



**DEKALB CITY COUNCIL AGENDA  
JUNE 8, 2020  
6:00 P.M.**

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

**REGULAR CITY COUNCIL MEETING**

**Please Note: On March 16, 2020, Illinois Governor JB Pritzker issued executive order 2020-07 which declared that during the duration of the Gubernatorial Disaster Proclamation pertaining to the coronavirus outbreak, “the provisions of the Open Meetings Act, 5 ILCS, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that ‘members of a public body must be physically present’ is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended.” The executive order further states that when a public meeting is considered necessary by the governing body, “public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well as their activities relating to COVID-19.” The City of DeKalb has taken prudent steps to assure that virtual Council member attendance and public access are assured within the intent of the Governor’s executive order.**

**Citizens wishing to view the meeting from home or elsewhere can tune in to Channel 14 or by following the link provided [here](#).**

**Accommodations have been made for citizens to comment on a topic listed on the agenda (or a topic not listed on the agenda) by clicking on the link provided [here](#). Comments will be read by the Mayor at the appropriate time during the meeting.**

**A. CALL TO ORDER AND ROLL CALL**

**B. PLEDGE OF ALLEGIANCE**

**C. APPROVAL OF THE AGENDA**

**D. PUBLIC PARTICIPATION**

**E. PRESENTATIONS**

**None.**

**F. APPOINTMENTS**

**None.**

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.

## G. CONSENT AGENDA

1. [Minutes of the Regular City Council Meeting of May 26, 2020.](#)
2. [Accounts Payable and Payroll through June 8, 2020 in the Amount of \\$1,649,599.09.](#)
3. [Resolution 2020-052 Designating Assistant Human Resources Director Michelle Anderson as the Authorized Agent of the Illinois Municipal Retirement Fund \(IMRF\) for the City of DeKalb.](#)

## H. PUBLIC HEARINGS

1. **Rebuild Illinois Regional Economic Development (RIRED) Project Grant.**

City Manager Summary: This Public Hearing provides interested parties an opportunity to express their views on the proposed Rebuild Illinois Regional Economic Development Grant (RIRED) project. The public hearing will also be accessible on Governmental Access Television (GATV) Channel 14 via this link: [https://www.cityofdekalb.com/622/GATV-Channel-14.](https://www.cityofdekalb.com/622/GATV-Channel-14)

On or about June 9, 2020, the City of DeKalb intends to apply to the Illinois Department of Commerce and Economic Opportunity for a grant from the Rebuild Illinois program. This program is funded by state funds as described in the 2019 Capital Bill. These funds are to be used to plan and construct a new, mile-long asphalt rural road between Gurler Road and Keslinger Road slightly east of the intersection of Peace and Gurler Roads. The total amount of Rebuild Illinois funds requested is \$741,381.71. The City of DeKalb also proposes to expend \$247,127.24 in non-Rebuild Illinois funds on the project. These non-Rebuild Illinois funds will be derived from the local allotments of State Capitol Improvement Bonds following MFT procedures.

Application documents are available for public viewing on the City's website at the following link: [cityofdekalb.com](http://cityofdekalb.com). Interested residents are invited to provide comments regarding these issues either at the public hearing or by written statement. Written comments should be submitted to Zac Gill, 1216 Market Street, DeKalb, IL 60115 or [engineering1@cityofdekalb.com](mailto:engineering1@cityofdekalb.com) no later than June 5, 2020 in order to ensure placement of such comments in the official record of the public hearing proceedings. This project will result in no displacement of any persons or businesses. [\(Click here for additional information\)](#)

**2. Community Development Block Grant Consolidated Annual Performance and Evaluation Report for Program Year 2019 (April 1, 2019 – March 31, 2020).**

City Manager Summary: The Consolidated Annual Performance Evaluation Report (CAPER) is required by the U.S. Department of Housing and Urban Development (HUD) and must be submitted not more than 90 days after the close of the program year. The program year covered by this report is April 1, 2019 through March 31, 2020. The CAPER provides information on the City's accomplishments under this grant during the 12-month program year and an evaluation of how the activities that are undertaken address the five-year goals and objectives of the Consolidated Plan. The program year for CDBG funding is determined by HUD and does not coincide with the City's fiscal year.

