

SYCAMORE CITY COUNCIL
AGENDA
March 21, 2005

City Council Committee Meetings

6:30 P.M. Meeting of the Streets and Walks Committee to discuss whether to permit, and possibly to license, ice cream truck vending on City streets.

At the last regular meeting of March 7, Nancy Crowe addressed the City Council under “Audience to Visitors.” Ms. Crowe is interested in operating a business that would sell ice cream products at random to pedestrians on Sycamore’s residential streets from a truck during warmer months. Presently, the City Code is silent on such activity in its licensing provisions and in various regulations that control the use of the City’s rights-of-way. Ms. Crowe has asked the Council to consider the creation of a new license category that would define the parameters for the legal vending of ice cream products from a truck on City streets. She currently owns a “mini” school bus and would like to convert it for this particular use.

Among the issues for the Committee’s consideration are the following:

- a) whether an “ice cream truck” cruising residential neighborhoods at slow speeds will create safety issues, both for other drivers and for children and parents who might dart between vehicles or from the curb to gain the attention of the driver.
- b) whether the nostalgia for “Good Humor”-like vending on City streets is sufficient to justify any potential safety risks and the Police department’s monitoring of the performance of the vendor.

Committee direction is requested.

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 March 7, 2005;
- B. Payment of the Bills for March 21, 2005;
- C. Plan Commission Minutes for the Meeting of February 14, 2005.

7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.

- A. Introduction of New Patrol Officer Dan Hoffman.
- B. Presentation by the Sycamore Economic Development Commission. Commissioner Dean Copple will introduce Jim Wallace of Portillo's who will give a brief overview of his restaurant's history and the firm's decision to locate a facility at the corner of DeKalb Avenue and Mercantile Drive in the City of Sycamore.

8. REPORTS OF OFFICERS

9. REPORTS OF STANDING COMMITTEES

10. PUBLIC HEARINGS--None

11. ORDINANCES

A. Ordinance No. 2004.75—An Ordinance Approving the Execution of a Boundary Line Agreement Between the City of Sycamore and the Village of Burlington. First and Second Reading.

At the last regular Council meeting of March 7, the Council reviewed a proposed boundary agreement between the City of Sycamore and the Village of Burlington. The statutory mile-and-a-half planning jurisdictions of the two communities presently converge near the DeKalb County/Kane County line. The purpose of the agreement is not to define what type of development, if any, is to occur on either side of this line. The present Land Use Maps of the two communities define such uses. Instead, the boundary agreement establishes a joint understanding that neither community shall grow beyond the County line in the future without the mutual agreement of both communities. This is a modest proposition, but it may be useful for several planning purposes:

- a) it would preserve Sycamore's planning control over the land area west of the County line that may one day be along the path of the Prairie Parkway; and
- b) it would create a planning buffer to any future outward expansion of the Burlington community in the vicinity of the County line.

The attached ordinance and map exhibit would accomplish these purposes. City Council approval is recommended.

B. Ordinance No. 2004.76—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Victor Deluna to Rezone the Property at 248 Lucas Street from “M-1” Light Manufacturing District to “R-1” One Family Residence District. First and Second Reading.

Mr. Deluna wishes to purchase the single family house at 248 Lucas Street but the underlying zoning of “M-1” Light Manufacturing makes his house non-conforming, which in turn has led to reluctance on the part of the mortgage underwriter to finance his purchase. The immediate neighborhood has a mixed zoning. On the south side, moving west to east, there are three single-family homes (including Mr. Deluna’s father’s house), a vacant lot, another single-family home, two industrial buildings owned by Seymour of Sycamore, then the Opportunity House workshop. The house immediately east of Mr. Deluna’s was re-zoned to “R-1” in 1993. The two houses to the west of #248 are zoned “M-1.” On the north side the houses are all zoned “R-1” except for an apartment house at mid-block that is zoned “R-3” Multiple Family Residence.

