



## **DEKALB CITY COUNCIL AGENDA JULY 22, 2019**

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

### **REGULAR CITY COUNCIL MEETING 6:00 P.M.**

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

God Bless America Played by Jen Conley, Music Therapist with Northwestern Medicine Hospice.

#### **B. PLEDGE OF ALLEGIANCE**

#### **C. APPROVAL OF THE AGENDA**

#### **D. PUBLIC PARTICIPATION**

#### **E. PRESENTATIONS**

1. **RAMP FY2019 Human Services Funding Report by Development Director Amy Morris.**

#### **F. APPOINTMENTS**

None.

#### **G. CONSENT AGENDA**

1. [Minutes of the Committee of the Whole Meeting of July 8, 2019.](#)
2. [Minutes of the Regular City Council Meeting of July 8, 2019.](#)
3. [Accounts Payable and Payroll through July 22, 2019, in the Amount of \\$2,095,883.33.](#)
4. [Investment and Bank Balance Summary through May 2019.](#)

Assistive services available upon request.

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

5. [Year-to-Date Revenues and Expenditures through May 2019.](#)
6. [Freedom of Information Act \(FOIA\) Report – June 2019.](#)
7. [FY2019 Human Services Funding Second Quarter Report.](#)
8. **Resolution 2019-113 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 2019-2020 School Year.**

City Manager Summary: The Fire Department annually provides ambulance/EMS services for the DeKalb Community Unit School District No. 428 at home football games. The attached contract will reimburse the City \$550 per day in exchange for one ambulance staffed with two off-duty paramedics.

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

9. **Resolution 2019-114 Seeking Permission to Regulate Traffic on Illinois Route 38 Between First Street and Tenth Street, and the Intersection of Illinois Route 23 and Illinois Route 38 on Friday, July 26, 2019 from 6:00 p.m. to 9:00 p.m. for the Purpose of Holding the Kishwaukee Festival Parade, and Authorizing a Special Event Agreement for the Kishwaukee Festival.**

City Manager Summary: The attached resolution will be submitted to the Illinois Department of Transportation (IDOT) requesting approval to close Illinois Route 38 from First to Tenth Streets, and the intersection of Illinois Routes 23 and 38, on Friday, July 26, 2019 from 6:00 p.m. to 9:00 p.m. for the purpose of holding the annual Kishwaukee Festival (Kish Fest) Parade.

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

## H. PUBLIC HEARINGS

1. **Public Hearing Concerning Amendments to the Annexation and Development Agreements for Park 88.**

City Manager Summary: This public hearing is held pursuant to state statute and the City's Unified Development ordinance. It concerns a petition by Park 88 Group, LLC to amend an annexation agreement approved via Ordinance 2007-061 dated July 9, 2007 and recorded with the DeKalb County Recorder's Office on August 15, 2007 as Document No. 2007014519 regarding a portion of Park 88 Group LLC's properties commonly referred to as the "Orr Parcel" and legally described in the Council background. Amendments to the original annexation and development agreements are proposed to accommodate

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.

changes to the land use, setbacks, building height, interior roadway alignments, Peace Road improvements, roadways costs, building appearance and landscape standards, signage, lighting, fences and pedestrian/bicycle paths. The proposed amendments also include the rezoning of the property from the “SFR1” Single-Family Residential District to the “PD-I” Planned Development Industrial and “PD-C” Planned Development Commercial Districts. The property is generally located along the west side of Peace Road, south of E. Lincoln Highway and north of Macom Drive and contains approximately 102 acres.

A further description of the petition appears under **ORDINANCES**, below. ([Click here for further information](#))

## I. CONSIDERATIONS

### 1. Second Consideration of the Alulu Brewing Proposal.

City Manager Summary: At the City Council’s Committee of the Whole meeting on July 8, the Council reviewed a proposal from Paul Heintz and Derek Bly of Alulu Brewery and Pub of Chicago. The entrepreneurs are interested in purchasing and redeveloping the downtown property at 263 E. Lincoln Highway, where the House Café was formerly located.