A copy of the Executive Summary for the City's Community Development Block Grant (CDBG) CAPER for Program Year 2019 is attached to this Agenda. The full CAPER document was made available to the public for a 15-day review period starting May 23, 2020 and extending to this Public Hearing. Comments received during the public review period or at the public hearing will be included in the CAPER before it is submitted to HUD. ([Click here for additional information](#))

**I. CONSIDERATIONS**

None.

**J. RESOLUTIONS**

**1. Resolution 2020-053 Authorizing a Real Estate Purchase Agreement and the Sale of Real Property Located at 1101 N. First Street (PIN 08-14-305-018) in the Amount of \$75,000.**

City Manager's Summary: The Council authorized the sale of the vacant food and fuel service station at the northwest corner of N. First Street and Hillcrest Drive on September 23, 2020 to Kumar Chaudary in the amount of \$80,000. The Council subsequently approved a related real estate agreement with Mr. Chaudary that delineated the buyer's responsibilities with respect to environmental matters. After scheduling and re-scheduling closings over the course of several months, it was clear that Mr. Chaudary did not intend to purchase the property, and the City moved to find him in default of the real estate agreement.

A new buyer, Saeed Saffaei, has executed a real estate purchase agreement in the amount of \$75,000 and submitted an earnest payment of \$5,000 for the property (see attachments).

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

2. **Resolution 2020-054 Authorizing an Amendment to an Intergovernmental Agreement with the Illinois Department of Transportation – Division of Aeronautics for Rehabilitation of the Entrance Road, Parking Lot and T-Hangar Pavement at the DeKalb Taylor Municipal Airport as it Pertains to Extending the Expiration Date to August 14, 2022 (DKB-4431).**

City Manager's Summary: On June 12, 2017, the City Council passed Resolution 2017-075 which approved an Intergovernmental Agreement with the Illinois Department of Transportation – Division of Aeronautics (IDOT-DOA) for the rehabilitation of the entrance road, parking lot and t-hangar pavement at the DeKalb Taylor Municipal Airport. IDOT-DOA has requested an amendment to the Intergovernmental Agreement, extending the expiration date to August 14, 2022.

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

3. **Resolution 2020-055 Authorizing a License Agreement with Meijer, Inc. for the Use of Store Premises (541 Puri Parkway, Sycamore) for the Provision of Public Transit Service.**

City Manager's Summary: It seems curious that the DeKalb City Council is involved in the authorization of a license agreement with a Sycamore-based retailer, but in this instance the City of DeKalb is the transit provider that provides fixed routes to nearby urban areas. The newly constructed Meijer grocery store located in Sycamore is slated to open this summer. Meijer has also constructed a bus stop and shelter in the southwest corner of their parking lot at no cost to the City's transit system.

To utilize the designated land and shelter for the public transit provider the City must enter into an agreement with Meijer. This agreement states the terms and conditions by which the license is granted to the City. If the City's transit use leads to damage to Meijer's property, the City must repair the damage. Any costs incurred due to accidental damage will be covered by the transit service provider's insurance or the City's grant funds. There is no impact to the City's General Fund.

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

4. **Resolution 2020-056 Authorizing an Intergovernmental Grant Agreement with the Illinois Department of Transportation – Aeronautics for a CARES Act Grant in the Amount of \$30,000 for DeKalb Taylor Municipal Airport Operations (Project ILL-4853).**

City Manager's Summary: CARES stands for **C**oronavirus **A**id, **R**elief, and **E**conomic **S**ecurity. In keeping with the federal grant guidelines, the monies will be used to offset some of the FY2020 personnel costs for Airport Manager

Renee Riani and the line service staff, as well as a portion of the cost of a Frontier FM1015 Rear Discharge Flex-Wing grooming mower with light bar.

