



**DEKALB CITY COUNCIL AGENDA
REGULAR MEETING
JULY 10, 2023
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 by filling out and submitting a Speaker Request form, copies of which are located on the table just outside the meeting room, along with copies of the agenda. Comments will be limited to three (3) minutes. 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. [Proclamation: Drum & Bugle Corps Midwest Classic – July 7, 2023.](#)

E. PUBLIC PARTICIPATION

F. APPOINTMENTS

1. [Appointing Manuel Olalde to the Fire Pension Board for the Completion of a Three-Year Term through June 30, 2025.](#)
2. **Appointing Andre Powell to the Citizen Police Review Board for the Completion of a Two-Year Term through December 31, 2024.**
3. **Reappointing Maurice McDavid as Chair of the Citizen Police Review Board for the Completion of a Two-Year Term through December 31, 2024.**
4. **Reappointing Justin Carlson to the Citizen Police Review Board for the Completion of a Two-Year Term through December 31, 2024.**

G. CONSENT AGENDA

1. [Minutes of the Regular City Council Meeting of June 26, 2023.](#)
2. [Accounts Payable and Payroll through July 10, 2023, in the Amount of \\$3,050,735.15.](#)
3. [Investment and Bank Balance Summary through May 2023.](#)
4. [Year-to-Date Revenues and Expenditures through May 2023.](#)

5. Crime Free Housing Bureau Report, June – July 2023.

H. PUBLIC HEARINGS

None.

I. CONSIDERATIONS

1. Consideration of the Proposed FY2024 Budget Calendar.

City Manager's Summary: In recent years, the Council has followed a very transparent review process for the creation of the following year's fiscal budget. Keeping with that successful format, the following schedule is proposed for development of the City's municipal budget for 2024:

- Thursday, August 17 – Publication of an agenda for a joint meeting between the Council and the Finance Advisory Committee (FAC) on August 21.
- Monday, August 21 – Joint meeting of the City Council and the FAC, 6:00 p.m. to 8:30 p.m. This joint meeting will review assumptions presented by the City Manager regarding revenue trends and possible expenditures in the following budgets:
 - General Fund
 - Motor Fuel Tax Fund (Fund 210)
 - Capital Projects Fund (Fund 400)
- August 22 through October 12 – Intense department-level budget discussions around spending targets based on general goals established on August 21.
- Thursday, October 12 – Publication of an agenda for an FAC meeting on October 16.
- Monday, October 16 – FAC meeting to review proposed, detailed FY2024 Budget highlights, including annual levy assumptions, 6:00 p.m. to 8:30 p.m.
- Monday, October 23 – Council consideration of property tax levy options.
- Monday, November 13 – Presentation of a Council resolution establishing a Truth in Taxation Hearing for November 27.
- Monday, November 20 and Wednesday, November 22 (if needed) – Back-to-back special Council meetings in joint session with the FAC to go over the proposed FY2024 budget document. The General Fund departments, Capital Funds, Enterprise Funds, and Special Funds will be the focus.
- Monday, November 27 – Truth in Taxation Hearing and FY2024 Budget Hearing. First reading on Proposed FY2024 City Budget.
- Monday, December 11 – Second reading on Proposed FY2024 City Budget.
- December 28 – Last day to file the approved FY2024 Annual Budget and Property Tax Levy with the DeKalb County Clerk.

City Council direction is requested.

2. Consideration of a Status Report on the Proposals for the Redevelopment of the Annie Glidden North Neighborhood Submitted by Northern Illinois University and DeKalb County Community Gardens.

City Manager's Summary: On January 23, the City Council authorized the release of a Request for Proposals (RFP) for the acquisition and redevelopment of the 4.87-acre property at the intersection of W. Hillcrest Drive and Blackhawk Road. The parcels were assembled under common City ownership over a period of years from 2019 through 2022. By the deadline for proposals on March 17, two formal responses to the City's request for proposals were received: one from DeKalb County Community Gardens (DCCG) and another from Northern Illinois University (NIU). The Council initially considered both proposals during the regular meeting of April 10. Under state statute, municipalities can purchase land by a simple majority but can only convey land by a three-fourths super majority, which in DeKalb's case is 6 members of the corporate authority.