Mr. Deluna’s request proposes to bring an outdated zoning configuration in line with actual non-industrial uses without pressing adversely on existing industrial uses. The Plan Commission reviewed this petition on March 14 and recommended its approval by a vote of 11-0 (Davy absent). City Council approval of the Plan Commission recommendation is requested.

C. Ordinance No. 2004.77—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Milan Krpan for a Revision to the Final Plat for Krpan’s Parkside Estates, Unit Two. First and Second Reading.

As the City Council is aware, a neighborhood group on South Main Street succeeded in raising \$180,000 for the purchase of the former St. John’s Church site. A key component to that fundraising effort was the commitment of two developers to donate \$50,000 each, on the condition that each gained an additional single family home lot to sell in their respective subdivisions. The addition of a lot would usually require the revision of the preliminary plan for each planned development. In this case, the lot areas in question are each part of approved final plats. To expedite the review of the two lot revisions by the Plan Commission and the Council, it was sufficient to review the necessary changes on the final plats alone.

Milan Krpan is one of the developers who was willing to partner with the St. John’s Park. The Commission will note on the attached revision to the final plat for Unit Two of Krpan’s Parkside Estates that a lot has been added at the north edge of the open space that was set aside in the original preliminary plan at the far east end of Becker Place. This open area was also a component of the Bethany Road Regional Plan adopted by the Council in April, 2001. The open area was designed to afford motorists and pedestrians a view of a natural landscape rather than a built environment as they headed east on Becker Place past the hub park. The open space was identified as Lot 503 on the final plat approved on July 15, 2002. The attached revised final plat would re-subdivide Lot 503 to create two lots: a lot #257 to the north that would be the new single-family home site, and a lot #504 that would constitute the remaining open space. With this re-subdivision, motorists and

pedestrians would still have an open view of the park lands to the east across a frontage that is about 62 yards wide.

The Plan Commission reviewed this petition at its last regular meeting of March 14 and recommended its approval by a vote of 11-0, with the condition that the Park District approve the re-configuration of the open space prior to the recording of the plat. City Council approval of the Plan Commission recommendation is requested.

D. Ordinance No. 2004.78—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Kensington Homes for a Revision to the Final Plat for North Grove Crossings. First and Second Reading.

On June 21, 2004 the City Council approved the final plat for Phase One of the North Grove Crossings planned unit development. This plat included all of the single family home lots (164 in all). The final plat for the townhome portion of the planned unit development was approved on December 20, 2004 (including 25 four-unit buildings in all).

As with Mr. Krpan, the present owners of the North Grove Crossings development, Kensington Homes, agreed to donate the value of one single-family lot to the St. John's Park group on the condition that one additional lot could be added to their development. Greg Collins and Scott Pjesky represented Kensington Homes in this negotiation. In the attached copy of the final plat, a large detention and park area denoted as Lot #202 was portrayed in the center of the project. To create the additional home site, Kensington Homes has created a new lot #165 at the intersection of Alden drive and North Grove Road. The remaining park and detention area has been reconstituted as lot # 205.

On March 14, the Plan Commission voted 11-0 to recommend approval, with the condition that the Park Board approve the re-configuration of the open space prior to the plat's recording. City Council approval of the Plan Commission recommendation is requested.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of the Community Fiscal Impact Study Completed by the NIU Center for Governmental Studies.

At the regular City Council meeting of August 2, 2004 the Council directed the City Manager to request proposals from qualified consulting firms to complete a community fiscal impact study assessing the combined impact of residential, commercial and industrial development on the fiscal health of the City of Sycamore, Sycamore Community Unit School District #427, the Sycamore Park District, and the Sycamore Public Library. Only one response was received, that being the response of the NIU Center for Governmental Studies. The Center ("CGS") proposed to complete the study for a cost of \$39,500. At the Council meeting of September 20, 2004 the City Manager was authorized to enter a contract with CGS in that amount to complete the fiscal study. On March 4, 2005 the Center submitted the first complete draft of the community fiscal impact study to the City manager. The study was completed by Roger Dahlstrom with the assistance of Theresa Wittenauer and other CGS staff. After minor revisions, the study is presented in final form

to the Council. Following the Council's review, copies of the study will be presented to the other participating taxing bodies for their review and comment. It should be noted that each taxing body involved in the study was approached at an early stage for copies of their annual budgets, any long-range planning documents that might inform the study, and a variety of statistical data that would be instrumental to a clear understanding of each taxing body's principal revenues and expenditures.