The Alulu proposal is to convert the basement into the brewery or production space, and to remodel the first floor for dining and entertainment, with the possibility of a roof top patio to provide an additional and unique dining and entertainment area. Graphic representations of this concept are attached.

The Council considered the brewery and pub concept and was very supportive of such a use in the revitalized downtown core. However, with respect to the requested level of TIF funding support, the Council expressed its preference for a City TIF “share” that did not exceed about 30% of the overall cost of the redevelopment project. At the end of the Committee of the Whole consideration, the Council recommended further discussion between the developer and the City staff to sharpen redevelopment costs and any potential TIF commitment.

Several extended conversations have occurred between the City staff and the developer since July 8, and the developer has provided a more detailed breakdown of what might be TIF-eligible costs, based on the provisions of the Illinois TIF Act (see attached). By eliminating the rooftop dining and entertainment area, the overall project cost was reduced from approximately \$1.8 million to \$1,606,500 but this increased the percentage of the overall project costs that are TIF-eligible (from 42.8% to 45.33%). The TIF funding request represents a smaller share of the overall project cost than that extended to the Egyptian Theatre on March 11, 2019 (\$2,500,000/\$4,000,000 or 62.5%), but a larger share than that extended to Pappas Development in the

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.

preliminary agreement of June 10, 2019 (\$3,000,000/\$13,875,000 or 21.6%). Nevertheless, in this instance, the overall dollar commitment is substantially less than the other projects and is presently “affordable” in the context of actual and proposed TIF projects for 2020 (see the very preliminary TIF budget estimate for FY2020, attached).

In evaluating the return on any TIF investment the Council will want to consider the likely sales and property tax revenues generated from the brewery and pub over the standard 20-year life of a “forgivable loan.” The property taxes generated by 263 E. Lincoln Highway in 2019 totaled \$10,442, based on an EAV of \$88,035 ( $0.1186 \times 88,035 = 10,442$ ). If \$111,250 in “soft costs” and acquisition costs associated with the proposed \$1.6 million investment are deducted, the estimated new EAV would be approximately \$586,452 ( $1,495,250/3 = 498,417 + 88,035 = 586,452$ ) and **would generate property taxes at today’s rate (11.86 per \$100 EAV) of about \$69,553 per year, or \$1,391,060 over 20 years.**

Gross sales taxes at a slightly smaller venue in Chicago are conservatively estimated at \$2,000 per day (average \$20 bill times 100 customers). At an average 26 days per month, the monthly gross sales are about \$52,000 per month or \$624,000 per year, times 4.75% (1% MROT, 1.75% home rule and 2% restaurant/bar) equals \$29,640 per year. **Over 20 years, a flat sales tax return would conservatively total \$592,800.**

**City Council direction is requested. ([Click here for further information](#))**

## **2. Sale of Beer and Wine at Convenience and Food/Fuel Establishments.**

City Manager Summary: The City of DeKalb does not permit the sale of beer and wine in convenience and food/fuel establishments. In this respect, the City is one of the last holdouts in our central county market area. Presently, Sycamore, Cortland, Genoa, and Malta all allow beer and wine sales, and Malta also allows video gaming.

The question of whether or not such sales ought to be permitted has been discussed in the past. It has recently arisen as commercial brokers have inquired about vacant gas station sites in DeKalb, including the City-owned property at 1101 N. First Street. If the Council is agreeable, a new class of license might be added to Chapter 38 of the City’s Municipal Code, which might read as follows:

*(New Class): Beer And Wine Sales For Consumption Off The Premises: A class (?) license shall authorize the retail sale of beer or wine only in convenience and food/fuel establishments, in their original packages, for consumption off the premises where sold. Such licenses shall be issued only where the sale of beer or wine is*