At the April 10 meeting, the Council heard detailed presentations from both DCCG and NIU, as well as about 1½ hours of public testimony. No Council votes were taken, but because of the Council interest in more detail from both presenters, Mayor Barnes recommended that the City Manager collaborate with NIU and DCCG in the coming days to find common ground that would result in a unified redevelopment plan that was transformative for the neighborhood. Toward this end, the Council supported the City Manager's recommendation to use American Rescue Plan Act (ARPA) funds to engage professional architectural and design assistance that would possibly integrate the two differing proposals with both a design theme and some shared programmatic purposes. The City Manager promised a report to the Council in about 90 days.

The ensuing discussion involving representatives of the City, DCCG, and NIU was much assisted by the engagement of Sharp Architects on April 13. The collaborative work with Ms. Sharp and her staff led to two sets of conceptual renderings on April 19 and May 9, which were shared with the parties for their detailed review and comment. These plans were not prescriptive. They were intended in good faith and at no cost to the parties to stimulate movement toward common conceptual ground.

Complicating this rolling discussion was a circuit court ruling on June 13 in litigation brought by the former owner of the Hunter Hillcrest property against the City regarding the ownership of a "spite strip" along the property line between what was once the Campus Cinema lot and the former Hunter Hillcrest lot. The spite strip was approximately five feet in width and about 150 feet deep. When the City's mapping department identified a legal description for the Hunter Hillcrest property from the County's public land records for the agreements allowing the City to purchase the Hunter Hillcrest property, that legal description mistakenly omitted the spite strip, and Hunter refused to correct the error unless the City agreed to pay it much more than the Hunter Hillcrest property's agreed appraised value. The circuit court made an interlocutory (*i.e.*, an intermediate and not immediately appealable) ruling that the former owner of the Hunter Hillcrest property retained title ownership of the spite strip following the City's purchase of the Hunter Hillcrest property, even though the County's public land records reflect that the City is the record title owner of the spite strip. While the litigation remains pending before the circuit court, the City has not been able to negotiate a fair and just settlement as Hunter has demanded a larcenous \$350,000! This litigation affects any project that sweeps around the corner of Hillcrest Drive and Blackhawk Road, but it does not prevent a separate structure at the corner, separated by a grassy strip between any structures to the west of the spite strip along W. Hillcrest Drive.

Where Do We Stand Now?

The last joint meeting of the parties was June 1 when the City Manager hosted DCCG representatives Dan Kenney, Heather Edwards, and Andy Wanek; NIU representatives Matt Streb and Catherine Squires; and architect Lisa Sharp. As a result of the conversation, Architect Lisa Sharp agreed to hold separate discussions with representatives of DCCG and NIU to revise space allocations in each proposal to more accurately reflect the preferences of the presenters. The resulting “program worksheets” for each proposal were completed by June 13 and are attached.

On June 14 the City staff were informed by Dan Kenney that the DCCG board of directors was investigating the purchase of property in unincorporated DeKalb County. Mr. Kenney asked to set up a meeting with Planning Director Dan Olson and other City staff, as well as DCCG’s attorney. The meeting was held on June 22. In the meeting, two sites – one outside but contiguous to the City limits and one within the City limits – were discussed. The meeting identified the steps necessary to achieve the legal and zoning “entitlement” to develop either of the two parcels.

On June 27, Mr. Kenney notified the City that DCCG had entered into a contract to purchase an 8.47-acre undeveloped parcel within the City limits on N. Annie Glidden Road to build its CHEF center.