The study's time line was for ten years beginning in 2005. From the standpoint of revenues, each of the participating taxing bodies is dependent, to a varying extent, on real estate tax revenues generated by land development. In the case of the School District and the Park District, which are subject to tax caps, appropriate adjustments were made to projected property tax revenues within the constraints of PTELL legislation. It should also be noted that since both revenues and expenditures were projected over a ten-year period, adjustments were made in the fiscal impact analysis for the time value of money. A net present value calculation using a discount rate of 5% was chosen for the report.

Finally, the fiscal impact of development on capital and operating budgets was considered.

The study is broken down into sections. Section 1 (pages 3-11) provides general background on the principal revenues and expenditures for each participating taxing body. Section 2 (pages 12-14) assesses the impact of "active development." This means the predominantly residential development presently unfolding within the city limits. Section 3 (pages 15-19) assesses the fiscal impact of "combined development" which includes the "active" development under way in 2005 and projected or future development from 2005 through 2014 based on the City's 2003 Comprehensive Plan. This section utilizes the Fiscal Impact Land use Model (FILUM) to create the vital linkage between fiscal analysis and land use planning. The land use projections for this section are based on a land use capacity model that is closely tied to the land use designations in the 2003 Comp Plan and the Council's recent regulations to control the pace of residential growth (much of the "active" development is not controlled by such regulations). In addition, looking forward, it is assumed that the City will make annexation decisions that "cap" the annual absorption of "regulated" developments at 250 dwelling units per year in years 5 through 10 (2010 through 2014), or in the period when the unregulated residential development shall have been absorbed.

The text of the study and its related tables should be read in its entirety and at several sittings to appreciate the sophistication of the technical analysis. Nevertheless, it may be useful to highlight a number of the leading conclusions about "combined" development as greater commercial and industrial development is absorbed in future years. The key study findings are as follows:

The City:

a. It is assumed that current market demand and City land use policies will continue through the 10-year projection period. The commercial component of future development is projected in waves in years 3, 6, and 9 in response to continuing residential development. Office/research and industrial development is expected to build out at a uniform rate based

on a strong City policy orientation to promote industrial development and the available land for such development.

b. The current estimate of City population is estimated to be 14,354; the prevailing per capita cost for residential development is estimated to be \$895. The cost to serve non-residential development is expressed on a per-acre basis because of the markedly reduced demand for services.

c. Year-to-year there will be variations in the fiscal impact balance for the City, primarily as a result of the relative balance between ongoing revenues (such as property taxes) and one-time revenues (such as annexation fees).

d. Based on these assumptions, the net present value of the revenue/cost balance for the City is positive at \$2,922,445.

The School District:

a. The study assumes that future residential annexations by the City will yield at least a \$1,000 “voluntary” contribution per dwelling unit in addition to impact fees as they may be revised from time to time (the study suggests every 3-5 years. See page 10).

b. In calculating capital costs, the cost of acquiring school sites is not included. The District already has dedicated land for future school sites.

c. It is assumed that some dwelling units provide a net positive impact considering their estimated values and probable demographic profiles. Examples include “active adult” units as well as estate-sized homes generating disproportionate property tax revenues.

d. The estimated service cost per student is assumed to be \$7,581.57.

e. Based on the assumptions in “a” through “d”, above; the continuation of current City permit regulation policies; the build-out in acres for the various commercial, residential and industrial land uses in the 2003 Comp Plan; *and no change in the basis of school funding at the state level*; the District will see a negative net present value \$8,469,503 over the ten year projection period. However, the study makes it clear that the development of commercial and industrial property has a profoundly positive impact on the School District. If no additional commercial or industrial development were to occur in the next ten years, and residential development was to occur as projected in the 2003 City plan, the District would see a negative net present balance of \$18,906,712.

