the State law.

City Council approval on First and Second Reading is recommended.
[\(Click here for additional information\)](#)

2. **Ordinance 2020-006 Authorizing an Amendment to [Ordinance 2019-065](#) for the Northern Illinois University Annual Contribution for Integrated Transit Services.**

City Manager's Summary: Currently, NIU provides a late-night ride service referred to as [Huskie Safe Line](#). The Safe Line service operates from 11:00 p.m. to 5:30 a.m., Monday through Sunday when NIU is in session. The service is available to NIU students, faculty, and staff as well as community members with disabilities and assists those individuals with transportation needs. Based upon the existing IGA, in 2020 the City of DeKalb intends to absorb the Huskie Safe Line and replace it with public transit routes that would be available to both students and residents.

The original estimated cost of this service in 2020 came in at \$434,400. However, with a more defined timeline and costs now available to us, that number has been reduced to \$253,400. This adjustment decreases the NIU 2020 contribution amount from \$2,162,343.84 to \$2,089,343.84. NIU requested that the revised annual contribution be rounded up to \$2,090,000.00. NIU will make payments of \$232,222.22 throughout the first nine months of 2020 to the City. The 2020 cost breakdown is portrayed in the table below.

Core Service:	Total Cost	NIU Cost
Contracted Fixed Route w/Fuel:	\$4,413,502.00	\$1,765,400.80
Contracted Paratransit Bus Service:	\$250,000.00	\$100,000.00
<i>Total Cost of Core Service:</i>	<i>\$4,663,502.00</i>	<i>\$1,865,400.80</i>

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Additional Service:	Total Cost	NIU Cost
Proposed Route 12 (Elburn) w/Fuel:	\$125,760.00	\$50,304.00
Proposed Late-Night Service	\$253,400.00	\$101,360.00
*Proposed Route 19 (Park 88) w/Fuel:	\$364,395.20	\$72,879.04
<i>Total Cost of Additional Service:</i>	<i>\$743,555.20</i>	<i>\$224,543.04</i>
<i>Total NIU Contribution Amount:</i>	<i>\$5,407,057.20</i>	<i>\$2,089,943.84</i>

City Council approval is recommended. ([Click here for additional information](#))

3. Ordinance 2020-007 Amending the FY2020 Budget and Approving the Purchase of Genesis Battery Powered Hydraulic Extrication Tools in an Amount Not to Exceed \$21,700.

City Manager's Summary: The Fire Department is requesting authorization to purchase new battery-powered hydraulic extrication tools. The need for these particular types of extrication tools stems from considerable technological improvements in hydraulic extrication equipment over the last 25 years.

The Fire Department currently has five sets of hydraulic extrication tools that are outfitted on three fire engines, one ladder truck, and a heavy rescue vehicle. Generally, a set of hydraulic extrication tools consists of one spreader, one cutter, one short and long ram, and a gas-powered powerhead. These tools are used to disentangle victims from a variety of vehicles and machinery by cutting, pushing, and pulling metals. Extrication tools can also be used for lifting heavy objects, forcible entry, stabilization, and other technical rescue needs. The tools are collectively known as the "jaws of life."

The current stock of hydraulic tools is 20+ years old and they are regularly in use. When these tools entered service, they were "state of the art" and worked very well on the vehicles of that time. Automotive safety has drastically improved. Automakers now design vehicles to protect motorists by way of crumple zones, stronger metals, and improved fabrication methods to strengthen the vehicle and raise safety margins. Over the years, it has become apparent that our older tools struggle and at times are unable to cut and spread these materials during extrications. This increases extrication time, compromises personnel and victim safety, and lengthens the time until the victim receives definitive medical care.

The Fire Department recently performed a side-by-side comparison and evaluation through practical application to evaluate hydraulic tools. Genesis is the industry leader in extrication tools. Their hydraulic extrication tools are battery-powered (opposed to tethered to a powerhead with hydraulic hoses) for quick deployment. They have higher operating pressures and have the ability to easily cut newer model vehicles. These tools use standard lithium-ion batteries opposed to specialized battery packs, and are proven to cut or spread the newest materials including Ultra High Strength Steel (UHSS/Boron). They

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comply with the latest edition of NFPA 1936, “Standard for Rescue Tools,” and they have a lifetime warranty for manufacturer defects. Finally, several other Fire departments in DeKalb County own and operate these tools which provides additional interoperability on mutual-aid emergency responses.

The total cost of the Genesis extrication tool package is \$21,700. It was planned to defer this purchase to FY2021 but a substantial grant of \$20,000 from the DeKalb County Community Foundation makes the purchase possible, with a minor budget amendment to the Capital Equipment Replacement Fund (Fund 420). The amendment will show the new DCCF revenue and the remaining \$1,700 will be transferred from the General Fund through a comparable reduction in the Fire Department’s “Firefighting Supplies and Equipment” line item (100-25-28-52800).

