



**DEKALB CITY COUNCIL AGENDA
REGULAR MEETING
FEBRUARY 24, 2025
6:00 P.M.**

DeKalb Public Library
Yusunas Meeting Room
309 Oak Street
DeKalb, Illinois 60115

Pursuant to Chapter 2 “City Council”, Section 2.04 “Council Meetings”, persons wishing to address the City Council during this meeting are required to register with the Recording Secretary before the start of the meeting by completing a Speaker Request form. All public comments will be limited to three (3) minutes per speaker. Further information for addressing the City Council can be found on the Speaker Request form.

A. CALL TO ORDER AND ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF THE AGENDA

D. PRESENTATIONS

1. Introduction of Deputy Fire Chief of Operations, Luke Howieson, Who Replaced Deputy Chief Don Faulhaber Upon His Retirement on February 21.
2. Introduction of John Petragallo, Who Was Appointed Chief Building Inspector on February 18.
3. [DeKalb Public Library 2024 Annual Report Presented by Executive Director Emily Faulkner.](#)

E. PUBLIC PARTICIPATION

F. APPOINTMENTS

1. Appointing Shaina Martin of the DeKalb County Health Department as an Ex-Officio Member of the Citizens’ Environmental Commission as per Chapter 50 “Citizens’ Environmental Commission”, of the City of DeKalb Municipal Code.

G. CONSENT AGENDA

1. [Minutes of the Regular City Council Meeting of February 10, 2025.](#)
2. [Accounts Payable and Payroll through February 24, 2025, in the Amount of \\$4,127,833.12.](#)
3. [Freedom of Information Act \(FOIA\) Report – January 2025.](#)
4. [FY2024 Human Services Funding Report.](#)

H. PUBLIC HEARINGS

None.

I. CONSIDERATIONS

1. Consideration of Updates to Public Transit Routes in 2025.

City Manager's Summary: In collaboration with Trans Dev, the private operator of DeKalb Public Transit, Transit Manager Mike Neuenkirchen is proposing route changes to begin March 9, 2025, to allow for the implementation of these changes during the Northern Illinois University (NIU) Spring Semester break and resumption of revised transit service when NIU resumes Spring classes. The routes impacted include:

Routes 10 and 11

- Routes 10 and 11 will no longer enter the Eco Park residential parking lot at the request of the Residential Manager for Eco Park. The route will be re-routed onto Fotis Drive.
- Routes 10 and 11 will no longer make U-turns at the intersection of Twombly Road and Rosenow Way, instead using Adams Way to safely turn the routes around for the return trip down Twombly.

Route 18

- Re-routing Route 18 on the northbound trip to access Northwestern Medicine Immediate Care in Sycamore.
- The proposed change allows access to a second medical facility and allows a better transfer point for Route 18 to and from Route 21.

Route 11

- The sequence on the overnight Route 11 provides too much time on the north side of the route, causing the buses to have to hold up to five minutes to remain on time. The route will be re-drawn to remove the excess time, which will not affect the times the route bus runs during the night.

Route 12 (Elburn Service)

- Due to increased requests for more weekend service on Route 12, staff propose increasing Route 12 weekend service from two to five trips on Saturdays and up to six trips on Sundays when NIU is in session.

Route 21 and Route 21 Tripper

- Streamline Route 21.
- Revise the route flow to foster better on-time performance.
- Change the 21 Tripper hours from an on-demand route to a paratransit/Dial-A-Ride zone that can better serve the communities of DeKalb and Sycamore.

Route 19

- Route 19 ridership has increased since initiating 24 hour a day, seven days a week service in August 2023. Due to ridership increases, the route is struggling to remain on time from mid-morning to late in the evening. This change removes the section traveling north on N. First Street between Locust Street and Hillcrest Drive and on Hillcrest Drive/Seventh Street from N. First Street to Pleasant Street. The modification allows the buses an additional recovery time prior to the next trip starting.

