

**SYCAMORE CITY COUNCIL**  
**AGENDA**  
**April 18, 2005**

**City Council Committee Meetings**  
**No Committee meetings Are Scheduled**

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**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 April 4, 2005;
  - B. Payment of the Bills for April 18, 2005;
  - C. Plan Commission Minutes for the Meeting of March 14, 2005.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
  - A. Proclamation Observing Arbor Day in the City of Sycamore.
  - B. Presentation of Service Plaques to Mayor Swedberg, Treasurer Mundy, Alderman Larson and Alderman Tripp.
  - C. Presentation of Plaque to Dr. Edward Hirsch for his years of service as the City's physician.
  - D. Presentation by the Sycamore Economic Development Commission. Commissioner Bill Nicklas will introduce Todd Hendrey, owner of The Confectionary of Sycamore, who will give a brief overview of his firm's history and treats.
- 8. REPORTS OF OFFICERS**

## 9. REPORTS OF STANDING COMMITTEES

### 10. PUBLIC HEARINGS

#### **A. Public Hearing on the Proposed Unified Development Ordinance.**

The adoption of the DeKalb County Unified Comprehensive Plan in January 2004 was the prelude to further initiatives by the County's individual municipalities in merging their planning, zoning, and development regulations into a uniform text. Land Vision, Inc., the planning firm that assisted County municipalities in their preparation of new or revised comprehensive plans in 2003, prepared a model format for such development texts. This format was not binding, but represented a synthesis of many different approaches taken by cities across the country, as well as unique regulatory initiatives reported in planning journals in recent years. The City staff reviewed this model and, with the cooperation of the Plan Commission, Zoning Board, and DeKalb County Building & Development Association, has creatively adapted it to the unique documentary record that has long been the corpus of Sycamore's development guidelines. Such guidelines are presently incorporated in the Zoning Code and a variety of specific development regulations in the City Code that affect the installation of public infrastructure.

Plan Commission members received a first and incomplete draft of a "City of Sycamore Unified Development Ordinance" on March 8, 2004. The first in-depth discussion by the Commission occurred on April 12, 2004 and additional discussion occurred at six other Commission meetings in 2004 and early 2005. The revised text was presented in a formal fashion for Commission review and action on April 11. The key features of the proposed Unified Development Ordinance ("UDO") are as follows:

- A compilation of the City's zoning, development, and subdivision regulations in one text;
- A new format for the identification of allowable uses in the various zoning districts (Chapter 5). Presently, the pyramiding of allowable uses from zoning district to zoning district requires the user to leaf through dozens of pages to find the first reference to a use, and whether or not it is a permitted or special use. In the UDO, all allowable uses are identified in Table 5.3.1 (pages 118-128).
- A new format for the identification of required parking per use group. The UDO provides a table of parking requirements (pages 193-198).
- New formats for the identification of allowable signs. New tables (pages 211 and 220) indicate more clearly where certain types of signs are legal, and the allowable sign areas in each zoning district.
- New landscaping regulations. Presently, the Zoning Code's landscape requirements (Article 12.07) primarily lay out screening requirements around commercial parking areas. The new landscape requirements (Article 6.6, pages 168-182) presume much more "green" in the interior of large parking lots, and more detail about buffer areas between dissimilar use groups. They also define higher expectations for visibility around plantings near intersections (see page 172).
- A concise presentation of the School, Park District, and Library impact fees in one place (Article 6.11; pages 244-252).

- A distillation and more concise presentation of the storm water (Section 6.12.1), sanitary sewer (Section 6.12.2), and water distribution system (Section 6.12.3) design and construction standards (see pages 253-262).
- A more economical presentation of the design and construction standards for streets and sidewalks than the multiple locations for such standards presently in the City Code (see Section 6.12.4; pages 262-269).

Sometime in this calendar year a county-wide “Model Stormwater Management Ordinance” will be adopted by the City of Sycamore, the City of DeKalb, the County of DeKalb, and the Town of Cortland to meet the state’s NPDES Phase II requirements for detention, erosion control, floodway management and other considerations. NPDES is an acronym for “National Pollutant Discharge Elimination System.” Phase II is focused on runoff from city streets, parking lots and construction sites that can wash sediment, oil, grease, and other pollutants to nearby storm drains and, ultimately, regional waterways. When this model ordinance is adopted, it will become an addendum to Sycamore’s UDO. Where there is any conflict between the two sets of stormwater codes, the regulation with the more stringent impact will prevail.