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

**5. Resolution 2020-057 Authorizing a Master Lease Purchase Agreement with Tax-Exempt Leasing Corp. for Lease Financing of Equipment for Various City Departments in the Amount of \$269,710.**

City Manager's Summary: On May 26, 2020, the City Council approved an open-ended equity lease agreement with Enterprise Fleet Management. This leasing arrangement allows the City to accelerate fleet replacement without a large capital outlay in any given fiscal year. The Enterprise program is tailored to light-duty and medium-duty vehicles. The City Council has also authorized the purchase of two larger fleet assets in 2020. On February 24, 2020, the City Council authorized the purchase of a 2019 Ford Type III ambulance through Fire Service Inc. in the amount of \$148,656 (Resolution 2020-018). On May 26, 2020, the City Council approved the purchase of a 2021 International 5-yard dump truck from Rush Truck Centers in the amount of \$148,054 (Resolution 2020-048). Because these assets do not fit within the scope of the Enterprise lease agreement, the city administration gathered quotes from various vendors engaged in the business of tax-exempt lease financing.

A tax-exempt lease purchase is an alternative to issuing debt for certain capital expenditures. These are true lease-to-own programs that provide financing for purchases and spread the cost over several years similar to how the average consumer finances a new car purchase. Once again, the advantage to a municipality is the ability to manage cash flow over time. There is an added cost of interest on the lease; however, in this instance the interest rates are generally favorable. Interest claimed by the lender is tax-free under established IRS rules because the interest is paid to the lender by a government agency. These lease programs have become popular among municipalities purchasing costly fire apparatus and heavy equipment.

The City's current Debt Management Policy, included as part of the annual budget, allows for capital leasing of this type. The policy sets a limit of \$1,000,000 in lease financing per fiscal year, with no asset over \$500,000 being eligible for a lease.

Four institutions replied to the City's request for lease financing quotes. All respondents were provided with the same lease parameters, which included a five-year lease term with \$0 for the down payment. Our staff received the following responses:

<b>Tax-Exempt Leasing Corp.</b>			
<b>Equipment</b>	<b>Dump Truck</b>	<b>Ambulance</b>	<b>Combined</b>
<b>Financed Amount</b>	\$148,054	\$148,656.00	\$296,710.00
<b>Payment Frequency</b>	Quarterly	Quarterly	Quarterly
<b>Term</b>	5 Years	5 Years	5 Years
<b>Rate</b>	2.75%	2.75%	2.60%
<b>Payment</b>	\$7,948.67	\$7,980.99	\$15,868.79
<b>Total Cost</b>	\$158,973.40	\$159,619.80	\$317,375.80

<b>NCL Government Capital</b>			
<b>Equipment</b>	<b>Dump Truck</b>	<b>Ambulance</b>	<b>Combined</b>
<b>Financed Amount</b>	\$148,054	\$148,656.00	\$296,710.00
<b>Payment Frequency</b>	Quarterly	Quarterly	Quarterly
<b>Term</b>	5 Years	5 Years	5 Years
<b>Rate</b>	3.4%	3.4%	3.2%
<b>Payment</b>	\$8,120.04	\$8,151.79	\$16,213.34
<b>Total Cost</b>	\$162,400.80	\$163,035.80	\$324,266.80

<b>Equitable Commercial Lending Group</b>			
<b>Equipment</b>	<b>Dump Truck</b>	<b>Ambulance</b>	<b>Combined</b>
<b>Financed Amount</b>	\$148,054	\$148,656.00	-
<b>Payment Frequency</b>	Monthly	Monthly	-
<b>Term</b>	5 Years	5 Years	-
<b>Rate</b>	3.24%	3.24%	-
<b>Payment</b>	\$2,676.22	\$2,687.11	-
<b>Total Cost</b>	\$160,573.44	\$161,226.34	-