With respect to NIU’s interest, Chief of Staff Matt Streb has confirmed that NIU intends to proceed with its Greek Life Center at the corner of W. Hillcrest Drive and Blackhawk Road. The revised two-story floor plan is still in conceptual form, but the programming priorities are clearer and described below:

First Floor Spaces

- The Fraternity and Sorority Life Offices would move to this building and will be located on the first floor. The offices will house 4-5 staff who will have individual workspaces.
- A Large Event Space will open to an outdoor, private courtyard. Conceptually, 3,500 square feet of space is presently anticipated, which can hold 235 people at tables and chairs, or 500 people if set up seminar-style with chairs only.
- A Warming Kitchen to support events in the Large Event Space is planned.
- Lounge space would be casual, near the Vending area. The preference is for the first floor to provide some day-to-day activity visible from the street. Some students may choose to study here, but this would be a more active space with TV’s, small group tables, etc.
- Vending machines would provide higher quality snacks and small meals including salads, sandwiches, etc.

Second Floor Spaces

- A Tutoring/Counseling space would allow NIU staff to provide support to students. This might also be a space where NIU students could tutor other students including younger DeKalb students.
- Each of the four Greek councils need an office with conference area. They include:
 - Interfraternity Council (IFC)
 - Multicultural Greek Council (MGC)

- National Pan-Hellenic Council (NPHC)
- Panhellenic Council (PHC)
- A Study Zone space should add a quieter space for individuals and small groups.
- A Conference Room for 12 for other private meetings or larger study groups is desired.

Outdoor Spaces

- A Private Courtyard Garden away from the street would provide additional space for larger events and would connect directly to the interior event space. A connection to the first floor Lounge is preferred.
- A Streetside Public Terrace on W. Hillcrest is desired.

The total area is now roughly 10,000 square feet but might grow to 12,000 square feet. An updated spreadsheet with the initial and the revised space allocations is attached. With the circulation space, the total is 15,240 square feet. The initial conceptual rendering was about 23,000 square feet. The goal is still a dramatic architectural statement at the corner.



HILLCREST & BLACKHAWK CONCEPT RENDERINGS
5/5/2023

Although only a concept and lacking in fine details, the Greek Life Center proposed for the City site dramatically inserts the strength and stability of the University in assuring the success of the investment and the fulfillment of a number of the expectations of residents currently living in the AGN neighborhood. This commitment of the institutional resources of the University and NIU Foundation provides confidence in the future financial sustainability of the project.

The stated purpose of the Center is to “serve as the focus of student life and activity for Greek students” (about 700 fraternity and sorority students at present). Further, according to the original NIU proposal, the Center is intended to be “the central location for all University

fraternity and sorority constituencies to gather, meet, eat, and socialize. It will also be a dedicated space for Greek students to study, prepare for exams, complete projects, and engage in group discussions related to their academic success.”

As detailed above, the interior will offer small Greek life meeting spaces with 12-15 person occupancies, study and social lounge spaces, offices for University staff that serve fraternity and sorority life, a large event space that can be divided into multiple smaller spaces, an outdoor courtyard off the large event space, a warming kitchen to be used by local catering services in conjunction with events, and a food service hub with grab-and-go machines and display areas including fresh food. A dedication of land for off-street parking and outdoor patio spaces is also under consideration.

The proposed timeline for completion of the project is “in development,” but upon Council acceptance of the conceptual proposal the NIU Foundation fundraising would proceed in earnest and would be a singular part of the Foundation’s new, multi-year \$500 million fundraising campaign announced last year.

Perhaps as important as any other part of the NIU proposal is the commitment by the University to “work collaboratively with the City to develop the best configuration in order to achieve the greatest positive impact on the AGN neighborhood.”

What Are the Next Steps?

This Agenda includes a Resolution (see below), which anticipates the following steps:

1. The City, in cooperation with University and NIU Foundation officials, should develop a final survey plat that will legally define the metes and bounds of the corner property to be deeded.
2. The City and University representatives will work out a development agreement which, among other things, establishes timelines for construction permitting and substantial completion.
3. The City will work cooperatively with Foundation and University officials leading the building and site design process to assure a compatible and successful addition to the AGN neighborhood. Conceptual building and site plan approval by the Council will be required.
4. With mutual agreement on a final plat, a development agreement, and a conceptual building plan the City and the University, for good and valuable considerations (e.g., the \$200,000 expression of interest offered by the Foundation with its proposal), can move judiciously to a closing.

