



**DEKALB CITY COUNCIL AGENDA  
REGULAR MEETING  
SEPTEMBER 25, 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. **Presentation of Veteran City of the Year Award to the City of DeKalb from Michael Embrey of the 40&8 Veteran City Award Committee.**

**E. PUBLIC PARTICIPATION**

**F. APPOINTMENTS**

1. **Appointing Alderman Mike Verbic as Council Liaison to the Airport Advisory Board.**
2. **[Appointing Paul Callighan to the Finance Advisory Committee for the Completion of a Four-Year Term through December 31, 2027.](#)**

**G. CONSENT AGENDA**

1. **[Minutes of the Regular City Council Meeting of September 11, 2023.](#)**
2. **[Accounts Payable and Payroll through September 25, 2023, in the Amount of \\$2,706,200.93.](#)**
3. **[Freedom of Information Action \(FOIA\) Report – August 2023.](#)**

**H. PUBLIC HEARINGS**

None.

## I. CONSIDERATIONS

### 1. Consideration of a Northern Illinois University Foundation Request for an Extension to Exercise an Option to Redevelop City-Owned Real Estate At the Intersection of W. Hillcrest Drive and Blackhawk Road.

City Manager's Summary: At the regular City Council meeting of July 10, the City Council approved [Resolution 2023-067](#) authorizing an option to enter into a redevelopment agreement with Northern Illinois University (NIU) by September 29, 2023. According to the terms of that resolution, NIU was to exercise the option by giving written notice to the City Manager as to its intentions. Further, the authorizing resolution stated that the City and NIU would enter into a redevelopment agreement for the project area at W. Hillcrest Drive and Blackhawk Road within 90 days of the City's receipt of NIU's notice of its intention to proceed toward a redevelopment agreement.

The attached letter from Catherine Squires, President and CEO of the NIU Foundation, dated September 15, satisfies the general statement of intent described in Resolution 2023-067. The letter seeks an extension of the period for the parties to arrive at an agreement on redevelopment timing and conceptual development. To date, the Foundation has circulated a Request for Proposals (RFP) from qualified architectural and engineering firms for the development of conceptual plans for the proposed Greek Life Center along with a clear delineation of the acreage needed for the Center. At the Council meeting of September 25, the Foundation will report on its progress toward a contract with a qualified architectural and engineering firm. The Foundation has also hired a consultant experienced with capital fundraising for Greek organizations to assist with the significant philanthropic campaign on behalf of the project.

In conversation with Foundation representatives, the City Manager has acknowledged that the fundraising process for this project will unfold in a different fashion than what might be expected of a commercial developer. As purchaser of the property, the NIU Foundation has requested an extension of the option until March 31, 2024, to allow the Foundation to pursue the appropriate fundraising. Specifically, the Foundation's preference, which is supported by the City Manager, is to enter an "option to purchase" by March 31, 2024, at which time the Foundation's fundraising will have demonstrated capacity for the intended redevelopment of the showcase corner of the City property at W. Hillcrest and Blackhawk.

**If the Council is agreeable, a revised Resolution and agreement can be prepared for City and Foundation review prior to the Council's consideration of an action item on the October 9 Council meeting agenda. ([click here for additional information](#))**

### 2. Consideration of Possible Accommodations to Support Parking in the Downtown Area for Those with Mobility Challenges.

City Manager's Summary: The successful reconfiguration of Lincoln Highway from First Street to Fourth Street in downtown DeKalb in 2022 has been well-received and the general design has been friendly to visitors and shoppers alike. There remain some connected features on Second Street and Third Street that can be installed at modest expense to enhance the impact for all persons with physical disabilities who would like to park closer to the redeveloped downtown strip.

As City Engineer Zac Gill points out in his attached memorandum, new parking stalls that conform to the strict accessibility provisions of state and federal law are difficult to install where the natural street slopes exceed such allowances, or where curbs and sidewalks pose physical constraints. For instance, neither N. Second Street nor N. Third Street can be

repared to even come close to the strict state standards, because of their historically steep grades. On Lincoln Highway, ADA stalls are not possible in parallel parking fashion without coring out and diminishing the new, wider brick sidewalk areas.

From an engineering perspective, reasonable and achievable targets for new ADA parking stalls in the downtown area are identified in the graphic below.



One particular location, at the east side of the intersection of S. Third Street and Lincoln Highway could possibly be tackled this Fall by converting the three odd-sized diagonal stalls to one, accommodating ADA parking stall. The City Manager and City Engineer are working on a budget for this and other ADA improvements that might be absorbed by FY2023 City capital funds.