*not the principal product offered for sale by the business on the premises, and only for locations which have a minimum of one thousand (1,000) square feet of sales area on the interior of the building located on the premises. Not more than twenty five percent (25%) of the total square footage of the interior of the premises may be allocated toward the sale of beer or wine. Only persons twenty-one (21) years of age or older shall be permitted to sell beer and wine on the premises. The annual fee for a Class (?) license shall be one thousand five hundred dollars (\$1,500.00).*

**City Council direction is recommended.**

## **J. RESOLUTIONS**

### **1. Resolution 2019-115 Approving an Amended Transit Services Agreement to Allow for the Transfer of Two Bus Routes from City of DeKalb (Urban) Funding to DeKalb County (Rural) Funding.**

City Manager Summary: The Public Works Department's Transit staff request Council authorization to transfer the Kishwaukee College bus routes, Route 23 and Route 24, from the urban transit provider, the City of DeKalb, to the rural transit provider, DeKalb County. The temporary transfer of the routes from the City to the County would provide an annual savings of \$150,000 in Downstate Operating Assistance Program funding.

Transit Route 23, which operates between Sycamore and Kishwaukee Community College, and Transit Route 24, which operates between DeKalb and Kishwaukee Community College, are two public transportation routes currently funded by the City of DeKalb's local, state, and federal funds. These routes provide students, faculty and staff of Kishwaukee Community College direct access to and from campus at various times throughout the week.

Since the inception of both routes, the City of DeKalb has provided funding through the Downstate Operating Assistance Program (DOAP) funds, Federal Transit Administration (FTA) 5307 funds, and local match funds provided by the contractor, Voluntary Action Center of DeKalb County (VAC). Recently, VAC requested the transfer of Route 23 and Route 24 from their original agreement with the City to their transit services agreement with DeKalb County. The incorporation of the routes into the existing contract with the County will enable the County to utilize available Rural funding to cover the \$150,000 cost associated with the Kishwaukee College service. The savings afforded to the City could be used for additional service within out transit area.

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

**2. Resolution 2019-116 Authorizing the Adoption of the City of DeKalb, Illinois Transportation Title VI Program and Authorizing the City Manager to Approve Amendments to the Program to Satisfy Requirements of the Federal Transit Administration.**

City Manager Summary: The City, as the designated recipient of federal funding for public transit in the DeKalb region, must maintain certain plans and programs in order to be eligible to receive Federal Transit Administration (FTA) funding. In order to remain in good standing, the City must periodically submit plans and policies to the FTA.

As part of this process, the FTA requires the City to submit a new Title VI Program every three years. The Program addresses how the City and its public transit operators, the Voluntary Action Center (VAC), and Transdev Services Inc. (Huskie Line) will ensure that minority and limited-English populations in the DeKalb region will have equal opportunity in the planning process. The Program also identifies procedures the City, VAC, Huskie Line, and residents and riders must follow if a person wants to submit a discrimination complaint. The Transit staff have prepared this Program using the requirements set forth by the FTA and are seeking Council approval, as required by the FTA, to continue to receive grant funding.

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

**3. Resolution 2019-117 Authorizing an Intergovernmental Agreement with the DeKalb Public Library for the Use of Meeting Space in the Library Building Located at 309 Oak Street.**

City Manager Summary: On May 28, 2019, the City Council unanimously approved Resolution 2019-081 that established the intention of the City to accept the transfer of the DeKalb Park District property at 164 E. Lincoln Highway (the former Nehring Building). A key component of the proposed relocation of City Hall to this downtown property is the ability to use the Yusunas Meeting Room in the lower level of the DeKalb Public Library for Council and Planning and Zoning Commission meetings.

DeKalb Public Library Executive Director Emily Faulkner, Library legal counsel David Warner, City Manager Bill Nicklas, and City Attorney Matthew Rose have prepared the attached draft of an intergovernmental agreement detailing the reciprocal roles and responsibilities of the City and Library.

The principal responsibilities are as follows:

**Library**

- Shall not charge rental fees for the Council and Commission meetings;

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.

- Shall allow the City to use the Library building after regular Library hours for regularly scheduled Council and Commission meetings;
- Shall hold the City harmless against any legal claims arising from the Library's negligence or willful and wanton misconduct;
- Shall provide ordinary setup and teardown of the Yusunas Room including tables and chairs.