The City Manager recommends City Council support for the NIU Center at the corner of Hillcrest and Blackhawk around these basic terms. If the Council concurs and supports Resolution 2023-067, the City Manager and City Attorney will work with NIU officials to prepare an ordinance conveying the City property on mutually agreeable terms. ([click here for additional information](#))

J. RESOLUTIONS

- 1. Resolution 2023-067 Authorizing an Option to Enter into a Redevelopment Agreement with Northern Illinois University Foundation for the Development of the NIU Center for Greek Life at W. Hillcrest Drive and Blackhawk Road.**

City Manager's Summary: The attached resolution includes the steps detailed in the foregoing Consideration. **City Council approval is recommended.** ([click here for additional information](#))

- 2. Resolution 2023-068 Authorizing an Agreement with the DeKalb Community Unit School District No. 428 to Provide Emergency Medical Services for DeKalb High School Home Football Games for the 2023-2024 School Year.**

City Manager's Summary: The Fire Department has long worked with the DeKalb Community Unit School District No. 428 to provide a safe environment for students, faculty, and visitors. This service includes emergency medical assistance for all home football games. According to the attached resolution, District 428 will reimburse the City \$550 per day in exchange for one ambulance staffed with two off-duty paramedics. Fire personnel working the event are paid at the "7(g)" hourly rate – an overtime rate that is less than the rates established for regular work performed by IAFF members.

The City Manager recommends approval. ([click here for additional information](#))

- 3. Resolution 2023-069 Approving Amendments to Transit Provider Contract Agreements with Transdev, Inc. to Extend the Agreements from January 1, 2024, through December 31, 2025.**

City Manager's Summary: At the last regular Council meeting of June 26, the Council considered a staff report from Transit Manager Mike Neuenkirchen recommending a two-year extension to the City's transit agreement with Transdev, Inc. The agreement includes pricing for the fixed route services and paratransit services. The tables below portray the several proposals:

Table 1. Fixed Route Option Year Price Summary:

Year	Transdev Proposed Hourly Rate	City Wage Structure Hourly Funding	Fixed Pricing	Revenue Hours	Price
2023	X	\$57.07	\$113,815.00	59,861	\$4,782,047.27
2024	\$60.27	X	\$140,138.26	59,861	\$5,056,102.42
2025	\$63.35	X	\$144,666.31	59,861	\$5,292,963.18

Table 2. Paratransit Price Option Year Price Summary:

Year	Transdev Proposed Hourly Rate	City Wage Structure Hourly Funding	Fixed Pricing	Revenue Hours	Price
2023	X	\$46.71	\$99,613.64	28,956	\$2,547,898.44
2024	\$49.06	X	\$103,267.49	28,956	\$2,659,791.24
2025	\$52.66	X	\$107,751.63	28,956	\$2,817,842.52

Table 3: Combined Cost:

	2024	2025
Fixed	\$5,056,102.42	\$ 5,292,963.18
Para	\$2,659,791.24	\$ 2,817,842.52
Total	\$7,715,893.66	\$ 8,110,805.70

Transdev’s proposal falls within anticipated grant revenue for the life of the proposed extension:

2024-2025 Anticipated Program Revenue

	2024	2025
IDOT	\$6,282,000.00	\$ 6,282,000.00
FTA	\$2,572,000.00	\$ 2,737,000.00
NIU	\$2,060,000.00	\$ 2,060,000.00
Fares	\$120,000.00	\$ 130,000.00
Total	\$11,034,000.00	\$ 11,209,000.00

Additionally, Mr. Neuenkirchen has negotiated certain cost shifts on the capital side, which diminish the City’s future costs. The current contract incorporates the following capital costs into Transdev’s monthly fixed rate:

- Fleet Assets: \$23,244 / mo. (\$279,923 annualized)
- Routing Software: \$3,417 / mo. (\$41,000 annualized)

The Transit staff anticipate the assumption of fleet and routing software costs using federal and state capital grant funding in 2025. Upon the City’s assumption of these costs, Transdev has agreed to modify the option agreement to remove these charges. Based on these changes, the Transit staff anticipate the modified 2025 option year cost to decrease by \$320,923 from \$8,110,805 to \$7,789,882, which frees up capital dollars for bus purchases.