The City Transit staff estimate the annual cost of the increased fuel associated with these changes will be approximately \$50,909.86. This increased cost can be covered by the City's

annual federal funding. A detailed report with revised route schedules has been prepared by Mr. Neuenkirchen and is attached to this Agenda.

City Council approval is requested. [\(click here for additional information\)](#)

J. RESOLUTIONS

1. Resolution 2025-020 Authorizing a Development Agreement with 206 E. Lincoln, LLC for the Redevelopment of 206 E. Lincoln Highway (PIN 08-23-163-001).

City Manager's Summary: Resolution 2025-020 and Resolution 2025-021 were introduced to the Council for direction on February 10. They identify two different but important downtown redevelopment projects. Both agreements reference specific life safety improvements that are essential before the respective commercial spaces can be restored to active use as desired by the building owners. The life-safety improvements at the heart of both proposals center on the installation of required fire sprinkler systems and related connections to central fire alarm systems. The sprinkler requirements for the proposed "Assembly" (A-2) uses (restaurant/bar/tavern/nightclub) are defined in Chapter 3 and Sections 903 and 907 of the 2021 International Building Code which was adopted by the Council on December 9, 2024. Additionally, the proposed A-2 occupancies in both buildings have residential apartments above, setting up a higher risk in terms of fire protection for the residential occupancies. Finally, the two TIF funding proposals are considered essential by the applicants if the now-vacant commercial spaces are to be restored to successful gathering places for food, drink and entertainment, given the locally adopted sprinkling requirements.

Background

Resolution 2025-020 concerns most of the commercial space once occupied by the Eduardo's Restaurant at 206 E. Lincoln Highway. A previous Council authorized a **\$216,800** TIF forgivable loan for the TIF-eligible expenditures associated with the rehabilitation of the second floor of this building on **February 24, 2020**, after several months of public discussion. That loan was to be amortized primarily from increased property taxes associated with the four second floor apartments, but sales tax proceeds were also expected once the former restaurant space was re-occupied. Based on consultation with the DeKalb Township Assessor at the time, it was determined that the EAV of the building after the full build-out of the four apartments would increase by about \$45,000 to \$50,000 per unit or, conservatively, about \$180,000. Based on City-wide aggregate tax returns at the time, it was estimated that over a term of 10 years, property taxes and potential sales taxes from a re-occupied first floor restaurant would more than cover the loan amortization. In March of 2020 the government-imposed constraints on restaurant service owing to the COVID pandemic stopped any effective marketing of the first floor space for several years.

Further, since the February 2020 agreement was approved, the aggregate City property rate has decreased every year. Additionally, because the lower level of the building at 206 E. Lincoln Highway has been vacant, the entire building has been underassessed since the City TIF agreement was approved. The "what if" as to the fair market value and full assessment upon final buildout of the first and second floors is impossible to precisely determine at this time. Nevertheless, using the Council's logic from early 2020 with respect to a total assessment value on full build-out, the estimated pay-back timing is fairly accurate, as shown in the table below:

Year	Rate	Multiplier	New EAV x Multiplier	Taxes
2019	11.73464		180000*	\$ 21,122.35
2020	11.49927	1.0409	187362	\$ 21,545.26
2021	11.06394	1.0162	190397	\$ 21,065.44

2022	10.11155	1.0662	203002	\$ 20,526.60
2023	9.41278	1.0953	222348	\$ 20,929.09
2024	8.1018	1.1469	255010	\$ 20,660.44
				\$ 125,849.19

*2020 estimate

No sales tax revenues are included in the table above. Even if the aggregate property tax rate level flattens in the next year or so, the pace of re-payment of the forgivable loan based on property taxes alone will re-amortize the initial TIF loan within the 10-year term. It should be noted in this context that City policy prohibits further application for TIF assistance within five years of the original TIF approval. The Balli forgivable loan has been running for exactly five full calendar years.

