

SYCAMORE CITY COUNCIL

AGENDA

June 2, 2003

City Council Workshop Meeting

No Meeting Is Scheduled.

Regular City Council Meeting

7:30 P.M.

1. **CALL TO ORDER**
2. **INVOCATION**
3. **PLEDGE OF ALLEGIANCE**
4. **APPROVAL OF AGENDA**
5. **AUDIENCE TO VISITORS**
6. **CONSENT AGENDA**
 - A. Approval of the Minutes of the Regular City Council Meeting of May 19, 2003;
 - B. Payment of the Bills for June 2, 2003.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**
10. **PUBLIC HEARINGS--None**
11. **ORDINANCES**
 - A. **Ordinance No. 2003.03—An Ordinance Adopting a Revised Comprehensive Plan and Land Use Map. Second Reading.**

After a public hearing, the Council considered this ordinance on first reading on May 19, 2003. The following text is reproduced from the agenda of May 19.

At the regular Plan Commission of March 11, 2002, the City Administrator recommended, and the Plan Commission concurred in, the suggestion to hire a professional planner to assist the City in developing a sub-regional plan for the northeast quadrant of the City's planning area. On March 20, 2002, the City Council's Finance Committee concurred with the City administration's recommendation to set aside about \$25,000 (Fund 6; Line Item #8331) for a consulting contract to help the

City revise its Comprehensive Plan, to develop a subarea plan for the northeast quadrant of the City, and to provide a share of the cost of the drafting of a unified development ordinance through the DeKalb County Regional Planning Commission. In the spring of 2002, the Regional Planning Commission solicited proposals from a wide range of planning consultants to assist the County's 14 municipalities in arriving at a unified development ordinance that could be used as a model by all. As a result of that search, Land Vision, Inc. of St. Charles was selected. Given the thoroughness of the search and the fact that Land Vision was going to be working on some mapping within the Sycamore planning area, the City Council concurred with the City Administrator's recommendation to hire the same firm to assist with the City's subregional plan and any revisions that might be desired in the Comprehensive Plan documents.

About a year later, the Council is presented with planning documents that represent a more thorough revision of the City's planning vision than anticipated in May, 2002. A considerable amount of public effort and comment helped to create these documents. With the gracious assistance of the Sycamore School District, open houses were held at each of the City's four elementary schools in July of 2002. In the fall of 2002, the City Administrator revised the first two chapters of the Comprehensive Plan dealing with current demographics, market facts, and development activity since the present Comp Plan was adopted in May of 2000. A very focused discussion about possible land uses by the Plan Commission began in earnest after the charrette of January 11, 2003. At the regular Commission meetings of January 13, February 10, March 10 and April 14, and at special Plan Commission meetings on January 27, February 24, and April 28, the Commission held lively discussions about possible land uses as well as ultimate growth limits.

At the last regular Commission meeting of May 12, the Commission unanimously recommended the Comp Plan text and Land Use Map that are before the Council. The key features of these documents are as follow:

1. A new residential classification to note existing rural residential uses within the planning area.
2. A distribution of future commercial activity at the intersection of arterial roadways and at neighborhood intersections to conveniently serve present and future residents. This includes large nodes of proposed commercial zoning on the west side of Peace Road between DeKalb Avenue and Illinois Route 64; along the frontage at the northeast corner of Illinois Route 64 and Peace Road; on the west side of Illinois Route 23 north of the intersection with Peace Road and Plank Road; and at the eastgate of Sycamore along the Illinois Route 64 corridor.
3. A designation of industrial sites to sustain a diversified tax and employment base. Along with the prime space available in the Sycamore Prairie Business Park, the Plan designates most of the Bethany Road corridor east of Illinois Route 23; much of the Peterson farm just west of the present Crosby Avenue; and about 82 acres of land in the Thanks America subdivision that lies north of the former Agco plant and west of Peace Road.
4. Mixed use designations to provide flexibility in planning mixed residential and commercial developments with an emphasis on one or the other type of land use.

5. An Office/Research/Light Industrial designation to guide the development of office and research facilities and encourage higher levels of design, extensive site amenities, and open space for such uses.

6. New bicycle and pedestrian trails to link existing and future development to recreational areas and open space.

7. Proposed corridors for the extension of Airport Road, Motel Road, North Grove Road, and Crosby Avenue.

8. Targeted sites for future school and park facilities.

9. “Gateway” corridors generally conforming with the City’s main entrances to showcase rights-of-way meriting special protection and beautification as adjacent land is developed.