**This Consideration is informational only. Presumably, the Council will support the intent and the due diligence, which will be pursued by the City Engineer to develop specifications and pricing for these complimentary concrete and paving projects. ([click here for additional information](#))**

## J. RESOLUTIONS

### 1. Resolution 2023-087 Approving a One-Year Lease Extension for SunVest Solar LLC through December 31, 2024.

City Manager's Summary: The attached letter from Bill French, the Regional Director of Project Development for SunVest Solar, LLC of Geneva, Illinois, requests the Council's extension of the "development period" for the creation of a solar farm on a 48-acre site on DeKalb Taylor Municipal Airport land, which was approved in December 2021. According to [Ordinance 2021-052](#), SunVest was to complete its due diligence or "development period", which included state approvals, by December 31, 2023. However, the State of Illinois community solar program administered by the Illinois Power Agency did not include DeKalb Taylor Solar in its 2023 procurement plan.

The company has requested a one-year extension of its development period until December 31, 2024. The proposed five megawatt solar farm will convert solar energy into electrical energy and transmit the electrical energy to the regional energy grid. Once the solar installation is complete, the company will pay the City an initial annual rent of \$86,400, with an annual rent escalator of two percent. These rents will become an important revenue source for the DeKalb Taylor Municipal Airport.

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

**2. Resolution 2023-088 Authorizing a Development Agreement with Richard Sinclair Properties LLC for the Redevelopment of 151 N. Fourth Street (PIN 08-23-160-031).**

City Manager's Summary: The attached documents submitted by Sam Patterson, the principal owner of the building at 151 N. Fourth Street and part-owner of The Grove restaurant across the street, support a request for a TIF forgivable loan in excess of the amount typically extended through the TIF Architectural Improvement Program (AIP). Mr. Patterson has requested a \$92,697 forgivable TIF loan to accompany private equity raised by Mr. Patterson for the renovation of the two habitable floors, which currently contain vacant commercial spaces on the first floor and five mostly vacant apartments on the second floor, in addition to an uninhabitable basement parking area. The owner estimates the "soup to nuts" renovation cost to be approximately \$697,050 for the interior and exterior work detailed in the attached renovation budget. He plans to tackle an initial investment of about \$400,000 to get the habitable floors rented and satisfy the City's life safety code requirements, then proceed with a second phase as rental income is realized.

The last substantial TIF #3 redevelopment loan was extended to Pappas Development in September 2020 in the amount of \$750,000 with a 20-year term for the razing of the former city hall on S. Fourth Street and the erection of three, two-story apartment buildings. The buildings will contain 76 units at an approximate construction cost of \$7 million. The estimated property tax increment generated from this TIF investment is expected to be over \$4.2 million – a remarkably high incremental gain because the property had not been on the tax rolls for about 60 years.

Prior to the City Hall Suites development agreement, Matt Gehrke of Swedberg Construction was granted a TIF #3 forgivable loan on June 22, 2020, in the amount of \$159,920 with a 20-year term to incentivize the relocation of Swedberg Construction to 421 Grove Street, renovating a former car dealership that had been underutilized for many years. For the Pappas and Gehrke projects, the underlying properties were both in TIF #1 and TIF #3 at the time, and much of the available TIF rehab funding had been "ported" from TIF #1 for private property rehabilitation before TIF #1 was terminated on December 31, 2021. It should also be noted that the largest TIF #3 project since the district's inception was the reconfiguration of Lincoln Highway from First Street to Fourth Street, which likewise benefited from ported TIF #1 monies and cost approximately \$1.98 million including design and construction engineering in 2021-2022.

The protocols for the Pappas and Gehrke loans were established by the Council on May 26, 2020, just prior to the May 27, 2020, release of the forensic audit performed on DeKalb's TIF #1 financials from 2009 through 2018. The Council sharpened its criteria for determining the scope of TIF assistance to private developers by requiring each private property project to amortize its obligation from enhanced property tax revenue within the term of the project's applicable mortgage and promissory note with the City. Upon the expiration of the term, any outstanding balance not offset by incremental revenues over the term of the note would immediately become due and payable.

In the calculation and projection of the property tax increment over 20 years, close collaboration with the DeKalb Township Assessor has been very valuable. Some improvements do not contribute to a higher projected EAV. For example, roof replacement, painting, carpet replacement, and other types of maintenance do not move the needle. However, electrical and plumbing upgrades, new and improved windows and exterior doors, structural improvements, etc., may be counted toward incremental EAV gains.