The Park District:

a. Projected costs are based on assumptions about the development of new park facilities as outlined in the District’s most recent comprehensive planning document. The estimated service cost per capita is \$108.98.

b. Based on this assumption, the net present value of the revenue/cost balance is positive at \$1,293,057 over the ten year projection period.

The Sycamore Public Library:

- a. The Library's property tax rate along with periodic increases in user fees will offset any growth in demand for services as the City's population grows. In other words, it is assumed that Library levies can rise incrementally on an annual basis, but not so much as to increase the tax rate.
- b. The estimated service cost per capita is \$47.20.
- c. Based on these assumptions, the net present value of the revenue/cost balance is positive at \$1,780,215 over the ten year projection period.

General Study Conclusions:

- a. New housing is contributing more than existing housing to the funding of public services from the standpoint of new home values and the resulting tax contributions. For example, the average price of all homes sold in Sycamore in November 2004 was \$200,877. That figure is 61% of the estimated average or mean value (\$331,429) of new detached single family homes in active development in the City.
- b. A comprehensive fiscal impact study of the kind completed by Mr. Dahlstrom and his associates is more meaningful than the development-by-development studies completed by City staff in recent years. The individualized studies do not account adequately for the fiscal impact of the community's changing tax base, or its mix of residential, commercial and industrial uses. The present study can be reviewed every few years to account for any change in the key revenue/cost variables.
- c. Absolute fiscal impact should not be used as the only, or even the primary, measurement of the relative desirability of land development. As a place to live, shop, work and recreate, Sycamore has arguably become a more interesting and diverse community as a result of recent growth.

Mr. Dahlstrom will be on hand at the Council meeting of March 21 to present his team's findings and answer any questions the Council may have.

Further Considerations

The foregoing report summarizes the CGS findings and methodology. Are there any other questions to ask or issues to consider? Yes. The principal question is what have we learned about recent growth that can be of use when the Council next considers a residential annexation? This was the question under Council consideration in August 2004.

If we accept the thrust of the CGS study, we can assume that the projected commercial and industrial growth anticipated in the Comp Plan will offset any fiscal challenges posed by residential development for the City, the Park District, and the Library. What will it take to balance the equation for the School District? It appears that the issue for the School District is not on the capital side. At the current level of impact fees, and with no increase in the District's bond or debt service rate (currently around \$.82 per \$100 EAV), a 4-bedroom

home priced above \$275,000 would likely break even (see the attached staff scenarios). The key public policy question regarding the School District's capital side is: how does the community pay for a new school or school additions without a significant rise in the District's debt service rate? The last edition of the Board of Education's Development Handbook suggests the need for one elementary school in the northeast quadrant, most likely in the Sycamore Creek Phase I subdivision at Lindgren and Plank Roads, that would be open by 2009. Whether additional elementary school space will be needed beyond the new school in the northeast quadrant will depend upon future annexation decisions. What the District may need on the southeast side is more dependent on the Town of Cortland's growth than the City of Sycamore's growth. The District's assessment of need is ongoing, but a binding, negotiated agreement between the District and Cortland regarding the pace of future residential growth has merit.

Can we sustain the quality of our schools and keep lowering the aggregate property tax rate while embarking on a school building program? The answer might be "yes," if we can conjure a developer or consortium of developers who would consider financing a new elementary school on the northeast side to deal with unregulated housing starts.