10. Large areas of agriculturally-zoned land on the edge of the City’s primary development area to underscore the importance of farmland preservation in DeKalb County’s land use plan, and the preference for growth extending outward from the City’s core rather than leapfrogging to remote sites.

11. A “green belt” about 500 feet in width, moving along Whipple Road from Brickville Road on the west to Hickory Circle on the east, then curling southward toward Lindgren Road. This cordon would define the City’s ultimate corporate limits to the north and the northeast.

12. A strong recommendation for the Council to implement a regulatory framework that would moderate the pace of new housing starts in any given year (the Commission voted 9-3 to support this recommendation on May 12).

Land Vision has taken the Comp Plan text prepared by the City administration and improved the format and appearance with local photographs, background colors, and more lively tables, and has also prepared a Land Use Map, Transportation Map, and Existing Land Use Map to round out the map exhibits. Two features of the Comp Plan deserve further elaboration:

1. Table 22. As in the 2000 Plan, the chapter that puts the preferences of the Land Use Map into words—Chapter 4—contains a table that graphically portrays the relative proportions of land allocated to residential, commercial, industrial, agricultural and other uses. This chart is reproduced below:

Table 22. Existing and Proposed Land Uses

Land Use	City Limits 2003	%	Mile-and-a Half Planning Area 2000	%	Mile-and-a-Half Planning Area 2003	%
Neighborhood Residential	2,811	65	4,117	48	3,006	24
Rural Residential	0	0	0	0	2,145	17
Commercial	525	12	504	6	489	4
Industrial	453	11	468	6	290	2
Office/Research	0	0	551	6.5	670	6
Mixed Use	0	0	199	2	119	1
Schools	149	4	40	.5	245	2
Parks/Buffer Areas	275	6	375	4	894	7
Agricultural	75	2	2,287	27	4,581	37
TOTAL	4,288*	100	8,541*	100	12,439*	100

*Excludes floodplain.

In this Plan, the total planning area, including the existing City limits and the mile-and-a-half planning area, comprises 16,727 acres or 26.14 square miles. The 2000 Plan numbers were 20,175 acres and 31.52 square miles, respectively.

The “rural residential” designation was not in the 2000 Plan and comprises an area that will likely remain, for the most part, within the County jurisdiction. About one-half of the area consists of estate lots that were allowed to develop with wells and septic systems within the County jurisdiction before the County Plan discouraged such development. If we remove the “rural residential” designation for illustrative purposes, the potential municipal tax base is more obvious:

Land Use	City Limits 2003	%	Mile-and-a-Half Planning Area 2000	%	Mile-and-a-Half Planning Area 2003	%
Neighborhood Residential	2,811	74	4,117	71	3,006	66
Commercial	525	14	504	9	489	11
Industrial	453	12	468	8	290	6
Office/Research	0	0	551	9	670	15
Mixed Use	0	0	199	3	119	2
Municipal Tax Base	3789	100	5,839	100	4,574	100

The proposed land use designations in the prime contiguous growth areas provide a better balance of residential, commercial, and industrial uses than those in the 2000 Plan.

2. The Regulatory Framework. At the April 14, April 28, and May 12 Plan Commission meetings, the City Manager reviewed a regulatory plan to manage growth in the City’s planning area. This tool would not apply to land already annexed, or planned developments already approved. It was reasoned that a volume of residential occupancies substantially above the historic pace established in 2002 would overwhelm the City government’s ability to provide essential municipal services to both established and developing areas of Sycamore. This was also likely to be the case with services provided by other taxing bodies.

How was this judgment reached? Speaking only for the City’s fiscal requirements, the answer lies both in the City’s recent taxing policy and in market dynamics.

In terms of policy, Sycamore City Councils became committed to lowering the City property tax rate in the mid-1990’s when the City’s composite tax rate—consisting of the rates of all taxing bodies—reached an uncompetitive height of almost \$9.50 per \$100 EAV, or about \$1.00 more per \$100 EAV than the composite rate in DeKalb. The relatively high rate was more the result of the taxing decisions of other taxing bodies, since the City’s share was seldom more than 12-13% of the overall rate. Nevertheless, the City has historically had a wider range of revenue sources than other taxing bodies, and it was understood that the City was in a better fiscal position to resist more substantial annual increases. There are two ways to reduce the rate: hope for substantial annual increases in the valuation of the community’s property or minimize the annual levy. The City has benefited from annual EAV increases of 7-8%, but has also resisted

levying taxes at or above the level of inflation. The City's tax rate has been reduced from \$1.65 per \$100 EAV in 1986 to .98 per EAV in 2002. If the City does not claim at least an inflationary share of the property tax extension, it is not going to realize one of the advantages claimed by developers of residential property.