City Council approval is recommended. [\(Click here for additional information\)](#)

4. Ordinance 2020-008 Proposing the Establishment of an Active Special Service Area Number 29 for Market Square Shopping Center and Providing for a Public Hearing and Other Proceedings in Connection Therewith.

City Manager’s Summary: As anyone who has recently driven through the Market Square retail center is aware, the potholes are back.

The DeKalb Market Square development has been – and remains – a very successful retail center. Its organization in the mid-1990s was supported by a substantial, cooperative incentive package sponsored jointly by the City of DeKalb and the County of DeKalb.

In November 1994, a Reciprocal Easement Agreement (“REA”) was entered by the developer, Orix Wilkinson DeKalb Venture, and Lowe’s Home Centers to establish, among other things, a system for the maintenance of access roads leading into and around the evolving retail center. The County of DeKalb was originally a signatory because it continued to own a number of parcels until they were eventually sold to national retailers.

The REA was amended a number of times over the past 25 years to include new retailers and to bind them to the reciprocal rights and responsibilities laid out in the REA. These responsibilities include maintenance of the “common areas” including (a) the main entry drive from Sycamore Road along with its lighting; (b) detention areas; and (c) various interior circulating roads. The parking lots typically fall outside of the Market Square REA and are the responsibility of the individual owners and tenants of the parcels they serve.

In 2014, the Council briefly considered the organization of a special service area to address deteriorating maintenance of the interior road system, but

some re-surfacing by private owners in the shopping center apparently deferred further Council consideration.

In early April, 2019, after several months of repeated citizen complaints and unheeded property maintenance citations intended to spur the various owners to address the failing asphalt surfaces of the entry drive and circulating drives, the City Manager addressed a letter to the parcel owners of the shopping center inviting them to pursue a collaborative approach that would spread the financial impact of routine maintenance. A special service area was suggested as an option. In late May 2019, a follow-up note was mailed to the owners specifically inviting their thoughts on a special service area. Only one of the owners responded favorably. A more formal proposition is now in order.

A special service would work as follows:

- The Council would levy a tax each Fall that was sufficient to reimburse the City for repairs to the interior circulating road system in the following twelve-month period (January 1 through December 31). City crews could perform the repairs, but given the Street Department's limited resources it is more likely that the City would contract with a paving company to perform the ongoing repairs, except for urgent pothole filling. City costs would be reimbursable as well.
- The amount of the tax would be based upon an engineering assessment of the condition of the various roadways and other features included as part of the special service area maintenance responsibilities, and a reasonable budget would be established for the following 12-month period.

Before such a special property tax can be imposed, a public hearing must be held and all persons owning taxable real property in the service area must be notified of their opportunity to be heard regarding the formation of the special service area. If, within 60 days following the adjournment of the public hearing, fifty-one percent (51%) of the "electors" or parcel owners within the special service area sign a petition objecting to the formation of the area, the City cannot impose the special tax.

The attached documents call for a public hearing on February 24, 2020 at 6:00 p.m., at the City of DeKalb Municipal Building, 200 S. Fourth Street, to discuss the formation of Special Service Area 29. A map exhibit detailing the affected properties is also attached.

The suggested special tax for 2020 is based on a cost estimate prepared by City Engineer Zac Gill that takes into account only the common, private roadways. The attached exhibit details those roadways which are shaded in a light green. The detention areas, parking lots, lighting and raised median would be addressed by the current REA. For 2020, the recommended repairs would

total about \$145,820. Over a 20-year period, the average yearly repairs would be about \$204,768 but in some years the repairs might only involve crack-sealing. The Council would set the SSA levy every year and do so on the basis of updated observations of the road conditions.

In 2019, the combined EAV of the 18 Market Square parcels within the proposed special Service area was \$12,821,959. At a City tax rate of \$1.1882 per \$100 EAV, the center generated about \$152,351 in property taxes for the City government in 2019. To capture the additional, projected first-year road repair and maintenance costs of \$145,820, the effective City tax rate applicable to parcels within the proposed special service would have to increase from \$1.1403 per \$100 EAV to about \$2.34 per \$100 EAV to generate \$298,171 in property taxes: .0234 x 12,821,959 = \$300,034

City Council approval is recommended. ([Click here for additional information](#))

M. REPORTS AND COMMUNICATIONS

- 1. Council Member Reports**
- 2. City Clerk Report**
- 3. City Manager Report**

N. EXECUTIVE SESSION

- 1. Approval to Hold an Executive Session to Discuss Pending or Imminent Litigation as Provided for in 5 ILCS 120/2(c)(11).**

O. ADJOURNMENT

[FULL AGENDA PACKET](#)