At the Plan Commission meeting of April 11, the Commission voted 10-0 to recommend approval of the draft before the Council in this public hearing. Ordinance No. 2004.88 on this agenda gives the Council an opportunity to act on the Commission’s recommendation.

## 11. ORDINANCES

### A. Ordinance No. 2004.80—An Ordinance Revising Title 1, “Administration,” Chapter 8, “City Treasurer,” Section 1-8-1, “Election; Term” of the City Code of the City of Sycamore, Illinois. First and Second Reading.

On August 2, 2004 the City Council approved Ordinance No. 2004.26 which made the Treasurer position an appointed rather than an elected position. It was understood at the time that the elected Treasurer would serve until the end of his term in April 2005. It was also understood that the Council would officially transfer the duties of treasurer to an appointive officer on or about May 1, 2005. This ordinance is presented because the last regular meeting of the Council in April is the traditional moment for the determination of the appointive offices that will be filled in the upcoming fiscal year, beginning on May 1. As important, the elected Treasurer will officially yield his duties before the next regular meeting so a clear transfer of duties is important.

The attached ordinance simply replaces the passage describing the election and term of the Treasurer with language referring to the appointive status of the treasurer, who shall have the rank of assistant city manager and shall report to the City Manager.

City Council approval is recommended.

### B. Ordinance No. 2004.81—An Ordinance Concerning the Adoption of the Combined Annual Budget and Appropriation Ordinance for the Fiscal Year 2005-2006 in the City of Sycamore, Illinois. First and Second Reading.

The City Council held a public hearing on the proposed fiscal year budget at the last regular meeting of April 4. No persons spoke during the public hearing.

Spending within the FY2006 Budget totals \$34,147,254, inclusive of all City funds. The General Fund expenditure budget totals \$9,815,573. These expenditures are offset by \$9,846,808 in anticipated General Fund revenues. The estimated General Fund operating reserve or starting fund balance will total \$4,279,129 or 43.2% percent of the planned General Fund expenditures for FY2006.

No new taxes or fees are proposed in the General Fund budget. With respect to personnel, the proposed General Fund expenditures include an allocation for two new police officers and an assistant engineer, and the promotion of Brian Gregory to the new position of Treasurer/Assistant City Manager to assume the treasurer responsibilities presently held by Ken Mundy. One of the police officers will be hired on May 1; the other will be hired in September of 2005.

Other hiring priorities are not supportable in terms of projected revenues in FY06 but will need to be addressed in future fiscal years. These unfunded priorities include:

- a) a laborer in the Public Works department;
- b) one more police officer to ensure that three patrol officers are on duty 24 hours a day, seven days a week; and
- c) four more firefighters to attain a minimum shift level of six in order to achieve the minimum staffing for the support of two fire stations.

Wage and salary expenditures will incorporate union contractual increases and management pay increases.

Other significant General Fund expenditures include the following:

- Debt service of \$355,000 to fund the principal and interest on the 1999 refunding bond and the 2002 general obligation bond.
- An allocation of \$243,000 (513-8493) to pay the FY06 incentive obligation to Menard's as well as the FY06 sales tax rebates to Sycamore Ford, Sycamore Mitsubishi, and Brian Bemis World Auto. Of this allocation, the \$100,000 payment to Menard's will satisfy the City's incentive obligation. The Menard payment will be funded by a one-time reserve transfer from the General Fund Reserve;
- An increase of \$287,598 (26%) in health insurance premiums;
- An increase of \$53,000 in worker comp premiums (17.67%);
- A reserve transfer of \$75,000 to the Employee Benefit Assistance Fund (Fund 23) for accrued leave payouts at the time of the retirement of one or several senior employees in FY06.

The FY2006 capital and special funds are all balanced with appropriate reserves. The FY2006 Budget proposes a substantial capital spending program of about \$6,848,269. The highlights of the FY06 capital program are as follows:

- \$1,363,719 to bring Well No. 9 on line by the end of the calendar year (low-interest EPA loan);

- \$3,146,000 to complete the reconstruction of Bethany Road from DeKalb Avenue to Peace Road;
- \$850,000 to complete the extension of Oakland Drive;
- \$206,000 for new vehicles and equipment including two replacement patrol cars (\$52,500), a replacement dump truck with plow and spreader (\$80,000), a used SUV for the Assistant Fire Chief (\$20,000), a used SUV for the Assistant Engineer (\$20,000), a third of the cost of a replacement backhoe (\$18,500), and \$15,000 in computer upgrades;
- \$240,000 for public sidewalk repairs; and
- \$200,000 for annual street maintenance.