Second, the City's taxing policy has led to a greater reliance on annual sales tax revenues to pay for essential services. Sales and use taxes now constitute 43% of the annual general operating budget; in 1998 they constituted 30%. However, notwithstanding the City's encouraging land use policies and sales tax rebates, the rate of commercial growth in the corporate limits has been very slow because of the more competitive real estate locations and incentives offered by DeKalb, in conjunction with DeKalb County. New industrial growth has been modest, and does not generate substantial new revenue annually. The sum of the City's fiscal picture in the near term is this: very modest annual growth in operating revenue; increasing demands for a wider geographic allocation of essential services; and rising expectations for new services that cannot be funded by present revenues. In this context, we find the City faced with unparalleled interest in residential development, particularly in the northeast quadrant.

If the City can't—or won't—gather the property tax dollars that could be levied on new housing to offset City costs, and if other general revenue sources are rising slowly (assuming no new taxes), then fiscal prudence dictates a firmer hold on costs. The City has resisted new hires otherwise justified by widely accepted standards. Minimum shift strength in the Fire and Police departments has not changed since the 1970s, and staffing in the Water Department and Treatment Plant have likewise been unchanged for decades. Until something can be done about these urgent dilemmas, there can be no commitment to a planner, an economic development officer, an assistant engineer, or administrative support to meet the new growth. From a fiscal standpoint, the only responsible approach is to pace the growth of development at modest levels that can be incrementally “digested” by the City's operating employees.

A regulatory schedule governing the pace of annual permitting by development has been recommended to help achieve such modest annual growth. This schedule will ultimately be written into the Zoning Code, as that body of codes is re-worked to conform to the changes in the Comprehensive Plan. As an interim measure, a City ordinance has been recommended by a Commission vote of 9-3 to implement the schedule shown below.

The Plan Commission has unanimously recommended the proposed Plan and maps after nearly a year of public discussion. City Council approval on second reading is recommended.

B. Ordinance No. 2003.04—An Ordinance Amending Chapter 13, “Administration,” Section 13.02 “Zoning Certificates and Building Permits,” of the Amended Zoning Ordinance of 2001 of the City of Sycamore, Illinois to Add a New Paragraph 5 That Establishes a Schedule for the Allowable

Number of Annual Permits Per Each New Planned Unit Development. Second Reading.

As noted above, the Plan Commission has forwarded a recommendation to the Council in favor of further regulatory control of the pace of new residential construction in Sycamore. This proposal is not meant to stop growth or even slow growth. It is a “circuit breaker” in effect. It would restrict the volume of permits at a point significantly above the historically high number of housing starts experienced in 2002.

To put it differently, the regulation would provide “insurance” against the prospect of one or several developments overwhelming the ability of the City and other taxing bodies to provide essential services at a price—i.e. the composite tax rate—that local residents are willing to pay.

The proposed regulatory framework is codified in the attached ordinance and is described in the table and narrative below:

Annual Permit Pace by Development

Number of Dwelling Units on the Preliminary Plan	Dwelling Units Permitted Per Year As A Percentage of the Total Lots on the Preliminary Plan*
0 to 50 dwelling units	No Limit
51 to 100 dwelling units	No More Than 35 Per Year
101-200 dwelling units	25% or 40, whichever is greater
201-300 dwelling units	20% or 50, whichever is greater
301 to 400 dwelling units	18% or 60, whichever is greater
401-500 dwelling units	15% or 70, whichever is greater
Over 500 dwelling units	10% or 75, whichever is greater

*excludes unoccupied model homes

Development Bank:

For a year or more following most annexations of undeveloped land, a developer is focused on the preparation of final engineering plans, the approval of those plans by the City Engineer, the bidding of the infrastructure work, the rough grading, and finally the preparation of a final plat for the first phase of development. During this period, lots are not sold but the clock is ticking, so to speak. Communities that impose a limit on annual housing starts typically provide the option of “banking” the number of units that are not permitted, but were allowed, in any given year up to a maximum number of units that could be permitted in a year. For instance, if a developer is allotted 40 lots per year, but only 20 permits are issued due to a number of factors such as the market conditions, an extended period for preliminary development work, etc., then an additional 20 permits--or 60 in all--would be allowed in the following year, which begins on January 1. This would continue year after year so long as the “bank” did not exceed the annual allowance.