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

4. Resolution 2023-070 Authorizing the Award of a Contract to Elliott & Wood, Inc. in the Amount of \$239,500 for the Kimberly Drive Segmentation, with Staff Authority to Approve Change Orders Up to a Combined Project Total Not to Exceed \$255,000.

City Manager’s Summary: On September 26, 2022, the Council awarded a contract to construct traffic-calming cul-de-sacs on Edgebrook Drive. Cold weather arrived before the engineering could be completed for a similar “segmentation” project in the 900 block of Kimberly Drive to add more unique road features in the Greek Row area serving both Greek students and other residents looking for greater common area and recreational space. City Engineer Zac Gill has invited bids for the Kimberly Drive project and the results are shown below:

Company Name	Base Bid
Elliot & Wood, Inc	\$239,500.00
Alliance Contractors, Inc	\$268,130.70
N-TRAK Group, LLC	\$276,010.00

The low bidder, Elliott & Wood, will be paid from both CDBG (\$180,000 – GL 280-00-00-83900) and ARPA (\$75,000 – GL 110-00-00-83000) funds. An allowance is included for unforeseen change orders.

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

5. Resolution 2023-071 Authorizing the Award of a Contract to Elliott & Wood, Inc. in the Amount of \$183,016 for N. Ninth Street Parking Improvements, with Staff Authority to Approve Change Orders Up to a Combined Project Total Not to Exceed \$195,000.

City Manager's Summary: On October 10, 2022, the Council approved a development agreement with American Marketing and Publishing Company as a companion to an earlier agreement with Nehring Electric regarding parking in the vicinity of N. Ninth Street and E. Locust Street. One piece of that "solution" was the creation of 22 perpendicular parking stalls on N. Ninth Street, which would involve the paving of the parkway adjacent to the American Marketing headquarters. Two-way traffic will be maintained on N. Ninth Street from Lincoln Highway to a point just south of E. Locust Street, where the transition to the vacated right-of-way on Locust Street begins. The contract also includes two access ramps from N. Tenth Street to the edge of the City right-of-way adjacent to American Marketing's private parking lots.

City Engineer Zac Gill invited bids for this project and the results are displayed in the table below:

Company Name	Base Bid
Elliot & Wood, Inc	\$183,016.00
Alliance Contractors, Inc	\$253,335.25

The low bidder, Elliott & Wood, will be paid from the ARPA Fund (\$175,000 – GL 110-00-00-83000) and Capital Projects Fund (GL 400-00-00-83000). As with the Kimberly project, an allowance is included for unforeseen change orders.

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

6. Resolution 2023-072 Authorizing the Replacement of Air Conditioning and Air Handling Equipment through DeKalb Mechanical for the City of DeKalb Public Works/Water Facility in an Amount Not to Exceed \$25,680.

City Manager's Summary: As Bryan Faivre's background memorandum explains, on Thursday, June 29 the air conditioning unit located at the City of DeKalb's Water Department facility stopped working. A local technician was called and determined that there were a number of issues with the 23-year-old unit that made repairs more costly than replacing the existing equipment with a new unit.

Two bids were solicited:

Bidder	Bid
Service Concepts	\$35,807
DeKalb Mechanical	\$25,680

Mr. Faivre recommends the award of the project to DeKalb Mechanical. The firm will expedite the replacement which includes a new air conditioning unit and evaporator coils located within the air handling equipment.

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

7. Resolution 2023-073 Authorizing an Architectural Improvement Program (AIP) Economic Incentive at 305 E. Locust Street in the Amount of \$25,000 (Candid Spirit Too).