Apart from dedicated capital funds, the overall capital program will be partly funded by general revenues. The General Fund will provide \$100,000 for street and alley maintenance such as crack-filling and micro-surfacing. This amount will be blended with \$100,000 from the City's Capital Assistance Fund. Since our general revenues provide a steady share of the funds necessary to pay for the maintenance of our infrastructure, economic development is critical to the City. Sales and use tax proceeds, rather than property taxes, fines, or fees, are the principal source of our general revenues. Without fiscal strength in the form of strong general revenues, our municipal organization will not adequately satisfy the sometimes competing public expectations for more service and more capital improvements.

In FY06 the City's Water and Sewer Funds will continue to finance efforts to maintain up-to-date digital maps of the City's water and sewer infrastructure. The Sewer Fund will dedicate \$8,000 and the Water Fund will dedicate \$13,000 toward this end.

The Water user fee schedule will be adjusted to reduce the present seven-tier schedule to five tiers. The impact will be "revenue neutral." However, residential users whom have historically paid a disproportionate share of the annual water revenues will pay less and the discount in their favor will be offset by slight increases spread over all commercial and industrial accounts. The Water Impact Fee Fund will allocate \$20,000 toward the preliminary engineering for a new elevated water tower on the City's northeast side.

The Sewer Fund budget shows no increase in fees. In FY05, a consulting engineer will be selected to begin the process of developing a new facility plan for the City's wastewater treatment. The Sewer Impact Fee Fund allocates \$100,000 in FY06 for the preparation of a revised facility plan.

While deferring some operational needs and capital projects on our staff "wish list," the FY2006 Budget envisions a wide range of services. As in previous years, the City's very dedicated and highly competent work force is the key to our ability to stretch our services while measuring our resources.

City Council approval of the proposed FY2005-2006 City Budget is recommended.

**C. Ordinance No. 2004.82—An Ordinance Amending Title 1, “Administration,” Chapter 10, “Personnel Rules,” of the City Code of the City of Sycamore, Illinois to Authorize Non-Elective Positions for the City of Sycamore, Illinois. First and Second Reading.**

Coincident with the adoption of the fiscal year budget, the Council in effect “counts” the employees in its budget by adopting a new list of appointments. The attached ordinance accomplishes this purpose. It includes two new police officers and an assistant engineer. The draft also includes an appointed treasurer with the administrative rank of Assistant City Manager. The City Manager recommends the Council’s concurrence in appointing Brian Gregory to this new appointive office.

City Council approval is recommended.

**D. Ordinance No. 2004.83—An Ordinance Establishing Offices and Fixing Compensation of Certain Appointed Officers of the City of Sycamore, County of DeKalb, State of Illinois, for the Fiscal Year Commencing on the First Day of May, 2005 and Ending on the Thirtieth Day of April, 2006. First and Second Reading.**

The FY2005-2006 City Budget assumes certain levels of compensation for exempt employees, which include management positions and a number of part-time positions. The attached ordinance displays these levels of compensation and related benefits.

City Council approval is recommended.

**E. Ordinance No. 2004.84—An Ordinance Amending the Fiscal Year 2004-2005 Budget. First and Second Reading.**

At the end of each fiscal year, the Council is asked to amend a relatively few line items in the current fiscal year budget to bring its appropriations in line with actual spending in the capital and special funds. These revisions do not typically touch upon actual operating budgets. The attached ordinance would make the following changes:

- 1) General Fund (Fund 01).
  - a) General Fund Support
    - Line Item 513-8173 “IMRF” should be changed from \$0 to \$6,500. This would cover a SLEP (retirement) payment to a former employee.
    - Line Item 513-8497 “Contingencies” should be reduced from \$45,000 to \$38,500.
    - Line Item 513-9023 “Trsf to Employee Benefit Assistance Fund” should be changed from \$0 to \$52,000. This amount helps fund the payout of accrued leave to a senior employee. The City’s accrued leave obligations are a part of the General Fund reserve.
- 2) Capital Assistance Fund (06)
  - Line Item 4514 “Trsf from 1996 Bond Fund” (\$54,410) should be added to close out the 1996 Bond Fund.