<b>Rush Truck Centers</b>			
<b>Equipment</b>	<b>Dump Truck</b>	<b>Ambulance</b>	<b>Combined</b>
<b>Financed Amount</b>	\$148,054	-	-
<b>Payment Frequency</b>	Quarterly	-	-
<b>Term</b>	5 Years	-	-
<b>Rate</b>	3.5%	-	-
<b>Payment</b>	\$8,101.51	-	-
<b>Total Cost</b>	\$162,030.29	-	-

Quotes were also solicited from First National Bank, with whom the City maintains an established banking relationship, but the bank does not engage in this type of lending as part of their business.

**Tax-Exempt Leasing Corp., based in Libertyville, Illinois, responded with the lowest interest rate. They offered an interest rate of 2.6% on the combined financing of the ambulance and dump truck. The next lowest rate quoted was 3.2%. Tax-Exempt Leasing's business is built solely on providing tax-exempt lease financing to municipalities and other government entities. The Assistant City Manager spoke with several municipalities who maintain business relationships with the firm, and both spoke highly of the services provided**

Assistive services available upon request.

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**City Council approval of the proposal from Tax-Exempt Leasing Corp. is recommended. ([Click here for additional information](#))**

**6. Resolution 2020-058 Authorizing the Commitment of Local Motor Fuel Tax (MFT) Funds as a Local Match to Secure REBUILD Illinois Grant Funds to Support the Establishment and Construction of a New Rural Road Connecting Gurler Road and Keslinger Road.**

City Manager's Summary: At the top of this Council Agenda there is a Public Hearing concerning a pending City application for road funding through the Rebuild Illinois program that is managed by the Department of Commerce and Economic Opportunity. The attached resolution commits \$247,127.24 in MFT funds for the 25% local share of required for the design and construction of the proposed Afton Road, which will be a one-mile connector between Gurler Road and Keslinger Road, slightly east of the intersection of Peace and Gurler Roads. These MFT funds are in addition to the City's annual allocation and are the result of a special state legislative allocation.

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

**K. ORDINANCES – SECOND READING**

None.

**L. ORDINANCES – FIRST READING**

**1. Ordinance 2020-039 Amending Chapter 51 “Traffic”, Section 51.20 “Parades, Processions and Marches”, by Adding “Runs, Walks and Rides”.**

City Manager's Summary: This amendment is simply a housekeeping measure. Amending the title of Section 51.20 to “Parades, Processions, Runs, Rides, Walks and Marches” will more closely match the information provided on the Event Request application. ([Click here for additional information](#))

**2. Ordinance 2020-040 Amending Chapter 35 “Towing Policy”.**

City Manager's Summary: At the regular City Council meeting of May 11, the City Council considered several possible changes to the current City towing regulations. The attached ordinance attempts to capture the Council's direction and highlights the proposed changes in red type.

Specifically, the following revisions are proposed:

- Section 35.04. If the Police Chief denies an applicant inclusion on the Police tow rotation, the applicant may appeal the Chief's decision to the City

Manager, in writing, within 15 days. If the City Manager upholds the Chief's decision, the applicant may appeal the City Manager's decision to the City Council within 15 days. The City Council's judgment will be final.

- Section 35.15. If the Police Chief refuses to grant a relocater's license, the Chief's refusal can be appealed to the City Manager, in writing, within 10 business days of the Chief's decision. The City Manager or the City's Administrative Hearing officer will then hold an administrative hearing to consider denial of the license.
- Section 35.15. If the Police Chief refuses to grant a renewal for a relocater's license, the Chief's refusal can be appealed to the City Manager, in writing, within 10 business days of the Chief's decision. The City Manager or the City's Administrative Hearing officer will then hold an administrative hearing to consider denial of the license.
- If a licensed commercial vehicle relocater violates the City's towing policies, the City Manager or City's Administrative Hearing Officer may temporarily suspend the license of that relocater for a period not to exceed 7 days, without an administrative hearing, in the event of egregious violations.