City Manager's Summary: On February 13 the City Council unanimously approved Ordinance 2023-010, which approved a special use permit for a cannabis business establishment (dispensary) at 305 E. Locust Street for Canndid Spirit Too, LLC. The firm has since been working with City and state officials to align their building renovations with all applicable codes and statutes, including environmental reviews. The building plans are now complete, and they depict the extensive handicap ramp that was one of the key features considered in the special use process. According to one of the firm's principals, Crystal Anderson, the overall cost of the concrete ramp, footings, and special railings is over \$67,000. The low bid proposal is attached.

The City's TIF program includes an "Architectural Improvement Program" (AIP) that provides up to \$25,000 in matching funding on a percentage basis relating to the project impact and qualified improvements. Elements of the project are placed within a three-tier system that provides matching funds on a percentage basis. A 50% reimbursement rate is assigned to eligible major capital improvements, including ADA improvements. A 25% reimbursement rate is assigned to eligible minor capital improvements. A 10% reimbursement rate applies to the costs of deferred maintenance. Funding is subject to final approval by the DeKalb City Council. Funding is provided as a forgivable loan (e.g., the City "forgives" 20% of the value of the matching funds each year). This agreement also stipulates the Applicant has one calendar year from the time of grant approval to complete the work.

On behalf of her firm, Ms. Anderson has submitted an application (see attached) for the maximum reimbursement of \$25,000. The application is in order and the request satisfies the City's requirements. [\(click here for additional information\)](#)

K. ORDINANCES – SECOND READING

None.

L. ORDINANCES – FIRST READING

1. Ordinance 2023-026 Authorizing the Acquisition through Condemnation of Fee Simple Title to the Property Located at 128-140 S. Second Street (PIN 08-23-163-013).

City Manager's Summary: On June 26 the Council postponed action on this ordinance until more public comment could be gathered. The focus of the proposed condemnation action is the underperforming property at 128-140 S. Second Street that sits immediately north of the Union Pacific right-of way. The two-story, 18,500 square foot building is situated on a 0.28-acre site and is within the Central Business zoning district, which by law limits commercial business to the first floor and limits residential occupancies to the second floor and above. This brick building, built in 1890, basically fills the surveyor's lot (Lot 67 in Block 11). Neither floor has been fully occupied for many years. The seriously deteriorating exterior brick facades surround non-functioning windows and doors and reveal a lack of any serious attention to routine maintenance. The exterior condition suggests a similar condition to the interior.

Outwardly, the building's failing condition and limited occupancy have invited interest in the possibility of a public/private investment in razing the structure to create additional Downtown parking. The building lies immediately south and behind the hottest hospitality strip in the Downtown area, which means a steady stream of customers and their cars throughout the

week. To open a conversation on this point, the City Manager approached the owner, D-N-J Properties, Inc., in early January 2023. The intention was to open a conversation about a possible City purchase of the property at a fair market value, as determined by a mutually agreed appraiser. The setting for the conversation was the offices of Adolph Miller Real Estate and the host was the owner, Paul Miller, who will be on hand at the Council meeting on July 10 to attest to the cordial and professional manner in which the City's interest was presented.

During the conversation, the principal of D-N-J Properties, Dan Sears, declined to permit access to the property at 128-140 S. Second Street by any agent of the City including an appraiser. Mr. Sears expected the City to negotiate a purchase price without access to the interior of the property or a qualified appraisal of both the interior and exterior.

At the time of the January meeting with Mr. Sears and his brother, Joe, no tenants were known to occupy the Sears property. Since that time, the testimony of Mr. Sears at the Council meeting on July 26 confirmed that a hair salon has been introduced and that nearly \$20,000 was spent on a renovation to create the occupancy. The City has no record of any permits or inspections for the considerable work that was conducted according to the owner's testimony. Notwithstanding the illegal occupancy, in the event that the City were to purchase the property, the tenant would be offered a relocation package that could include first and last month's rent, moving expenses, and the reimbursement of leasehold improvements that were not installed simply to upgrade deficient facilities serving the rental space.

Immediately after the January meeting at the Miller Real Estate offices, Mr. Sears engaged an honorable and very able local attorney, Mark Doherty, to represent his interest. Subsequently, Mr. Doherty and City Attorney Matt Rose have conducted all communication between the parties.