## City

- Shall provide any additional audio/visual equipment required to televise its meetings and shall be solely responsible for the maintenance of such equipment. The City further agrees to allow the Library to use said equipment for Library purposes when it is not in use for a City meeting, and provide the necessary staff training in the use of the AV equipment.
- All permanent AV infrastructure installed by the City shall become the property of the Library upon termination of the intergovernmental agreement. If the Library does not want such equipment at the time of the termination of the agreement, the City shall remove it at the City's expense.
- The City shall maintain the appropriate insurance coverages including liability, worker's comp, and automobile insurance at the levels of coverage detailed in the agreement. The City will name the Library as an additional insured;
- The City will provide a defibrillator as it currently provides in the City Council chambers.

The initial term extends until December 31, 2020 and will automatically renew for five-year periods thereafter. The Agreement may be terminated at any time by either party, with or without cause, following six months written notice of the party's intent to terminate.

**City Council approval is recommended.** The Library Board will take action on the Agreement at its next regular meeting on August 14. ([Click here for further information](#))

#### **4. Resolution 2019-118 Approving a Bar Liquor License with Supplemental Licensure for Five Video Gaming Terminals for Spahiu Gaming LLC, d/b/a Chip's, 122 E. Hillcrest Drive.**

City Manager Summary: This item would authorize the issuance of a liquor license, as well as a gaming license, to Spahiu Gaming LLC, d/b/a Chip's, at 122 E. Hillcrest Drive. Rasim Spaijoski ("Simo") is a principal owner of this limited liability corporation.



On July 8, 2019, City Council approved Ordinance 2019-050 that authorized a Special Use Permit for the subject location, which will be operated as a video gaming establishment. At this point, approval of a bar liquor license with supplemental licensure for up to five video gaming terminals is recommended, subject to the following conditions. The applicant shall be required to:

- obtain all required zoning approvals and special use permits;
- obtain and maintain at all times a fire life safety license for the licensed premises;
- obtain all required building permits for interior and exterior modifications, complete all modifications in accordance with approved plans, and thereafter to obtain an acceptable final inspection of the premises;
- obtain a state liquor license prior to commencing liquor operations;
- obtain a state video gaming license prior to commencing video gaming operations;
- obtain the Liquor Commissioner's approval of its business plan, premises plan and security plan with the recommendation of the Chief of Police;
- adhere to the occupancy limit, once established; and
- operate the premises in accordance with all applicable codes and ordinances and shall collect and remit all taxes required under applicable federal, state or local laws.

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

## **K. ORDINANCES – SECOND READING**

**None.**

## **L. ORDINANCES – FIRST READING**

- 1. Ordinance 2019-051 Amending Chapter 38 “Intoxicating Liquors”, Section 38.27(c) “Gambling Devices” as it Pertains to the Number of Gambling Devices Allowed per Establishment.**

City Manager Summary: On June 28, 2019, Governor Pritzker signed a bill into law that expanded gaming throughout Illinois. The new law (Public Act 101-0031) authorizes sports wagering, new casinos, gaming operations (both slot machines and table games) at racetracks, increased wagering limits at video gaming terminals, and expands the number of permitted video gaming



terminals. Businesses with video gaming terminals will now be allowed to have up to six machines, up from a five-machine limit as long as the local jurisdiction approves of the change also.

The attached ordinance that amends Chapter 38, "Intoxicating Liquors," of the DeKalb Municipal Code to increase the number of allowable video gaming terminals in establishments from five (5) to six (6). The amendment would also apply to existing establishments that may have had language in a resolution or ordinance restricting the maximum number of terminals to five (5).