- 3) Motor Fuel Tax Fund (07)
  - Line Item 3412 “State Government Grants” should be changed from \$450,000 to \$0. We do not expect the anticipated grant from IDOT in support of the Bethany Road reconstruction project.
  
- 4) 1996 Bond Fund (14)
 

Instead of spending the remaining balance in the 1996 Bond Fund on undefined projects in FY05, the fund will be closed and the balance transferred to the unrestricted Capital Fund reserve. The necessary line item changes are as follows:

  - Line Item 8497 “Contingencies” should be changed from \$10,000 to \$0.
  - Line Item 8626 “New Const--Bldgs/Grounds” should be changed from \$5,000 to \$0.
  - Line Item 8632 “Water System Improv NEC” should be changed from \$25,000 to \$0.
  - Line Item 8634 “Street Const or Reconstruct” should be changed from \$14,410 to \$0.
  - Line Item 9006 “Trsf to Capital Asst Fund” should be changed from \$0 to \$54,410.
  
- 5) Employee Benefit Assistance Fund (23)
  - Line Item 3741 “Reserve Trsf--General Fund” should be changed from \$0 to \$52,000.
  - Line Item 8185 “Accrued Compensation” should be changed from \$0 to \$52,000.

These changes are the flip side of the changes noted in #1, above. The \$52,000 is brought in from General Fund Support then disbursed.
  
- 6) 2002 Bond Fund (24)
  - Line Item 4522 “Trsf from Sales Tax Distributive Fund” should be changed from \$0 to \$150,000. The fund transfer covers the final payout for the Home Street project which was not financially closed until after the beginning of the FY05 fiscal year.

City Council approval is recommended.

**F. Ordinance No. 2004.85—An Ordinance Approving the Execution of an Economic Incentive Agreement Between the City of Sycamore and Pulte Building Products, 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 Pulte Building Products, LLC which is very similar to the agreement the City reached with American Aviation Supply on October 18, 2004 and United Aviation Fuels Corporation on June 19, 2001 (and revised on May 30, 2003). Pulte Building Products is a subsidiary of Pulte Home Corporation, one of the nation's largest developers of residential property. Pulte Building Products, LLC is involved in the purchase of building materials such as concrete, asphalt, lumber, doors windows, etc. for Pulte's home sites. The firm proposes to locate an "order acceptance center" in Sycamore to handle all purchases of building materials for projects based in Illinois. 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 to share sales tax revenue from the firm's operations until December 31, 2025, or about 20 years. The City would retain \$144,000 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 \$12,000 per month or \$144,000 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, 2025, the City would gain a minimum of \$2,880,000 and upwards to \$5,143,572 over the next 20 years.

It is understood that the retailer, Pulte Building Products, does not have an order acceptance center anywhere in Illinois.

The sales claimed by the firm will presumably be stable, but since the attached agreement is subject to changes in law or tax rates as well as market conditions, 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. If the Council concurs, it is recommended that the City's local share be deposited in the Sales Tax Distributive Fund (Fund 22).

The City Manager supports the terms of the agreement, and asks the City Council to consider it on first and second reading.

City Council approval is recommended.

**G. Ordinance No. 2004.86—An Ordinance Approving the Execution of an Economic Incentive Agreement Between the City of Sycamore and Del Webb Building Products, LLC for Economic Development in the City of Sycamore, Illinois. First and Second Reading.**

The attached ordinance is a companion to Ordinance No. 2004.85. It is estimated that a major portion of Pulte Home Corporation’s sales in Illinois in coming years will be generated by another Pulte subsidiary, Del Webb Building Products, LLC. To assure the City’s local share each month, the attached ordinance requires that Del Webb generate approximately \$6,000 per month for twenty years. It also requires, as in the case of the contract with Pulte Building Products, that in no month shall the City’s share fall below \$12,000 after the first ninety days as the purchasing arms of the firms are in transition to a new Sycamore location.

City Council approval is recommended.