In view of the reluctance of Mr. Sears to permit interior access for a certified appraiser, the City was left with the option of estimating fair market value through a qualified appraisal firm that had only anecdotal information about the interior spaces. That appraisal was performed on April 28 by Anthony Uzemack of Appraisal Systems LLC of Park Ridge, Illinois. The appraisal concludes that the appraised property has a market value of \$243,000. A copy of the full appraisal report is attached.

On June 14, City Attorney Matthew Rose communicated the result of the appraisal to Mark Doherty, but proffered a higher good faith offer of \$275,000, plus the City's assumption of the property owner's customary closing costs. Mr. Rose further communicated that the offer would remain open for 10 days if Mr. Doherty's client wished to negotiate the City's offer. The City Attorney added that if the parties were not able to come to a voluntary agreement, then the City Council would consider a measure to acquire the property by eminent domain at its next regular meeting on June 26. It was noted that an eminent domain action would not preclude further negotiation regarding the property but was a necessary precondition to the potential filing of a condemnation action. Since the Council meeting of June 26, the owners of 128-140 S. Second Street have not expressed any interest in further negotiation.

City leaders have embraced bold moves in recent years to enhance the City's downtown core. Such projects include the redevelopment of a sprawling and abandoned car dealership at Fourth Street and Locust Street, the reconfiguration of Lincoln Highway between First Street and Fourth Street, and the redevelopment of the intersections of First Street and Lincoln Highway and Second Street and Lincoln Highway. These projects have been aided by the City's TIF program. Private equity and investment have been the key to the general success of these ventures, but public investment has been an important solvent in the process.

Despite these substantial redevelopment projects, one of the most challenging details remains “access and circulation,” which is to say public parking and the routes to and from public parking spaces in the Downtown area. Buildings have been razed, streets have been improved, sidewalks have been replaced with ADA-compliant designs, and utilities have been buried underground to free up precious space as close to the Downtown retail core as possible. Despite the estimated 1,000+ public spaces within the overall Central Business zoning district, the public parking spaces closest to the Downtown retail core are occupied over 80 percent at prime business hours from Monday through Saturday now that new restaurants and retail businesses have blossomed. More work needs to be done. The Sears property will afford an additional 26-27 parking spaces.

City Council approval of the attached ordinance on both readings is recommended. [\(click here for additional information\)](#)

2. Ordinance 2023-028 Amending Chapter 36 “Amusements” to Remove the Licensing Requirement.

City Manager’s Summary: Chapter 36 “Amusements” was adopted in 2013, establishing licensing fees for amusement devices, arcades, and facilities. This ordinance would remove the licensing fee requirement.

In the 2013 enactment, amusement devices were defined as “any machine, apparatus, contrivance, appliance, or device which can be operated or played involving in its use either skill or chance, including, but not limited to pool tables, pinball machines, dartboards, or any other similar mechanical or electronic game machine or device, excluding video gaming terminals (VGTs).”

Amusement arcades were defined as a “business consisting solely of 30 or more amusement devices.” Amusement facilities were defined as “amusement halls, movie theaters, skating rinks, theaters, and bowling alleys.”

The current amusement licensing fees are as follows:

\$ 25.00 per device
\$250.00 per facility
\$500.00 per arcade

Licensing fees have not increased since 2013. During the 2023-2024 (May 1, 2023 – April 30, 2024) Amusement license renewal period, City-issued amusement licenses covered one amusement arcade, six amusement facilities, and 22 businesses with amusement devices, yielding a total of **\$4,100** in revenue. Additionally, a number of these venues already pay liquor license fees; in fact, a majority of amusement device licenses are held by businesses with liquor licenses. Annual liquor license renewal fees range from \$615 up to \$11,205 depending on the liquor license classification so the additional amusement device fees are considered onerous. At the recent informational gathering held at the Egyptian Theatre for all liquor license holders, this sentiment was strongly expressed by the thirty-plus local business owners present.

City Council approval of the removal of amusement license fees 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

REGULAR AGENDA PACKET
JULY 10, 2023