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

**3. Ordinance 2020-041 Approving a Rezoning from "CBD" Central Business District to "PD-C" Planned Development – Commercial District, and Approving a Preliminary and Final Development Plan to Allow for a Building Contractor's Office and Materials Storage at 421 Grove Street (Christa and Matt Gehrke).**

**A. The Planning & Zoning Request**

City Manager's Summary: The City has received a rezoning petition from Christa and Matt Gehrke to rezone the property at 421 Grove St. (northwest corner of S. Fifth Street and Grove Street) from the "CBD" Central Business District to the "PD-C" Planned Development--Commercial District in order to accommodate a building contractor's office and materials storage.

The applicant, Matt Gehrke, the principal owner of Swedberg & Associates in Sycamore, is planning to relocate the firm to the subject site. Under the current zoning classification (CBD), a building contractor's office with materials storage is not specifically listed as a permitted use or special use. In addition, the CBD District currently prohibits storage outside a principal use. The proposed "PD-C" zoning will allow the applicant to use the building contractor's office with screened materials storage. The request also involves a waiver to the Unified Development Ordinance requirement for a Planned Development to have more than two acres. The City has previously granted similar waivers for the

Cornerstone and Plaza DeKalb projects. The applicant is also requesting approval of a preliminary and final development plan.

The property contains 1.24 acres and for decades was the location of the family-owned business, Sawyer Auto Imports. Since the close of that dealership and sale of the property in 2003, the building has been either vacant or underutilized. For several years up to and including the recession of 2008-2010 the building was used for architectural and engineering offices. In the past few years, the building has had several small tenants renting inside space for boat and motorcycle storage, and portions of the large office area have been intermittently leased. The considerable surrounding parking area has fallen into serious disrepair. The property has been listed for sale since 2013. If the rezoning is approved, the applicant hopes to close on the property and terminate the current short-term leases.

The outdoor materials storage will be located to the north and east sides of the building behind an eight-foot-high decorative metal fence. The fence will provide a full screen and will be constructed of materials that will be durable and compatible with the surrounding area. In addition to the fence, the applicant will be planting 17 shrubs along the S. Fifth Street fence line. In addition, the applicant will be planting 10 shrubs along the S. Fourth Street frontage to enhance the landscaped buffer along that corridor.

Eighteen (18) parking spaces are required based upon the formula in the UDO for contractors' offices and shops. The formula is one parking space for every 300 square feet of floor area of sales and office use, one space for every employee on the maximum shift, plus one space for every vehicle customarily used in the operation of the business and stored on the premises. There will be 2,500 square feet of office floor area, four employees on the maximum shift and six work vehicles used in the operation, which results in 18 required parking spaces. There is a total of 22 marked parking spaces on the lot, outside of the proposed fenced area. The large paved area generally between the building and S. Fourth Street will not be striped at this time, as there is potential for the development of a future commercial use in that area.

To further upgrade the exterior appearance, the yard light posts will be painted along with the lot striping and landscaped noted above.

The Planning and Zoning Commission held a public hearing regarding the petition at their meeting on May 20, 2020. By a vote of 5 to 0 (Commission Members Buckley and Becker were absent) the Commission recommended City Council approval of a Zoning Map Amendment from the "CBD" Central Business District to the "PD-C" Planned Development--Commercial District; approval of a waiver to the Unified Development Ordinance for a Planned Development of less than two acres, and approval of a preliminary and final development plan to accommodate a building contractor's office and materials

storage on the subject site at 421 Grove Street according to the plans and exhibits contained in the attached staff report.

**City Council approval of the Planning & Zoning Commission's recommendation on first reading is requested.**

### **B. TIF Eligibility and Potential Incentive**

The petitioners and sole owners of Swedberg & Associates, Matt and Christa Gehrke, have two business-related goals before they can relocate their highly regarded construction business to DeKalb: (1) the re-zoning of the former Sawyer property as described above, and (2) securing some City assistance for their relocation and upgrading of the property at 421 Grove Street. The property is in TIF #3 and TIF #1. The Gehrkes have submitted a TIF proposal and in consideration of the purchase decision they are weighing, this consideration is added as an addendum to the zoning application described above.