**H. Ordinance No. 2004.87—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of B&B Development for Approval of the Final Plat for Unit One of the Sycamore Creek Planned Unit Development. First and Second Reading.**

On August 5, 2002 the City Council unanimously approved the annexation of the 220.21 acre Sycamore Creek Planned Unit Development. This development was unique for a number of firsts:

1. it set aside 15.12 acres for an elementary school site.
2. it donated an additional 8 acres to the School District as a “development credit.”
3. it offered a “voluntary” contribution of \$1,500 per lot over and above the required impact fee, to be paid at the time of permitting. This would yield the School District an estimated \$528,000 over the build-out of the subdivision, which in turn would offset the “credit” typically owed the developer for the price of the land dedicated for the school at \$75,000 per acre. The credit in this case would have been about \$525,000.

The overall development area has the following features:

Single-Family Homes	95.13 Acres
Private Park, Detention & Conservation Areas	52 Acres
Public Park Area	7.12 Acres
School Dedication	15.12 Acres
Bike Pathways	2.88 Acres
Townhouse Area	4.09 Acres
Public Road Right of Way	43.87 Acres
Total	220.21 Acres

With the school dedication, the overall density of the development plan is 1.63 units per gross acre. It is estimated that an average of 45-50 house lots will be sold each year. These

home permits are counted in the School District's "Development Notebook" and in the City's "timeline" for development (see attached). At the time of the annexation, the developer—B&B Development LP of St. Charles--volunteered to delay any development of lots until 2005.

The attached plat is the first final plat for this development. It comprises about one-third of the overall development site. A total of 101 of the planned 352 single family house lots are shown on the plat, as well as the large central public park and a considerable share of the overall detention facilities. B&B Development is presently in negotiation with the Herst family concerning the right-of-way for the Lindgren Road realignment with the extension of North Grove Road to the west. According to the annexation agreement, the City is obligated to use its eminent domain powers to secure the right-of-way should private negotiations fail. B&B Development plans to secure the right-of-way and build the realignment in the 2005 calendar year.

City Engineer John Brady has reviewed the plat and finds it in conformance with the City's codes and ordinances. The Plan Commission reviewed the plat at its regular meeting of April 11 and recommended its approval by a vote of 10-0. City Council approval of the Plan Commission recommendation is requested.

**I. Ordinance No. 2004.88—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Adoption of the Unified Development Ordinance in the City of Sycamore. First and Second Reading.**

As noted in the public hearing portion of this agenda, the Plan Commission voted 10-0 to recommend approval of the proposed Unified Development Ordinance at its last regular meeting of April 11. The Commission considered the document over 8 separate sessions from March 2004 through April of 2005. The Zoning Board has likewise considered the document and recommended its approval. Copies of the document were also distributed to the DeKalb County Building and Development Association for review and comment and their suggestions have been integrated into the document before the Council.

To review, the principal innovations and revisions are as follows:

- The document compiles the City's zoning, development, and subdivision regulations in one text;
- The document offers a new format for the identification of allowable uses in the various zoning districts (Chapter 5). Presently, the pyramiding of allowable uses from zoning district to zoning district requires the user to leaf through dozens of pages to find the first reference to a use, and whether or not it is a permitted or special use. In the UDO, all allowable uses are identified in Table 5.3.1 (pages 118-128).
- The UDO also offers a new format for the identification of required parking per use group. The UDO provides a table of parking requirements (pages 193-198).
- New formats for the identification of allowable signs have been introduced. New tables (pages 211 and 220) indicate more clearly where certain types of signs are legal, and the allowable sign areas in each zoning district.

- New landscaping regulations have been introduced. Presently, the Zoning Code's landscape requirements (Article 12.07) primarily lay out screening requirements around commercial parking areas. The new landscape requirements (Article 6.6, pages 168-182) presume much more "green" in the interior of large parking lots, and more detail about buffer areas between dissimilar use groups. They also define higher expectations for visibility around plantings near intersections (see page 172).
- A concise statement of the School, Park District, and Library impact fees is presented in one place (Article 6.11; pages 244-252).
- The document provides a more concise presentation of the storm water (Section 6.12.1), sanitary sewer (Section 6.12.2), and water distribution system (Section 6.12.3) design and construction standards (see pages 253-262).
- The UDO provides a more economical presentation of the design and construction standards for streets and sidewalks than the multiple locations for such standards presently in the City Code (see Section 6.12.4; pages 262-269).