In the first year, the developer would only get credit for a pro rata share of the allowance. For instance, if a development area was annexed in late November, the developer would get credit for 1/12th of the allowance for Year One.

This regulation would not be retroactive to previously approved developments.

On May 6, the City Manager met with the board of the DeKalb County Building & Development Association to elaborate on the proposed regulation. As a result of that discussion, the Board sent a representative to the Plan Commission meeting of May 12 to announce that the Association had moved to a “neutral” stance on the regulation. At the regular Council meeting of May 19, the Association recanted this position and presented a letter opposing it.

The Plan Commission forwarded this matter to the Council by a vote of 9-3 on May 10. City Council approval of the Plan Commission recommendation is requested. The ordinance would serve as an interim growth control tool until the Zoning Code is entirely revised later this calendar year, and similar provisions are incorporated in the Zoning Code text.

C. Ordinance No. 2003.08—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Dahlco, LLC for an Amendment to the Annexation Agreement Dated March 27, 1996 and for the Annexation and Rezoning of the Property Along the West Side of Hopkins Lane, South of Mt. Hunger Road. Second Reading.

This ordinance was considered on first reading on May 19. At that time, upon a suggestion from Alderman Larson, the Council chose not to proceed to a second reading until the developer or his representative had presented a report on the timing of the completion of the intersection improvements at Maplewood Drive and Illinois Route 23. The Council felt that the developer should not be given additional land to develop until previous commitments toward public improvements had been satisfied in a more timely manner.

With respect to the intention of Dahlco, LLC to annex a 3.71-acre strip of land running along the west side of Hopkins Lane, the Plan Commission initially considered an amendment to the Townsend Woods annexation agreement revising the preliminary plan to allow such an annexation at its March 10 meeting. The proposed preliminary plan revision depicted eleven single-family lots with driveway access to Hopkins Lane.

At the March 10 meeting, neighboring propertyowners who reside on the east side of the rural Township roadway objected to the plan because of the dramatic increase in housing density at their doorstep, the monolithic array of front-loaded garages, and the promise of many more vehicle trips in and out of Hopkins Lane each day. The Commission asked the City Attorney to render an opinion as to whether the newly annexed land would be automatically zoned “R-1” One Family Residence upon annexation. If not, the Commission would be in a position to negotiate over the most restrictive zoning.

Action on the petition was continued until the April 14 meeting. At that time it was reported that the City's most restrictive zoning was "A-1," Agricultural District, according to the revised Zoning Code of 2001. A rezoning was thus likely to be required before any residential uses could be introduced on the 3.71-acre strip to the west of Hopkins Lane. In anticipation of this ruling, the City staff, the petitioner and his attorney, and residents of the homes on the east side of Hopkins Lane opened a dialogue in the interest of arriving at a plan that satisfied all parties. The plat before the Council represents such a compromise. It depicts a re-designed residential development area to the west of Hopkins Lane that allows no access to Hopkins Lane. Further, it calls for an elevated berm with a screening hedge of fir trees that will have a minimum height of 4 feet at the time of planting, and the trees will be staggered in two rows at 10-foot centers. Another feature of the plan is the permanent rural character of the Hopkins Lane right-of-way. The roadway will be re-built by Sycamore Township but will retain the ditch system for the conveyance of storm water, rather than a curb and gutter system. The proposed Land Use Map of 2003 suggests that the Hopkins Lane right-of-way should be a permanent "edge" between the corporate limits and the unincorporated County jurisdiction. This plan would tangibly support such a vision.

The Plan Commission reviewed the proposed amendment to the annexation agreement on May 12 and unanimously recommended its approval. City Council direction is requested.

D. Ordinance No. 2003.20—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Dahlco, LLC for Approval of the Annexation of Property West of Hopkins Lane in the City of Sycamore, Illinois. First and Second Reading.

If the City Council decides to proceed to a second reading on the Dahlco annexation request and determines that the request should be approved, then the approval of this ordinance is recommended. For recording purposes, an ordinance addressing annexation alone, separate from other concerns such as rezoning and annexation terms, is required.

