

SYCAMORE CITY COUNCIL
AGENDA
October 18, 2004

City Council Committee Meetings

No Meetings Are Scheduled

Regular City Council Meeting
At the Sycamore Center
7:00 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 for the City Council Meeting of October 4, 2004;
 - B. Payment of the Bills for October 18, 2004;
 - C. Plan Commission Minutes for the Meeting of September 13, 2004.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Proclamation Declaring Saturday, October 23, 2004 as "Make a Difference Day" to honor local volunteerism.
 - B. Consideration of a Presentation by the Sycamore Economic Development Commission. Commissioner Bill Nicklas will introduce Joseph Haydoc, owner of the new Lion's Head Espresso Bar at 310 East State Street in Sycamore. Mr. Haydoc will give a brief overview of the products and services of his new restaurant.

8. **REPORTS OF OFFICERS**

9. **REPORTS OF STANDING COMMITTEES**

10. **PUBLIC HEARINGS--None**

11. **ORDINANCES**

A. Ordinance No. 2004.50—An Ordinance Concerning the Recommendation of the Plan Commission Regarding the Petition of Dahlko, LLC for a Revision to the Townsend Wood Annexation Agreement. First and Second Reading.

At the last regular City Council meeting of October 4, the Council considered a proposal to amend the Townsend Wood annexation agreement by imposing a financial obligation on the developer to assure a timely completion of the intersection improvements at Mt. Hunger Road. The option before the Commission involved a letter of credit for the Mt. Hunger intersection and traffic signal improvements in the amount of \$500,000, and the requirement of a monthly report to the Council by the developer's engineer regarding ongoing reviews by the Illinois Department of Transportation. The Plan Commission had earlier reviewed this approach in a workshop session on September 13 and was generally supportive. At the October 4 meeting, the Council was likewise supportive of this framework, with the additional condition that a project schedule for the Maplewood intersection improvements would be provided by the developer. Such a project schedule has been forwarded by the general contractor for the Maplewood improvements showing completion of the intersection project by mid-November of this year (see attached).

The attached agreement is essentially consistent with the recent direction of the Plan Commission and the City Council. The City staff recommended one minor revision to the agreement in the formal Plan Commission hearing on October 11, namely, the words "with terms and conditions acceptable to the City" after the parenthetical phrase in line 5 of paragraph 3. The Commission concurred and voted 12-0 to recommend the Council's approval, as amended. City Council approval of the Plan Commission recommendation is requested.

B. Ordinance No. 2004.51—An Ordinance Concerning the Recommendation of the Plan Commission Regarding the Petition of Steven Lirtzman of Midwest Holdings, LLC for an Amendment to the Special Use Permit for the Grand Victorian Assisted Living Residence at 1440 Somonauk Street in the City of Sycamore. First and Second Reading.

As the attached letter from Mr. Lirtzman explains, Midwest Holdings, the developer of the Grand Victorian assisted living facility on Somonauk Street, is interested in expanding the building envelope to the east to provide for twenty more apartments. The original special use permit, approved by the Council in May 2000, allowed for up to 70 apartments. The current facility actually contains 61 units. The proposed revision in the special use would allow for a total of 81 units.

The proposed addition would be a two-story structure matching the architectural lines of the existing facility. It would be located on the northeast corner of the present building (see the attached excerpts from the floor plans).

The present land use has been handsomely integrated into the surrounding residential area, and it would appear that the proposed addition would be similarly complimentary to the adjacent uses. The Plan Commission agreed by a vote of 11-0 (one abstention) at their regular meeting of October 11. City Council approval of the Plan Commission recommendation is requested.

C. Ordinance No. 2004.52—An Ordinance Approving the Execution of an Economic Incentive Agreement Between the City of Sycamore, Illinois and American Aviation Supply LLC for Economic Development in the City of Sycamore, Illinois. First and Second Reading.

The attached ordinance would establish a long-term incentive agreement with American Aviation Supply, LLC which is very similar to the agreement the City reached with United Aviation Fuels Corporation in May 2003. American Aviation Supply is involved in the purchase of jet fuel, primarily for the O'Hare operations of American Airlines.

American Aviation Supply proposes to locate an "order acceptance center" in Sycamore. The center would be a modest operation housing one or two employees who would review, process, and approve purchase orders and also process extensions of credit in connection with such sales. An office suite of less than 1,000 square feet would be sufficient for the operation. There will be no demand on public services for such a business.

Because of the nature of the firm's business, a high volume of sales is anticipated. Under Illinois law, sales are counted for taxation purposes at the site where the order is accepted. This means that Sycamore would be the recipient of a substantial increase in new state and home rule sales tax revenue.

Under the terms of the agreement, the City and the retailer would agree for a period of about 26 years to share sales tax revenue from the firm's operations. The City would retain \$360,000 in the first year, and could realize up to a 5 percent increase per year for each of the following years, depending on the fortunes of the retailer. The City would never make less than \$30,000 per month or \$360,000 per year in new sales tax revenue from the firm's operation in any year that the agreement is in force. The governing index for determining the annual increase would be the Consumer Price Index (CPI) for Urban Consumers, as seasonally adjusted. The amount of the City share would increase (or, theoretically decrease) to take account of the change in the preceding 12-month period of the CPI. If the agreement should remain in force for the full term, or until December 31, 2030, the City would gain a minimum of \$9,360,000 and upwards to \$18,400,843 over the next 26 years.

The retailer, American Aviation Supply, does not have an order acceptance center anywhere in Illinois.

The sales claimed by the firm would be stable and non-seasonal, but since the attached agreement is subject to changes in law or tax rates, it would be prudent to dedicate tax revenues accruing in a special distributive fund toward capital uses rather than personnel that would have no recurring source of support if the revenues should cease. As an example of the capital purposes toward which such revenues could be dedicated, the annual base return for the City would more than double the amount of revenues that the City presently dedicates to street maintenance.

There are many potential capital uses for such a “windfall” in city revenues, and these can be discussed at length if the proposed agreement is approved. The City Manager strongly supports the terms of the agreement, and asks the City Council to consider it on first and second reading.

City Council approval is recommended.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of a Quarterly Report by the Discover Sycamore Group.

Discover Sycamore coordinator Beth Helton will apprise the City Council of the activities of the group over the summer and early fall.

14. APPOINTMENTS

15. ADJOURNMENT