Sometime in this calendar year a county-wide "Model Stormwater Management Ordinance" will be adopted by the City of Sycamore, the City of DeKalb, the County of DeKalb, and the Town of Cortland to meet the state's NPDES Phase II requirements for detention, erosion control, floodway management and other considerations. NPDES is an acronym for "National Pollutant Discharge Elimination System." Phase II is focused on runoff from city streets, parking lots and construction sites that can wash sediment, oil, grease, and other pollutants to nearby storm drains and, ultimately, regional waterways. When this model ordinance is adopted, it will become an addendum to Sycamore's UDO. Where there is any conflict between the two sets of stormwater codes, the regulation with the more stringent impact will prevail.

City Council approval is recommended.

**J. Ordinance No. 2004.89—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Milan Krpan for Approval of the Final Plat for Unit Three of the Grand View Townhouse Planned Development in the City of Sycamore. First and Second Reading.**

In February 2001 the City Council annexed an 18-acre parcel owned by Milan Krpan and approved the development of Phase III of the Grand View Townhouse Planned Unit Development. The development plan included 74 townhouses at a gross density of 4.17 units per acre.

The attached plat shows two lots and the private streets serving the townhouses. As each townhouse lot is platted for sale in fee simple, the plat officer reviews the layout and either recommends changes or recommends recording as presented.

The Plan Commission reviewed the attached plat at its last regular meeting of April 11 and voted 10-0 to recommend its approval. City Council approval of the Plan Commission recommendation is requested.

**K. Ordinance No. 2004.90—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of AMP Builders for Approval of the Final Plat for Phase 3 of the Townhomes of Townsend Woods Planned Unit Development in the City of Sycamore. First and Second Reading.**

On August 21, 2000 the City Council approved an amendment to the Townsend Woods annexation agreement to permit the development of 101 attached single-family townhouses on an 11.6-acre site that is parallel with, and immediately east of, the commercially-zoned frontage that extends from Maplewood Drive south to Mt. Hunger Road. The Council action also approved a special use permit for the attached townhomes and a preliminary plan.

On October 21, 2002 the Council approved the final plat for the first phase which contained about 23 units in five buildings. On November 17, 2003 the Council approved the final plat for a second phase that consisted of about 39 units. AMP Builders has now submitted a final plat (attached) depicting a third and final phase of the townhome development which will include about 39 units.

The Plan Commission reviewed this plat on April 11 and by a vote of 10-0 recommended its approval. City Council approval of the Plan Commission recommendation is requested.

**L. Ordinance No. 2004.91—An Ordinance Re-Allocating the City of Sycamore’s Private Activity Bond Volume Cap for the Year 2005 to the Illinois Housing Development Authority for the Purpose of Issuing Mortgage Credit Certificates in the City of Sycamore, Illinois. First and Second Reading.**

At the last regular City Council meeting of April 4, the City Council directed the City Manager to prepare an ordinance that would allocate the City’s private activity bond authority to the Illinois Housing Development Authority to sponsor a mortgage credit certificate program in the City of Sycamore. As the Council will recall, the Illinois Housing Development Authority (IHDA) annually sponsors a mortgage credit certificate program that allows qualified first-time homebuyers to take 25% of the annual interest paid on their new mortgage as a credit against their federal income tax liability. The qualifying income levels are set each year and vary depending on the household size. This year, the upper income limit for a family of three or more in DeKalb County is \$75,958. For a household of one or two persons, the upper qualifying limit is \$66,050. The program also sets upper limits on home prices. This year, the upper limit on a new home is \$325,890 and the upper limit on an existing home is \$325,890.

The lending bank typically acts as the intermediary with IHDA. At the time a home is purchased, a certificate is issued to the homeowner. This certificate is filed with the homeowner’s income tax to establish the credit. For example, say a buyer takes out a \$92,000 conventional market rate mortgage at 6.25%. On a 30-year fixed rate loan, the buyer would pay \$5,719 in mortgage interest in year one. With a mortgage credit certificate, the buyer can take 25% (\$1,430) off his or her federal income tax obligation which is the same as retaining \$119 in additional income per month. Over the life of the loan, the buyer would save \$27,981 in federal taxes.

The MCC tax credit is good for the life of the loan, so the tax saving is repeated so long as the family remains in the home. In addition to the direct benefit to the homebuyer, the program provides an incentive for local families to buy a home in Sycamore.

The mortgage credit certificate program brings no direct expense to local taxpayers and involves no staff work. IHDA and participating banks do all the paperwork, although the City may wish to assist in advertising the option. The volume cap is used exclusively by Sycamore residents for 18 months, and IHDA provides quarterly reports on the number of participating families, the average purchase price of the homes, and the amount of credits remaining.