The Present TIF Application

As explained on February 10, the applicant is Tim Cottingim on behalf of the Balli ownership group. Mr. Cottingim owns and operates the Iniga Pizzeria Napoletana, an Italian-style restaurant in Ottawa, Illinois. A copy of the menu is attached. The restaurant features a full bar (similar to the bar layout in the former Eduardo's space) and an open-hearth pizza oven. As noted in the introductory comments for this Agenda item, the restaurant sprinkler requirement is especially pertinent given the open-hearth specialty.

Mr. Cottingim estimates the overall cost of the reinvigoration of the first-floor commercial space at 206 E. Lincon Highway will reach about \$168,000. Estimates for the installation of a new automatic sprinkler system including the extension of a new fire service line into the basement from S. Second Street and the installation of an automatic fire alarm system total \$98,000. Other improvements such as plumbing, electrical, carpentry, painting, floor repairs, ceiling repairs, signage, etc. total \$70,000, for an overall cost of \$168,000 (excluding items such as tables, chairs, appliances and other "personal" goods, which are not TIF-eligible). Estimates are attached for the Council's review.

Mr. Cottingim has requested a TIF forgivable loan in the amount of \$98,000 to be amortized by sales tax revenues over a term of 10 years. The permitted occupancy load for the proposed Iniga Restaurant will be approximately 200 persons. Average daily customers at the proposed location in downtown DeKalb can only be roughly estimated, but the following variables are considered:

- Average bill of \$25.
- 305 working days a year (which subtracts one day a week plus some holidays).
- 200 customers per day, Thursday, Friday and Saturday; 100 customers per day the other three days a week (for an average of 150 over 6-day weeks).
- Gross sales are multiplied by 4.75% (1% MROT, 1.75% home rule and 2% restaurant bar tax).
- Estimated annual sales: \$1,143,750.
- Estimated annual tax revenue: \$54,328.
- Estimated tax revenue over ten years: \$543,280.

In the interest of transparency, the TIF #3 intergovernmental agreement obliges the City to review "major" TIF initiatives in excess of the \$25,000 "Architectural Improvement Program" (AIP) grants with the TIF #3 Joint Review Board (JRB) at least 14 calendar days prior to final Council action. A background report was shared with the JRB members on Wednesday,

February 5. Since then, a clear JRB consensus in favor of Council approval has been established.

The City Manager recommends a Council support of the proposed \$98,000 forgivable TIF loan with a term of 10 years. ([click here for additional information](#))

2. Resolution 2025-021 Authorizing a Development Agreement with Long Family Management, LLC for the Redevelopment of 323 E. Lincoln Highway and 333 E. Lincoln Highway (PIN 08-23-160-021 and PIN 08-23-160-022).

City Manager's Summary: Another major private redevelopment project proposed for the central downtown area is the focus of the attached Resolution, which was also introduced to the Council as a Consideration on February 10. Long Family Management, LLC controls the properties at 323 and 333 E. Lincoln Highway, formerly known as "McCabes." The familiar structure at 323 E. Lincoln Highway is over 125 years old and has a remarkable architectural appearance that echoes the Second Empire style with arched third-floor windows and a second story balcony. The second floor has continuously housed five apartments for the past 50 years, the third floor once featured a ballroom, and the first floor was a favorite tavern and bar for generations of young and old until it was closed in the late 1990s. The two-story structure at 333 E. Lincoln Highway has two second-floor apartments and a vacant first floor. All of the second-floor apartments are currently leased and no substantial remodeling is intended for these residential uses at present.

As explained to the Council on February 10, the Long family is interested in reviving commercial use in both buildings. The cavernous space on the first floor of 323 E. Lincoln Highway extends through existing fire doors into the first-floor vacant space at 333 E. Lincoln Highway. The conjoined first floor spaces of 323 and 333 E. Lincoln Highway afford an opportunity for a grand entertainment venue. Aside from bringing the plumbing, heating and electrical up to more current standards, the intended "Assembly" uses on the first floors of both buildings and the third floor of 323 E. Lincoln Highway fall within building code parameters that require a new automatic sprinkler system as well as an automatic (versus manual hand-pull) alarm system.