At the Council meeting of May 26, the Council supported the City Manager's proposed protocols for future TIF allocations in support of business retention or expansion. Specifically, the Council agreed that TIF private property rehab awards would henceforth be required to meet the following criteria:

- The project would have to contribute to new EAV growth;
- The funding would have to be available within the annual capacity of the TIF #1 and TIF #3 program budgets;
- The proposed funding would be tied to eligible costs, as defined in the state TIF Act and City policies.
- Larger projects should be "capstone" projects that promise increased EAV growth and other benefits such as new jobs and sales tax generation.

The capstone projects should be identified at the beginning of each calendar year during an application period, with some budget space retained for unforeseen and valuable projects.

In this instance, it is certainly true that the future waits on no one. In the interest of fairness to the Gehrkes, the Council, and at least one other potential TIF capstone project involving the former City Hall block at Fourth and Grove in the second half of this fiscal year, the City Manager is asking for Council direction on the Gehrke TIF proposal that was received on May 29. Because the Gehrkes propose to reinvigorate most of a city block in the heart of the downtown business district, there is an opportunity that arguably merits Council consideration, whatever time of the year it may appear.

The Gehrke TIF Incentive Proposal

To begin, the City's TIF Budget for private property rehabilitation for the balance of 2020 and for 2021 is limited as discussed on May 26 and illustrated below:

<b>TIF #3 Private Property Rehabilitation</b>			
<b>FY2020 TIF#3 Projects</b>	<b>Est. \$</b>	<b>FY2021 TIF#3 Projects</b>	<b>Est. \$</b>
<i>Private Prop. Rehab Budget</i>	\$3,778,250	<i>Private Prop. Rehab Budget</i>	\$2,875,000
Plaza DeKalb	\$350,000	Plaza DeKalb	\$0
Egyptian	\$500,000	Egyptian	\$0
Agora Tower	\$1,625,000	Agora Tower	\$1,375,000
AIP Program	\$75,000	AIP Program	\$75,000
Former DeKalb Clinic Sewer Relocation	\$150,000	McCabe's	?
Lovell Tire	\$142,091	Lord Stanley's	?
Hometown Bar & Grill	\$150,000	E. Lincoln Highway	?
Balli	\$216,800	W. Linc: 1 <sup>st</sup> to Pearl	?
260 E. Lincoln Hwy	\$124,100	DeKalb Lawn & Equipment	?
200 S. Fourth	\$350,000	200 S. Fourth	\$550,000
263 E. Linc. Hwy (House)	?		
121 N. Second (Hillside)	?		
421 Grove	?		?
Project Total	\$3,661,241	Project Total	\$1,975,000
Available	\$95,259	Available	\$875,000
<b>TIF #3 Public Infrastructure</b>			
IL Rt. 38 Downtown	\$500,000	IL Rt. 38 Downtown	\$1,500,000

<b>TIF #1</b>			
<b>FY2020 TIF#1 Projects</b>	<b>Est. \$</b>	<b>FY2021 TIF#1 Projects</b>	<b>Est. \$</b>
Starting Balance	\$3,970,470	Starting Balance	\$1,507,600
Revenue	\$6,695,313	Revenue	\$6,961,255
<i>Total Resources</i>	\$10,665,783	<i>Total Resources</i>	\$8,468,855
Private Prop. Rehab.	\$0	Private Prop. Rehab.	\$0
50% Surplus	\$3,347,656	50% Surplus	\$3,455,562
Transfer to TIF #3	\$4,275,000	Transfer to TIF #3	\$2,425,000
Fire Station #1	\$0	Fire Station #1	\$150,000
DeKalb Airport TIP	\$250,000	DeKalb Airport TIP	\$500,000
Debt Service	\$1,195,000	Debt Service	\$1,190,800
Other	\$90,527	Other	\$50,000
<i>Total Expenditures</i>	\$9,158,183	<i>Total Expenditures</i>	\$7,771,362
Ending Balance	\$1,507,600	Ending Balance	\$697,493

Assistive services available upon request.