In the case of the property at 151 N. Fourth Street, the substantial list of planned alterations and improvements (attached) would increase the property's EAV from \$74,151 to \$129,733 as shown below:

Factors in Calculation	Valuation	Notes
Full Market Value at Last Sale (2021)	\$212,500	
Pre-Rehab EAV (2023)	\$74,151	
Pre-Rehab Property Taxes	\$7,495	Rate: .10108
Estimated Private Rehab investment	\$400,000	
Estimated EAV After Rehab	\$129,733	1/3 of \$389,199
Taxes Owing After Rehab	\$12,130	Est. 2023 Rate: 0.09350
Projected Additional Tax Increment Over 20 Yrs.	\$92,697	\$12,130-\$7,495 x 20

The proposed improvements will conservatively generate an estimated \$92,697 over a 20-year period based on the property's present and projected EAV, with no allowance for increases in property value owing to the annual equalization factor.

**City Council approval of Mr. Patterson's request is recommended.** If approved, funds are available in the proposed TIF #3 budget for FY2024 under line item 262-00-00-69199. [\(click here for additional information\)](#)

**3. Resolution 2023-089 Authorizing Approval of a Real Estate Contract Between the City of DeKalb and D-N-J Properties, Inc. for Real Estate Commonly Known as 128-140 S. Second Street.**

City Manager's Summary: Following the September 11 City Council approval on first reading of Ordinance 2023-026 authorizing the acquisition of the property located at 128-140 S. Second Street through condemnation, City Attorney Matt Rose received a draft real estate contract from the counsel for D-N-J Properties on September 12 (see attachment). The Sears draft contract had the following terms, among others:

- a. The purchase and sale price for the real estate shall be \$420,000.
- b. The buyer shall deposit earnest money in the amount of \$5,000.
- c. The Closing Date shall be on or before July 1, 2024.
- d. D-N-J Properties, Inc. shall have the option of removing the furnace in 134 and 140 S. Second Street on or before July 1, and will agree to use Josh Joiner or a licensed HVAC professional of the owners' choosing for said removal.
- e. Prorations: Seller shall pay the first installment of 2023 real estate taxes when due in 2024 and credit the Buyer for the second installment thereof at closing. The 2024 real estate taxes due in 2025 shall be prorated through the date of closing based on 100% of the 2023 real estate tax bill. Other pro-ratable items shall include, without limitation, utilities, water and sewer, and rents and deposits from tenants. Seller represents that there is no

homeowner association and thus no related dues or amounts due and owing and/or to be prorated. Seller agrees to pay prior to or at Closing any governmental special assessment confirmed prior to Date of Acceptance. All prorations shall be final as of Closing.

- f. Title and Closing Costs: Buyer will order title and deliver to the Seller within customary time limitations in advance of the Closing. The Buyer shall pay all closing costs with the exception of the Seller's attorney's fee.
- g. Brokers: The proposed terms do not require the City to indemnify the Sellers from any broker's claim.
- h. Seller's Representations/Warranties: The draft is silent on whether any commercial leases will survive the Closing and be binding upon the real estate and the Buyer. Without some language to the contrary, the Buyer would potentially assume any commercial leases at Closing.

Pursuant to direction from the Council on September 11 with respect to the recommended terms identified in the City Manager's background report, City Attorney Matt Rose responded to the Sears draft contract with revisions (see attachment) that clarified the City's position. **The key features of the City's response to the Sears contract draft are as follows (in abbreviation):**

- a. The purchase and sale price for the real estate shall be \$420,000.
- b. The buyer shall deposit earnest money in the amount of \$5,000.00. **The earnest deposit shall be refunded to the City, excluding escrow fees, if the City elects to terminate the purchase contract before Closing.**
- c. The Closing Date shall be on or before July 1, 2024.
- d. D-N-J Properties, Inc. shall have the option of removing the furnace in 134 and 140 S. Second Street on or before July 1, and will agree to use Josh Joiner or a licensed HVAC professional of the owners' choosing for said removal.
- e. Prorations: Seller shall pay the first installment of 2023 real estate taxes when due in 2024 and credit the Buyer for the second installment thereof at closing. The 2024 real estate taxes due in 2025 shall be prorated through the date of closing based on **105%** of the 2023 real estate tax bill. Other pro-ratable items shall include, without limitation, utilities, water and sewer, and rents and deposits from tenants. Seller represents that there is no homeowner association and thus no related dues or amounts due and owing and/or to be prorated. Seller agrees to pay prior to or at Closing any governmental special assessment confirmed prior to Date of Acceptance. All prorations shall be final as of Closing.
- f. Title and Closing Costs: **At Buyer's expense, Buyer will order a survey of the real estate and title commitment.** The Buyer shall pay all closing costs with the exception of the Seller's attorney's fee.
- g. Brokers: **The City shall not indemnify the Sellers from any broker's claim.**
- h. Seller's Representations/Warranties: **There are no leases, contracts or agreements in effect regarding the real estate that will survive the Closing and be binding upon the real estate or Buyer.**