Based on estimates shared with City staff, the overall upgrade of 323 and 333 E. Lincoln Highway might reach \$1.1 million in cost. The cost to re-open an entertainment venue on the third floor of 323 E. Lincoln Highway is alone estimated to be about \$633,070, not including fees, insurance, etc. (see attached owner's budget).

From the standpoint of the TIF guidelines for major project assistance, the sprinkler and alarm improvements for both buildings will drive new EAV, as opposed to general electrical, mechanical and plumbing upgrades. In working with the Township Assessor, about 75% of the overall sprinkler and related life-safety costs could be translated into new EAV, because "but for" these improvements the reinvigoration of commercial values on the first floors of both buildings, as well as the third floor of 323 E. Lincoln, would not be possible.

The current combined assessment of 323 and 333 E. Lincoln Highway is \$440,797 (based on a \$1,322,391 market value). Overall sprinkler and fire alarm improvements in 323 and 333 E. Lincoln Highway are estimated to cost \$314,465 as follows:

First Floor Sprinkler: \$89,193

Third Floor Sprinkler and Automatic Alarm System on First and Third Floors: \$225,272.

A TIF forgivable loan of \$200,000 would cover approximately 64% of the estimated sprinkler and alarm costs and would contribute directly to the estimated growth in the equalized assessed valuation of 323 and 333 E. Lincoln Highway.

As with the proposed TIF project at 206 E. Lincoln Highway (see Resolution 2025-020, above), the City is obliged to review “major” TIF initiatives in excess of the \$25,000 AIP grants with the TIF #3 JRB at least 14 calendar days prior to final Council action. A background report was shared with the JRB members on February 5. Since then, a clear JRB consensus in favor of Council approval has been established.

City Council approval of a \$200,000 forgivable TIF loan for a term of 10 years is recommended. ([click here for additional information](#))

3. Resolution 2025-022 Authorizing Updates to the City of DeKalb Federal Transit Administration Title VI Program.

City Manager’s Summary: The City, as the designated recipient of federal funding for public transit in the DeKalb Urbanized Area, must maintain certain plans and programs to be eligible to receive Federal Transit Administration (FTA) funding. The Title VI Program addresses how the City and its public transit operator, Transdev Services Inc., will ensure that minority and limited English proficiency populations in the DeKalb region have equal opportunity in receiving transit services. The Title VI Program also identifies procedures that the City, Transdev and riders must follow if a person wants to submit a discrimination complaint.

On January 17, 2025, the DeKalb Transit staff received notification from the FTA’s Office of Civil Rights requesting revisions to the current Title VI policy. These revisions address additional compliance items not noted in previous reviews. The updated provisions include:

- Revisions to the Title VI Public Participation Plan to include outreach activity and a summary of such activities for the last three years. These items have been provided to the FTA but were not requested as part of the Title VI policy review until the January 17, 2025, request.
- Updates to the relevant advisory non-elected Board’s reporting (DeKalb-Sycamore Area Transportation Study (DSATS) Transportation Advisory Committee) to include a breakdown of board membership by race. The policy has been updated to address this reporting activity.
- Update to the City’s Subrecipient Policy to state the program does not have subrecipients as defined by the FTA.
- Update to Census Data to provide specific languages instead of aggregated language groups.
- Inclusion of service standards and policies as part of the Title VI Policy. The FTA reviewed service standards and policies with no noted deficiencies during the June 5, 2024, site review but did not require these items to be included in the Title VI policy until the January 17, 2025, request.

Approval of these revisions is recommended to ensure the City’s eligibility to receive FTA funding. ([click here for additional information](#))

4. Resolution 2025-023 Authorizing a Recapture Agreement Regarding the SunVest Solar Planned Unit Development.

City Manager's Summary: On February 22, 2021, the City Council approved an amended planned unit development agreement for SunVest Solar with the developer (Jim Planey) via Ordinance 2021-007. Under that amended redevelopment agreement, the developer agreed to install a 3,498-foot looped City watermain that connected to the City's water system, benefiting adjacent properties that were not connected to the City's water system. A condition of that development agreement was a "recapture" clause by which a reasonable percentage of the costs that the developer incurred in constructing the offsite watermain improvements could be recovered from the benefitted properties if those properties connected to the City's water system during the 25-year term of the development agreement.