E. Ordinance No. 2003.12—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of John Clare, LTD for an Annexation Agreement, Annexation and Rezoning of the Property Known as the Kocher Farm. Second Reading.

Because the City Council did not approve the proposed Comprehensive Plan on May 19, the City Manager requested a consideration of this ordinance on first reading only. The proposed Land Use Plan prescribes specific uses for the area in and around the Kocher Farm, and it was reasoned that without the Plan's approval no development should proceed. The following text is drawn from the background report for the Council's last regular meeting.

In May of 2002, Dave Johnson and Shari Neeley of the development firm John Clare LTD met with the City staff to discuss their intention to develop the Kocher Farm for

residential purposes. The farm is located on Plank Road, east of Illinois Route 23. At that time, Mr. Johnson and his partner were informed of the City's intent to update its Comprehensive Plan and to develop a sub area plan for the northeast quadrant of the City. They were also informed that the planning process might take six months to reach resolution, and that clear direction on any further development in the northeast quadrant could not be given until the Plan Commission and Council had carefully reviewed the possibilities. Mr. Johnson and Ms. Neeley were satisfied that the process would be deliberate and would give them the direction they needed as well. Since the initial meeting, Mr. Johnson has attended every regular Plan Commission meeting, a number of open houses, and a few special meetings. In October of 2002, he discussed a concept plan for the development of the Kocher Farm with the Plan Commission and derived some direction with respect to land use, the extension of public roads, access to the property, and stormwater retention. At the October 2002 meeting, the staff and the Commission felt obliged to ask him to wait for further formal direction before submitting a petition for annexation. Mr. Johnson acceded to this wish, although no formal moratorium had been established by the City Council.

In late winter, as the Plan Commission approached consensus on a provisional Land Use Plan and began detailed work on a northeast regional plan, Mr. Johnson and his partner felt they had sufficient direction with respect to land use, an internal road network, retention, and Plank Road access to proceed with further engineering and legal work that must precede a petition for annexation. The result of their effort came before the Commission on May 12. At that meeting, the Plan Commission voted unanimously to recommend the Council's approval, subject to the conditions outlined in "Recommendation," below. The City Council received and filed this ordinance on first reading on May 19.

The balance of this report will review the annexation agreement and development plan submitted by Mr. Johnson in behalf of his firm.

The Preliminary Plan.

The North Grove Crossing plan comprises about 96.275 acres and features the following:

- a) Land Uses. About 85.45 acres of "R-1" One Family Residence zoning and 10.83 acres of "R-3" Multiple Residence zoning with a special use permit for townhouse development. The 5 acres of commercial zoning anticipated in the proposed Land Use Plan for the vicinity of Peace Road and Lindgren Road would develop on the adjacent property retained by the Kocher family, which is not part of the development plan.
- b) Density. The overall density will be 2.8 dwelling units per gross acre. Forty-one (41) large single family home sites would be developed with a minimum lot size of 12,000 square feet and an average lot size of 15,242 square feet; and 122 single-family home sites would be developed with a minimum lot size of 10,000 square feet and an average lot size of 11,453 square feet. In addition, 106 townhomes would be developed.

- c) Average Pricing. Townhomes: \$165,000; Single Family homes: \$250,000 (comparable to Heron Creek).
- d) Open Space. The open space would be equivalent to 40.8% of the gross land area, inclusive of 6.35 acres of park space, 5.15 acres of detention, and 27.80 acres of right-of-way (excluding Plank Road).
- e) Public Park Space. The plan depicts a 6.35-acre park that greets the visitor upon entry at Peace Road. This park blends into an adjacent retention area to suggest a larger recreational area.
- f) Commercial Area. Future commercial zoning will arise when the Kocher homestead is annexed. The plat has been revised to show access from two points: one logical point of access is through Lot 4; the other is through the townhome area and required the removal of a unit from Building 8 and a unit from Building 9.
- g) Bike paths. A bike path originates in the entry park. It spreads west along Northgate Drive and southward to Alden Drive.

The Annexation Agreement.