What about the operating side of the School equation? The CGS study suggests a number--\$7,581.57--that represents the estimated operating cost per student (see the fifth page in the Technical Appendix). The study is a bit fuzzy about whether this is a pure operating cost or a combined operating and capital cost. It is derived from deducting a capital cost, bonded debt service, from a larger number representing the annual operating expense per student. The total "operating" expense over the next ten years is estimated to be \$24,944,838 of which \$1,821,037 is attributable to the bonded debt service. Deducting the debt service, we get a total of \$23,123,801, and that number when divided by the current enrollment (3,050) gives us \$7,581.57. It is noted elsewhere in the study that the land cost of future buildings is not a factor because of recent school site dedications by residential developers (see page 10). If the bonded debt and land costs are not extra costs over and above the \$7,581.57 per student, and if the study's methodology does not count outlays for equipment and furnishings (see page 10), then a different set of policy options may arise. Here's an interesting scenario: if a developer builds a school and covers about \$5 million of the \$8.47 million shortfall over the next ten years, the District could arguably go to the voters and ask to raise the Education Fund levy rather than the Bonded Debt Service levy, in order to cover the service cost shortfall.

This set of policy considerations suggests another basic question: Is it fair to ask each new unit in new subdivisions to cover the developer's "opportunity cost" (i.e. \$7,581.57 per new student) when existing homes are not generating any additional "voluntary" fees (or impact fees), and a significant proportion of school children reside in the existing housing stock? What would be a fair "voluntary" contribution from a residential developer for each new proposed housing unit? Half of that amount?

These considerations might be addressed to Mr. Dahlstrom on the 21st.

B. Consideration of a Public Works Department Recommendation to Replace Adjustable Frequency Drives on Two Pumps at the Influent Pump Station.

As Public Works Superintendent Fred Busse writes in his background memorandum, the two influent sewage pumps at the Influent Pump Station of the treatment Plant are about 13 years old and their repair and maintenance cost has become insupportable when compared with the cost of replacement pumps. The pumps operate with variable frequency drives to adjust to the rate of the flow that enters the treatment Plant every day. The cost of replacing these two pumps was appropriated in the FY05 Treatment Plant Budget.

Mr. Busse requested bids and received two quotes: one from Metropolitan Industries of Romeoville in the amount of \$28,582 and one from Tek-Matic of Rockford in the amount of \$27,250. Notwithstanding the \$1,332 difference, Mr. Busse has recommended that the City Council approve the higher bid from Metropolitan Industries. The City's recent experience with Metropolitan's adjustable frequency drives at the Water Department has been exceptional in terms of the durability of the parts and the quality of the service. In view of the critical importance of these two pumps in the treatment Plant operations, Mr. Busse recommends going with the vendor who has a proven track record with the City.

City Council approval is recommended. The funding for the purchase, if approved, would come from Line items 04-750-8633 (\$20,000) and 04-752-8633 (\$8,582).

C. Consideration of the Preliminary FY2005-2006 City Budget.

The City Manager has distributed copies of the proposed FY2005-2006 City Budget to the City Council. A special thanks is owed the City Clerk's office for duplicating the proposed budget document. Copies will also be distributed to the media and a copy will be placed in the reference section of the Sycamore Library where it will be on record for interested citizens to review.

The proposed FY2005-2006 City Budget will simply be received and filed on March 21. A special Council Finance Committee workshop will be convened at 7:00 p.m. in the Council Chambers on Monday, March 28 to review the budget document. All Council members are welcome to attend and participate as in previous years. On March 28 the General Fund departments will be reviewed as well as the Water Department and Treatment Plant budgets. The City's department heads will be on hand to assist the City Manager in this review. If these operational departments are covered to the Council's satisfaction on March 28, the Committee may wish to review the special and capital funds, and possibly the bond funds. If time does not permit the full review of the special, capital and bond funds on March 28, the Committee will have an opportunity to conclude its work on March 29. A public hearing on the proposed budget, which may be revised following the Finance Committee workshops, will be held on Monday, April 4 and action on the budget will be recommended on Monday, April 18.

14. APPOINTMENTS

15. ADJOURNMENT