Under the proposed recapture agreement, the City collects the recapture fees from the benefitted properties on the developer's behalf as a condition for their connection to the City's water supply and then pays these recaptured fees to the developer. The proposed recapture agreement is intended to facilitate the future development of the benefitted properties because the developer most likely constructed the offsite watermain improvements at less cost.

A map of the 3,498-foot looped watermain and the benefitted properties is depicted in the attached documents. The benefitted properties are also listed in the background. Additionally, the developer's costs are certified and the recapture fees owed by the benefitted properties are set forth in the Agenda background.

The City Engineer negotiated the proposed recapture agreement. The developer constructed the 3,498-foot looped watermain in two phases. The first phase was the 1,427-foot extension adjacent to Gurler Road. The developer's Phase 1 costs were \$421,156.96. Under the previously approved redevelopment agreement, the City and the developer agreed that the developer would be able to recapture 50% of the Phase 1 costs from the benefitted property if that property connected to the City's water supply.

The second phase was the 2,071-foot watermain adjacent to S. First Street. The developer's Phase 2 costs were \$509,201. The City Engineer proposed a formula to calculate the reasonable recapture fees for the properties benefitted by the developer's Phase 2 installation as set forth in the background exhibits.

The developer's entitlement to the recapture fees is contingent upon the benefitted property's connection to the City's water supply. The City is not independently obligated to repay the developer's costs for the offsite improvements, even if no benefitted property connects to the City's water supply during the 25-year term of the recapture agreement. Furthermore, the proposed recapture agreement also provides that the developer may recover 5% simple interest per year as part of the recapture fees.

The City Council has the legal authority to approve the proposed recapture agreement under 65 ILCS 5/9-5-1, *et seq.*, and the city's home rule powers.

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

5. Resolution 2025-024 Awarding a Bid to Performance Construction Engineering in the Amount of \$585,564 for 1,400 Feet of Watermain Replacement on N. First Street Between the Bridge and Tilton Park Drive and within Market Square Shopping Center with Staff Authority to Approve Change Orders Up to \$644,000.

City Manager's Summary: The existing watermain along N. First Street as it proceeds north from the river to Hillcrest Drive is a cast iron main that has had numerous breaks over the years causing water service disruptions to residents and businesses within the affected area. The Public Works Utility Division recommends replacing the main with new eight-inch ductile iron water piping to insure a safe and reliable water supply with adequate fire flow. Recently, in coordination with the bridge project, new watermain was installed under the Kishwaukee Riverbed. The project described here would connect to that improvement.

A 2015 Water System Master Plan Update recommended an annual watermain replacement program to improve the City's aging water distribution system. The study also recommended water rate adjustments to help offset the costs of the program. Council supported this objective and directed staff to initiate an annual Watermain Replacement Program. The Council has supported this approach for the past 10 years to good result.

The Request for Bids (RFB) included an alternate that also addresses a significantly distressed section of public watermain directly in front of Wal-Mart within the Market Square Shopping Center. Alternate Bid #1 came in at an acceptable number for this area of need. The following bids were received and publicly opened on January 29, 2025:

	ENGINEER'S ESTIMATE	PERFORMANCE CONSTRUCTION AND ENGINEERING	ELLIOT AND WOOD	EVERLAST BLACKTOP	SWALLOW CONSTRUCTION	IHC CONSTRUCTION
BASE BID	\$412,684.00	\$477,787.00	\$524,904.00	\$525,000.00	\$552,979.50	\$994,034.00
ALTERNATE BID 1	\$99,850.00	\$107,777.00	\$118,499.00	\$122,303.99	\$132,258.00	\$146,978.00

The lowest responsible bid was Performance Construction Engineering with a base bid amount of \$477,787 with an Alternate #1 (the Wal-Mart main project) bid of \$107,777 for a total bid of \$585,564. The City Engineer requests Council authority to approve change orders up to \$644,000 to meet unforeseen underground issues, an increase of 10% (\$22,466) over the bid amount.