The proposed annexation agreement has the following main features:

- a) A twenty-year term.
- b) The developer is responsible for the extension of North Grove Road and Lowell Drive to Plank Road, subject to approvals from the DeKalb County Highway Department regarding intersection design, turn lanes and signalization. The developer may recapture 50% of the cost of the widening and turn lane improvements associated with such intersections since they will serve other developments in the immediate area.
- c) The developer shall build the portion of Lowell Drive adjacent to the subject property, but will be entitled to recapture some of the cost of the construction and interest (40%) from any future developer of land to the west.
- d) The developer shall donate \$200,000 to the Sycamore School District for construction projects and the proposed field house within 30 days of the approval of the initial final plat.
- e) The developer shall make the obligatory land or cash donation to the Park District.
- f) The bike paths shown on Exhibit "B" (the preliminary plan) shall be built to a width of 10 feet. The text of paragraph 35 should be revised to clearly identify the material to be used.
- g) The City shall review the design standards for the R-3 zoning area prior to final plat approval.
- h) The developer shall be allowed to pay an annexation fee of \$1,000 per acre if the entire acreage is paid by December 31, 2003.

The Traffic Plan.

A traffic study was conducted by CES, Inc. and is analyzed by John Brady in an attached memorandum. The CES study projects 2,180 vehicles per day. For reference, the Sycamore Creek plan will generate about 3,535 vehicles per day and the Wiseman-Hughes project was projected to generate 3,700 per day. About one-third of the traffic will be dispersed to Rt. 23 when North Grove Road and Northgate Drive are connected.

The Fiscal Impact Study.

The attached fiscal impact study shows an annual deficit for the School system, which is adequately offset in the opinion of the Board by the upfront donation of \$200,000. This voluntary contribution by the developer amounts to about \$1,300 per student over and above the School impact fee (the Sycamore Creek contribution was about \$1,600 per student). A positive fiscal trend is projected for the City until full build-out, when permit fees and impact fees stop. After that point, with only modest adjustments in property tax revenue owing to rising assessed valuations and relatively level sales tax income, the development moves to a net deficit position with respect to the City's fiscal impact. This study supports the assumptions noted in the analysis on page 6, above.

Park District Review and Annexation.

The Park Board will take up Mr. Johnson's petition on May 20. Mr. Johnson has appeared three times before the Board since the fall of 2002, most recently on May 20. The John Clare concept plan has been favorably received, although a formal vote has not been taken pending the Council's action.

Proposed Variations.

1. In view of his willingness to suspend steps to annex last fall, Mr. Johnson has requested the same relief from the higher annexation fees afforded Sycamore Creek and other developments recently annexed to the City. He agrees to pay all of the fees at once, before the end of the calendar year, provided he can do so at the reduced rate of \$1,000 per acre.
2. Mr. Johnson also asks for a minor allowance with respect to the proposed regulatory controls regarding allowable permits per year. Again, in light of his patience in waiting for a northeast plan to unfold, he asks that the clock start at the first of this calendar year, which would allow additional single family units (about 20) to be permitted in 2004—the first year he is likely to be ready to apply for permits.

Recommendation.

If the City Council does not act favorably on the proposed Comp Plan, Land Use maps, and regulatory control, no action should be taken. If the Council does act favorably on such documents, the City Manager requests the Council's approval of the Plan Commission recommendation (12-0) to approve the annexation agreement, annexation, and preliminary plan subject to the following conditions:

- a) Compliance with the City Engineer's requirements for water main and sewer main extensions along Plank Road.
- b) A limited variation in the annexation agreement to require compliance with the proposed regulatory controls, with the size of the development bank tied to a full year in 2003, rather than a partial year beginning on the date of Council approval.
- c) A limited variation to allow the petitioner to pay all of the annexation fees upfront at the rate of \$1,000 per acre rather than \$3,000 per acre, paid at the time of the approval of each final plat. This variation is supportable in terms of the unlegislated delays in the City's processing of this annexation request, and also for financial reasons. As the appended "alert" from the Illinois Municipal League notes, although

the state legislature is not presently considering any bills to reduce the local government share of state income tax, the income tax fund's statutory triggers will require proceeds from the local government distributive fund to be used to cover the backlog of income tax refunds. The effect will be the same as a legislative seizure of dedicated local funds. In the case of Sycamore, the result will be a shortfall of about \$81,000. If Mr. Johnson is permitted to pay the \$1,000 per acre annexation fee in full by December 31, 2003, this shortfall will be covered. No other revenue sources are apparent at this early stage in the fiscal year. If Mr. Johnson is required to pay the \$3,000 per acre, he will pay as final plats are approved, and the first final plat will likely not be approved until this time next year. In the longer term, the active interest of developers in the Sycamore planning area will assure us of a steady process of annexation at the higher fee level for many years.