**The City Manager recommends approval of the attached Resolution which incorporates the City terms outlined above.** The City's interest in the property for possible redevelopment

is decades old. The property was put in the original TIF #1 redevelopment plan in 1986 and in the TIF #3 downtown redevelopment plan of 2018. Through these decades of the late twentieth and early twenty-first centuries, the building condition has slowly deteriorated. The extensive historical analysis conducted by the Lakota Group on behalf of the City in 2017 determined that the building was not eligible for registry as an historic structure because of the many alterations that had been done by a line of owners after the Superior Barb Wire Company (Joseph Glidden and I.L. Ellwood) relocated to another DeKalb location about 1905. From 1905 until the Sears brothers purchased the building in 2002, the building was used alternately for furniture storage, a grocery, printing services, ice cream manufacture, tire repair, second-hand stores, piano roll manufacture (the longest sustained industrial operation), and general storage. Aside from some façade improvements on the Second Street frontage in the 1970s, there has been no interest in the substantial, private redevelopment of the building since the Clark Orchestra Roll Company sold the building in 1946.

The City opened an informal negotiation for the possible acquisition of the parcel at 128-140 S. Second Street on January 11. At that time, the City Manager expressed the Council's interest in the razing of the property at 128-140 S. Second Street to create additional parking options serving the growing hospitality venues on E. Lincoln Highway, and to cure a hazardous passage for trucks, cars and pedestrians in the adjoining narrow alley. The photos below, taken on September 14, show the very clear dilemma faced by those downtown businesses who depend on deliveries through the present alley. The truck in the pictures is only one of the semi-trailers that attempt to thread the needle every week, at hazard to other users of the alley as well as utilities and adjacent buildings.



From the City Manager's visit with the Sears brothers in early January until late July, the City was denied access to the Sears property on S. Second Street to fulfill its legal obligation to establish a fair market value of the property through a certified appraisal before making an offer. Without access to the interior spaces, the City arrived at a limited valuation through an external appraisal on April 28 and the owners undertook their own internal and external appraisal performed on July 3 and reported it on July 12. With the permission of the owners finally granted after Council discussion of a potential eminent domain action on July 10, the City hired Colliers International Valuation and Advisory Services of Chicago to perform an inspection of the entire property on July 26, the results of which were reported to the Council and general public at the regular Council meeting of August 14. The Colliers appraisal price of \$370,000 was the basis for the discussion that occurred between the Parties on August 28 and subsequent exchanges between the respective legal counsels.

**The City Manager is not aware of other relevant information that can reasonably move the discussion toward a different Council action. ([click here for additional information](#))**

#### **K. ORDINANCES – SECOND 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: As explained under Resolution 2023-089 above, since the last regular Council meeting on September 11, the City Attorney has received and responded to a draft real estate contract from D-N-J Properties. The detailed background, above, suggests a straightforward path for Council action.

**Even if Resolution 2023-089 is approved, the City Manager and City Attorney recommend Council approval of this ordinance on second reading. The approval provides a clear indication of the Council's intent during the prolonged period leading up to the desired real estate closing. If the Seller cannot deliver the building and title free of commercial leases by July 1, 2024, the City may proceed to acquire the property by eminent domain. ([click here for additional information](#))**

#### **L. ORDINANCES – FIRST READING**

- 1. Ordinance 2023-040 Approving the Rezoning of the Eight-Acre Property Located on the East Side of N. Annie Glidden Road South of Twombly Road North of Ridge Drive from the "LC" Light Commercial District to the "PD-C" Planned Development Commercial District (DeKalb County Community Gardens).**

City Manager's Summary: The DeKalb County Community Gardens (DCCG), represented by Dan Kenney, has requested a rezoning from the "LC" Light Commercial District to the "PD-C" Planned Development Commercial District for an eight-acre parcel along the east side of N. Annie Glidden Road, between Twombly Road and Ridge Drive. The Planned Development zoning is necessary in order to accommodate the variety of uses proposed. The intent of the petitioner is to establish a community health education and food center (CHEF), community building, greenhouses and accessory uses. The eight-acre site has no structures and is used for crop production. Approval of a Preliminary Development Plan is also requested.