The approved FY2022 Water Fund budget includes \$1,000,000 under line item 620-00-00-85000 for watermain replacement in 2025.

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

K. ORDINANCES – SECOND READING

None.

L. ORDINANCES – FIRST READING

1. Ordinance 2025-009 Amending the Fiscal Year-End December 31, 2025, Budget.

City Manager's Summary: Several City funds need to be "trued up" to reflect Council direction since the beginning of the fiscal year, and to add more detail to line items that were only

estimated in the Fall of 2024 as the fiscal year 2025 Budget was being prepared. The attached spreadsheet details the proposed numerical revisions. The following brief summaries further explain the proposed revisions:

- a) Station 4 Construction Fund (Fund 150). The construction of the new, 7,630 square foot Station #4 on a one-acre parcel at 1130 S. Malta Road was publicly bid and awarded to Irving Construction after a bond issuance of \$4.265 million. The station is now 80% complete. The walls are painted, the ceiling panels are installed, the cabinets are in place, and the finish flooring is nearly completed. The objective is to complete the project on budget with a small residual in bond funds to deal with any unforeseen issues as the new building becomes operational. The projected residual will be in the range of \$10,000 to \$15,000. The attached numerical revisions break out the construction spending in fuller detail.
- b) Capital Projects Fund (Fund 400). FY2025 spending will include a \$50,000 carryover from FY2024 to cover Police radio upgrades, expanded server storage, and the Police department "CAD migration" that were not expended before the end of FY2024.
- c) Capital Equipment Replacement Fund (Fund 420). The radio upgrade referenced above is also partially funded by Fund 420. Final expenses will be charged against the FY2025 budget as well.
- d) Water Fund (Fund 600). The \$510,000 Baxter & Woodman contract approved on November 25, 2024, focused on two major steps to prepare for future economic growth: a new shallow well to be connected with the City's treatment facility on W. Lincoln Highway and a new 16-inch watermain loop to upgrade the City's water supply in the Chicago West Business Center on DeKalb's south side. Water reserves have been judiciously built to address both the "out-of-pocket" construction of the new well #18, and the debt service for the proposed low-interest IEPA loan in support of the water loop. The attached changes shift accrued resources from the Water Fund reserve to the Water Capital Fund (Fund 610) in like amount.

In addition, the anticipated \$3.1 million in IEPA funding to remove lead service lines across the City is identified in the Water Fund (600-00-00-38825). An equal amount will be transferred to the Water Capital Fund (Fund 620) for actual lead service replacements.

- e) The Water New Construction Fund (Fund 610), which historically received water impact fees until they were suspended after the housing collapse in 2008-2009, had a residual reserve of \$700,000 that will fund the Baxter & Woodman engineering contract of \$510,000 (610-00-00-62300).