- d) A better delineation of the bike path system on the preliminary plan, suggesting possible connections in the direction of some regional pathway.
- e) A revision of the preliminary plan to depict the two access points to the future commercial zoning area.

F. Ordinance No. 2003.13—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of John Clare, LTD for Approval of the Annexation of the Property Known as the Kocher Farm in the City of Sycamore, Illinois. Second Reading.

This ordinance is required for recording purposes and effects the annexation described above. City Council approval is recommended.

G. Ordinance No. 2003.14—An Ordinance Approving a Grant of \$17,000 to the Voluntary Action Center for Services to Citizens of the City of Sycamore, Illinois. First and Second Reading.

For the last ten years, the City Council budget (701-8399) has funded an allocation to the Voluntary Action Center to help defray organizational expenses. As the attached letter from Ellen Rogers explains, the various Voluntary Action Center services provide needed help to Sycamore residents. By the end of their fiscal year on June 30, VAC estimates that TransVac will have provided 18,500 trips for local stops, 300 MedVac trips to regional hospitals and other care facilities, and about 20,000 meals for senior citizens and disabled persons through the Meals on Wheels and congregate dining services. The City's grant would not offset the cost of these services: only about 12% of the overall TransVac services to Sycamore residents are funded by the grant, and 3% of the Meals on Wheels services are funded by the grant. Other funding sources such as state and federal grants, Community Foundation grants, private donations, and user fees provide the balance of the funding.

City Council approval is recommended.

H. Ordinance No. 2003.18—An Ordinance Authorizing the City of Sycamore to Borrow Funds From the Public Water Supply Loan Program. First and Second Reading.

In the background report for the public hearing of May 5, it was explained that the City's plans to mitigate higher-than-acceptable levels of radium at various City wells would be expensive, and would require a substantial borrowing. This obligation would include the cost of installing treatment facilities at existing Wells 6 and 8, in addition to the installation of a new well and treatment facility on Airport Road, to be called Well #9. This ordinance places the cost of these improvements at \$2.9 million, and authorizes the City to take all necessary steps to make application to the Illinois Environmental Protection Agency for a loan through the Public Water Supply Loan Program.

City Council approval is recommended.

I. Ordinance No. 2003.19—An Ordinance Amending Title 8, “Water and Sewer,” Chapter 5, “Water and Sewer Rates,” Section 8-5-1, “Water Rates,” Paragraphs A, B, and C and Section 8-5-3, “Billing and Collection Procedures,” of the City Code of the City of Sycamore, Illinois. First and Second Reading.

The report for the public hearing on May 5 also presented ways and means to fund the IEPA loan obligation. The Council has recently discussed our water rate system in anticipation of the loan repayment schedule (on November 4, 2002; November 18, 2002; December 16, 2003; and January 6, 2003). Minor rate revisions were approved on January 6, 2003 as follows:

- a) an escalating flat rate was established for the Edgebrook mobile home park to bring the unit pricing in line with average unit pricing for single family homes over a three-year period;
- b) a gradual increase for meter replacement fees was established assuming a 15-year cycle for the replacement of smaller residential meters (1" or less) and a 10-yr cycle for commercial meters. These increases were phased over a three-year period as well.

The water user fee for most homes and businesses was not amended in anticipation of a final decision by the IEPA with respect to the City's loan request.

In recent conversations with City Engineer John Brady, the IEPA has indicated that the City may alter its fee schedule, but that such alterations would delay a decision on the City's loan request, which has been in the works for months with reference to the existing fee schedule. As a matter of prudence, with the goal of a timely decision on loan support to facilitate construction of Well #9 this calendar year, the City staff recommend no change in the number of tiers, but a downward adjustment in the minimum monthly bill. The individual tiers would be increased over a two-year period to fully fund the loan obligation. The increase in the first year would be 30% for most users, and the increase in the second year would be 23%.

It is important for our residents to note that the major share of this increase is attributable to the mandated mitigation of radium levels that pose no credible risk, but are considered unacceptable by the EPA.

City Council approval is recommended.

12. RESOLUTIONS--None

13. CONSIDERATIONS--None

14. APPOINTMENTS

15. ADJOURNMENT