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Until December 31, 2021, TIF #1 funds can be “ported” into TIF #3 for private property rehabilitation or other purposes, but one has to be careful to make sure the overall fund balance projections and cash flows are taken into account.

Conservatively speaking, with the actual commitments and some projections shown in the tables above for TIF #3 in FY2020, there is some “cushion” in the engineering and design allocation for the IL 38 downtown lane re-configuration project according to city engineer Zac Gill, but there is no other “give” in the FY2020 Budget. Now that some of the downtown engineering has been completed, it is more likely that this year’s total allocation for the IL 38 project will be about \$350,000. As a result, the remaining available balance in FY2020 in TIF #3 for private property rehab would be \$95,259 (as shown) plus \$150,000 for a total of \$245,259 pending Council direction.

The detailed Gehrke TIF request (see attached) is \$529,000. This request does not include any land acquisition. The Gehrke request includes fencing (\$33,000), “General Conditions” (\$16,200), and removable IT connections (\$9,300) totaling \$58,500 which are not TIF-eligible. The TIF-eligible portions of the proposed rehabilitation total \$470,500.

What would be the impact of the proposed private property redevelopment? In terms of EAV, the calculation follows:

Full market value (last sale: 2008):	\$580,000.00
Pre-rehab EAV (Parcels A & B*):	\$151,864.00
Pre-rehab property taxes (@11.735/\$100 EAV):	\$ 17,821.00
Estimated market value after rehab:	\$660,000.00
Post-rehab EAV (1/3 market value):	\$220,000.00
Taxes Owing After Rehab (@\$11.735/\$100 EAV):	\$ 25,817.00
Projected <b>additional</b> tax increment over 20 yrs:	\$159,920.00
	(\$25,817-\$17,821 x 20 = \$159,920)

* Current EAV:	Parcel A:	0823302024	\$129,661.00
	Parcel B:	0823302013	\$ 22,203.00
		Total:	\$151,864.00

Other factors in the consideration of any TIF assistance would be the increase in full-time jobs (14, including 8 in the field and 6 in the office), and the intangible impact of a new business and the commercial and residential construction services it provides.

**The City Manager recommends the Council’s consideration of a forgivable TIF loan with a 20-year term in the amount of \$159,920.** If the Council and the applicant wish to proceed on this basis, the City Manager and City Attorney can prepare a TIF agreement for Council consideration at an upcoming meeting. In tandem with such an agreement, a budget amendment would be necessary to “port” funds from the TIF #1 fund to the TIF #3 fund to cover a portion of the allocation. ([Click here for additional information](#))

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**4. Ordinance 2020-042 Approving a Rezoning from the “GC” General Commercial District to the “PD-C” Planned Development – Commercial District, and Approving a Preliminary and Final Development Plan to Accommodate a Four-Story Executive Suites Residential Complex with 59 Dwelling Units and Ground Level Commercial Space with a Banquet/Conference Room at 2675 Sycamore Road (2675 Sycamore Road Development, LLC – Isaac Suites).**

City Manager’s Summary: The limited liability corporation, 2675 Sycamore Road Development, LLC, represented by John Pappas, is requesting approval of the rezoning of 2675 Sycamore Road from the “GC” General Commercial District to the “PD-C” Planned Development--Commercial District and approval of a preliminary and final development plan to accommodate a four-story mixed use development to be called Isaac Executive Suites.

As Principal Planner Dan Olson explains in the attached background report, the building will contain 59 dwelling units and ground level commercial space with a banquet/conference room. The subject site is 2.86 acres and is located at the southwest corner of Sycamore Road and Oakland Drive. The site is currently zoned “GC” General Commercial District and the 2005 Comprehensive Plan indicates Commercial for the site.