The planned CHEF center will be 36,255 square feet in area and the community building is proposed to be 11,020 square feet in overall area. There will be three greenhouses and a garden center, shared-use commercial kitchen, indoor/outdoor market space and multi-use space for public gatherings and special events. The petitioner's summary in the agenda packet provides further background and suggests the benefits of the project to the community. A smaller version of the facility was previously proposed for property owned by the City at the northwest corner of Hillcrest Drive and Blackhawk Road. The applicant hopes the facilities will be operational by December 31, 2025.

The preliminary development plan indicates two proposed access points from N. Annie Glidden Road. A total of 118 parking spaces will be provided on the lot meeting the required number (92) per the Unified Development Ordinance (UDO) standards. The access points proposed for N. Annie Glidden Road are reasonable and a traffic analysis will be submitted with the Final Development Plan to determine the appropriate roadway improvements. A proposed walking path toward the south to Ridge Drive is shown and will have to be coordinated with the adjacent property owner. Adequate public services and utilities are already provided to the subject property or adjacent to the site. Detention will be required and



the wetlands area on the southeast portion of the property will need to be further investigated and delineated with the Final Development Plan submittal.

One of the applicable development standards is the submittal of a Final Development Plan that will require review by the Planning and Zoning Commission and the City Council pursuant to the procedures in the UDO. The Final Development Plan will need to be approved prior to any site development or building permits are issued for the property.

The following waivers to the UDO have been requested:

1. Reduction of the 50-foot buffer area in the PD-C District between a non-residential use and adjacent residential district – Article 5.13.07(6)(b). The paved access to the loading area behind the community building will slightly encroach upon the 50-foot buffer area on the south side of the site. In addition, the pedestrian path to the south will encroach into the buffer area.
2. Remove the screening requirements of Article 7.05 of the UDO to the adjacent residential areas to the east and south. Since the plans show a 50-foot buffer area and the adjacent residential is multi-family apartments, a waiver to the six-foot-high privacy fence is recommended. However, landscaping within the 50-foot area would be required.

The Planning and Zoning Commission held a public hearing regarding the rezoning petition at their meeting on September 18, 2023. By a vote of 6-0 (Commissioner McMahan was absent) the Commission recommended City Council approval of the rezoning of the subject site from the “LC” Light Commercial District to the “PD-C” Planned Development Commercial District per the Preliminary Development Plan dated 8-30-23, Architectural Elevations dated 8-30-23 and attached as Exhibit A, and the development standards in Exhibit B of the attached staff report.

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

## **2. Ordinance 2023-041 Approving a Plat of Dedication for First Street Right-of-Way Dedicated by Carlson Oak LLC (PIN 08-14-329-021).**

City Manager’s Summary: The reconstruction of the N. First Street Bridge includes the addition of a grade-separated multi-use pedestrian and bike path to improve safety. This pathway required a public footprint beyond that of the existing ROW. To help with the bridge reconstruction, the owners of an adjacent, unbuildable lot fragment – Bob and Pat Carlson – generously donated an easement to store construction spoils and equipment. Because the small, odd-shaped parcel which is partly in the flood plain will have no use after the bridge construction, the Carlsons have asked if the City would be willing to accept its dedication. The attached exhibit portrays the parcel.

City Engineer Zac Gill has recommended the proposed dedication. **City Council approval is requested.** ([click here for additional information](#))

## **3. Ordinance 2023-042 Amending Chapter 55 “Hotels and Motels” of the City of DeKalb Municipal Code.**

City Manager’s Summary: The minor revisions to the hotel/motel tax ordinance do not change the basic licensing requirements and only apply to facilities with five or more rentable rooms, thus preserving the exception granted years ago to small, family-run bed and breakfast operations that might be created in some of DeKalb’s older, stately homes. The revisions were prepared by the City Attorney for the following purposes:

- To clean up the definition of hotel owner, which is currently defined as someone holding an ownership interest in the operation of “an amusement;” and
- To add minor penalties and interest for the late filing of tax returns with the City, as with other local licensed businesses.

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

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

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

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

1. **Approval to Hold an Executive Session in Order to Discuss:**
  - a. **Executive Session Minutes as Provided for in 5 ILCS 120/2(c)(21); and**
  - b. **Personnel as Provided for in 5 ILCS 120/2(c)(1).**

#### **O. ADJOURNMENT**

**REGULAR AGENDA PACKET**  
**SEPTEMBER 25, 2023**