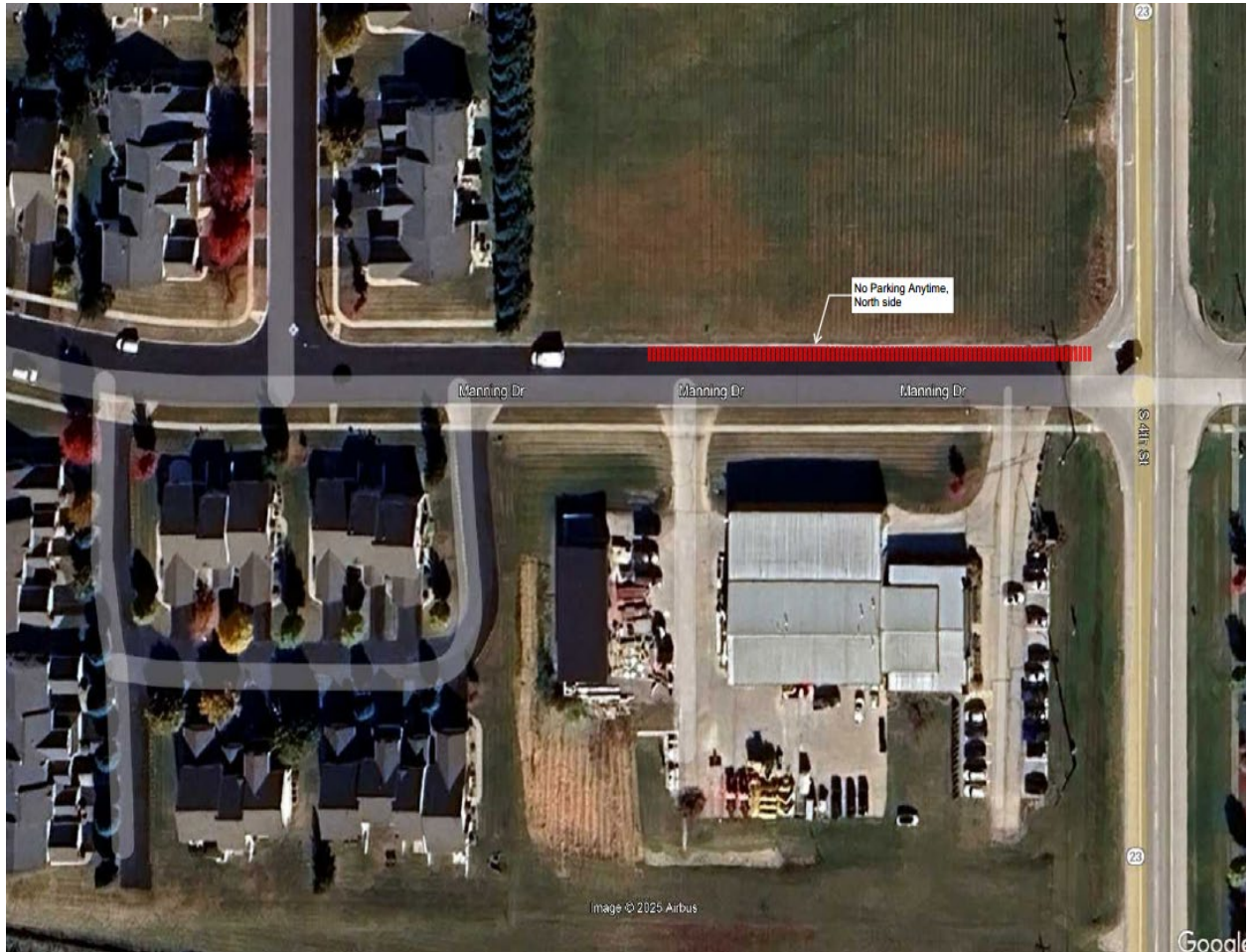
City Council approval is recommended. ([click here for additional information](#))

2. Ordinance 2025-010 Amending Chapter 51 "Traffic", Schedule C "Parking Prohibited", to Establish a No Parking Zone Along Manning Drive Near its Intersection with Illinois Route 23.

City Manager's Summary: The attached ordinance creates a "No Parking Zone" along Manning Drive adjacent to the operations of the Township Maintenance Building.

Near its intersection with Illinois Route 23, Manning Drive runs adjacent to the DeKalb Township Highway Department maintenance facility. There is no active residential or commercial development directly adjacent to this segment of Manning Drive. Over recent years, commercial hauling or delivery vehicles have been unadvisedly "stored" on that section

of Manning Drive by unidentified motorists for extended periods. This habit interferes with the safe flow of large DeKalb Township maintenance equipment exiting or entering their adjacent facility. Since the nearest residential use is about 150 feet away, the proposed restriction does not impose a hardship on nearby residences.



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

M. REPORTS AND COMMUNICATIONS

1. Council Member Reports.
2. City Manager Report.

N. EXECUTIVE SESSION

None.

O. ADJOURNMENT