The applicant is proposing the rezoning for two reasons. The first is to allow dwelling units above the first floor which requires a special use in the “GC” District. The second reason is that the “GC” District restricts the building height to three (3) stories and the proposed building will be four (4) stories. Rezoning to the PD-C District allows dwelling units above the first floor and buildings higher than three (3) stories.

The site previously contained a two-story motel, which was demolished in about 2007. The site has remained vacant since that time. The proposed four-story building will be located on the building pad of the former motel. Access will be provided along Oakland Drive at the same location as the former motel. The site slopes down from the building pad westward and there is a small creek that runs along the western portion of the site. There are two detention basins proposed, one along the northern portion of the property and one at the southwest corner of the site.

The development will include fifty-nine (59) one-bedroom, fully furnished apartment units with leases ranging from four to seven months and includes a banquet/conference room and 2,900 square feet of ground level commercial space. The units will have varying sizes:

- Fifty-four of the units will have 420 square feet;
- Three larger units will contain 483 square feet; and

Assistive services available upon request.

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- Two ground level units (handicap accessible) will have 720 square feet.

The developer has had discussions with local businesses and brokers of executive spaces and has identified a need for short-term executive suites. The units would serve people that are in the area for longer than a hotel stay but do not want to sign a one-year lease agreement. Likely candidates will include professionals in the expanding medical services sector of the County, as well as corporate officials associated with the expanding local technology and industrial sectors. The amenities will include an exercise room and conference/banquet area for residents only.

The parking formula for the proposed development includes 1.5 parking spaces for every dwelling unit, and one parking space for every 250 sq. ft. of commercial floor area:

59 x 1.5 =	89 spaces
2,900 sq. ft. commercial space =	12 spaces
	Total: 101 spaces required

A total of 112 parking spaces are proposed for the site including five handicap spaces. Since the banquet/conference area is for residents only, there is no additional parking required for that space.

The proposed development plans were distributed to the various City Departments, the Kishwaukee Water Reclamation District (KWRD), the Park District, and the School District. The City Engineer has reviewed and provisionally approved the site plan, and minor comments from the KWRD were forwarded to the applicant and included in the attached staff report. A final plat and photometric plan meeting the UDO requirements are required before any building permits are issued.

At the request of the City, the developer will be connecting the private water main with the dead-end City water main that serves the Oakland Place Townhome development to the west (802 -816 Oakland Drive). The connection will improve the fire flows and water quality for the residents living at 802 – 816 Oakland Dr. as well as the Isaac Suites development. Approximately 135 feet of additional water main will be extended to make the connection.

Landscaping is provided around the perimeter of the site with additional plantings to be provided beyond the minimum UDO requirements. Several of the large trees at the northwest portion of the site will be saved. The underbrush and four dead trees in this area were recently removed.

The Planning and Zoning Commission held a public hearing regarding the petition at their meeting on June 3, 2020. By a vote of 5 to 0, the Commission recommended City Council approval of a Zoning Map Amendment from the

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“CBD” Central Business District to the “PD-C” Planned Development--Commercial District; and approval of a preliminary and final development plan to accommodate a 4-story executive suites residential complex with 59 dwelling units and ground level commercial space with a banquet/conference room on the subject site, subject to the standards and comments listed in the attached staff report.

**City Council approval of the Planning & Zoning Commission recommendation is requested. ([Click here for additional information](#))**

**M. REPORTS AND COMMUNICATIONS**

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

**N. EXECUTIVE SESSION**

**Approval to Hold an Executive Session in Order to Discuss:**

- 1. Pending or Immediate Litigation as Provided for in 5 ILCS 120/2(c)(11); and**
- 2. Executive Session Minutes as Provided for in 5 ILCS 120/2(c)(21).**

**O. ADJOURNMENT**

**[FULL AGENDA PACKET](#)**