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

**2. Ordinance 2019-052 Authorizing an Amendment to the Annexation and Development Agreement for Park 88 to Accommodate Future Growth, Rezoning from "SFR1" Single-Family Residential to "PD-I" Planned Development Industrial and "PD-C" Planned Development Commercial (Park 88 Group, LLC).**

City Manager Summary: At the top of this agenda, the public will have another opportunity to speak to a number of proposed updates to the Park 88 annexation and development agreements to make this prime business park more competitive. A public hearing was also held before the Planning and Zoning Commission on July 3.

Park 88 Group, LLC is the owner of the remaining undeveloped parcels within Park 88, including the Orr Parcel. Park 88 Group, LLC is led by Mr. Mark Goode.

Park 88 Group is proposing to amend and restate the original development agreement in its entirety to facilitate the development of the remaining undeveloped lands within Park 88 as a modern commercial and industrial property. The applicant proposes to update the standards related to land use, setbacks, building height, interior roadway alignments, Peace Road improvements, roadways costs and maintenance, building appearance, landscape standards, signage, lighting, fences and pedestrian/bicycle paths. Previously developed properties within Park 88 will remain governed by the provisions of the original development agreement from 2004. There are no new buildings proposed with this request, just amendments to the existing agreements to facilitate future development. The development agreement includes the approval of a new Concept Plan for the area including potential building pads, parking/loading areas and access points. Preliminary and Final Plans for the still-undeveloped lots will require review and approval by the Planning and Zoning Commission and City Council as they evolve.

In order to facilitate the development of the undeveloped properties remaining within Park 88 (in particular the Orr Parcel), the applicant is also requesting to

amend the terms of the 2007 Annexation Agreement (Orr Parcel). Accordingly, to be consistent with the zoning of the developed parcels in Park 88, the Orr Parcel (which is currently zoned SRF1) would be rezoned to the PD-C and PD-I classifications. The PD-C zoning is proposed to apply to the area within 400 feet of the southerly right-of-way of E. Lincoln Highway, with the remaining being rezoned to PD-I.

Principal Planner Dan Olson has provided a very detailed history of Park 88 in the background to this Agenda item. He has also detailed the specific revisions to the annexation and development agreements that were presented to the Planning and Zoning Commission on July 3. The Commission considered the proposed revisions and unanimously recommended their approval by a vote of 5-0.

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

**3. Ordinance 2019-053 Requesting the Transfer of Property (164 E. Lincoln Highway) from the DeKalb Park District and Approving an Intergovernmental Agreement for the Transfer of Said Property.**

City Manager Summary: On May 28, the Council unanimously approved a resolution (Resolution 2019-081) expressing the intent of the Council to accept the transfer of the Nehring building at 164 E. Lincoln Highway from the DeKalb Park District. The resolution authorized “the initiation of an intergovernmental transfer of property” which, by mutual agreement of the parties, includes an intergovernmental agreement.

The draft intergovernmental agreement attached hereto sets out an agreement between the City of DeKalb and the DeKalb Park District on the following matters:

- the timing of the transfer;
- the payment due from the Buyer or “Transferee;”
- required documents from the Seller or “Transferor” (e.g. warranty deed; an ALTA statement; Affidavit of Title; etc.); and
- conditions under which the District would have the right to re-purchase the property.

The specific and essential terms are as follows:

- a) The City agrees to take the property in its “as-is” condition.

- b) The purchase price shall be \$1.00.
- c) The District shall have the right to re-purchase the property (for \$1.00) within thirty (30) days' notice from the City that it intends to sell the property.
- d) The District shall have the right to re-purchase the property if the City determines it no longer wants to preserve the existing façade of the Nehring building.

The Park Board will consider the formal transfer of the Nehring building at its regular meeting on Thursday, July 18.

**City Council approval is recommended, provided the Park Board approves the transfer on July 18. [\(Click here for further information\)](#)**

#### **M. REPORTS AND COMMUNICATIONS**

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

#### **N. EXECUTIVE SESSION PURSUANT**

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

- 1. **Personnel as Provided for in 5 ILCS 120/2(c)(1); and**
- 2. **Pending or Imminent Litigation as Provided for in 5 ILCS 120/2(c)(11).**

#### **O. ADJOURNMENT**

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