The advantage of this program for prospective homebuyers with low to moderate household incomes is obvious. It should also be noted that a commitment of private bond authority to the IHDA program would not preclude the City from dedicating next year's volume cap to industrial revenue bonds if a worthwhile project develops.

The only downside to the mortgage credit certificate program is the limited number of families that can benefit under the City's modest cap. **In 2005, the City's "authority" will be \$80 per capita or \$1,019,760 based on an IHDA-estimated population of 12,747 for Sycamore.** Based on the average purchase price of over \$200,000 for all three-bedroom homes--new and used—sold in Sycamore in 2004 (Board of Realtors estimate), and an average down payment of 20%, only 6-7 Sycamore families might qualify. With the assistance of local lending institutions, the program can nevertheless make a significant difference for those homebuyers. On Tuesday, April 12, the City Manager appeared on WSQR to discuss the program in a live call-in show, and will contact local financial institutions if the Council decides to proceed with the program.

City Council approval is recommended.

**M. Ordinance No. 2004.92—An Ordinance Approving the Execution of an Agreement Between the City of Sycamore, Illinois and Sycamore Family Farms, LLC for the Purchase of Certain Property Known as the Engh Farmstead in the City of Sycamore, Illinois. First and Second Reading.**

Several months ago, Harold V. Engh, a principal of Sycamore Family Farms, approached Mayor Swedberg with the idea of donating the 5.9-acre farmstead that previously anchored the Engh farm to the City for future public purposes. In 1999 the major portion of the farm was annexed and rezoned for a mix of commercial and residential uses known as the Heron Creek Planned Unit Development. The farmstead is located just south of the entrance to Heron Creek Drive at North Main Street (IL Rt. 23). The farmstead has a well-kept, two-story residence, a foreman's cottage, two large barns, a detached two-car garage and several other outbuildings, all in good condition.

Since the initial contact with Mayor Swedberg, and with the Mayor's guidance, inspections have been made of the farmstead structures, discussions have occurred about possible uses for the farmstead if controlled by the City, and documents have been drafted that would transfer the farmstead assets to the City. As the Council will note, the attached ordinance

does not designate a public purpose. The only condition requested by Mr. Engh is that the current farm tenants, Evelyn and Marvin Poliska, be allowed to reside on the property, using the principal residence and garage, for a period up to ten years, or until such time as they decide to relocate, whichever occurs first. Under this condition, it would be premature to determine a public use. However, a number of possibilities present themselves. First, the site has been mentioned as a possible location for an agricultural museum to be developed by others. Second, its outbuildings could serve as a satellite location for the storage of public works equipment that have a seasonal purpose and are presently parked outside much of the year. Third, the site could serve as another potential location for a water tower. Finally, once the City would take full possession of the site, it could be used by other taxing districts (e.g. the Park District) or the asset could be sold at fair market value for private purposes.

The following terms are defined in the attached ordinance:

- The City acknowledges that the current residents, Marvin and Evelyn Poliska, may continue to occupy the principal residence and detached garage on a rent-free basis for a period not to exceed ten years. The Poliska presently occupy the premises rent-free in exchange for all the farmstead maintenance. The agreement calls for this arrangement to continue.
- The Poliskas would be responsible for all routine maintenance and expenses up to \$2,000 for each major item or system.
- If the property's well or septic system should fail while the Poliskas reside on the property, they will be responsible at their sole expense to connect the principal residence to either public water or sewer or both, as the case may be.
- If the DeKalb County Board of Review determines that the property is not tax-exempt during the tenure of the Poliskas, then the Poliskas shall pay all applicable taxes (except the City tax).
- No later than two years after the conveyance of the property, the City shall be permitted to occupy all buildings except the principal residence and detached garage. The Poliskas plan for a farm sale in the interim.

The attached ordinance is a companion to the following ordinance (Ordinance No. 2004.93) which would establish the conditions under which the Poliskas could retain their tenancy once the property was transferred to the City. City Council approval is recommended, on the condition that the Council would also approve ordinance 2004.93.

**O. Ordinance No. 2004.93—An Ordinance Approving the Execution of a Lease Between the City of Sycamore, Illinois and Marvin and Evelyn Poliska for Use of the Property Known as the Engh Farmstead in the City of Sycamore, Illinois. First and Second Reading.**

As noted above, the attached lease is a companion to the agreement between the City of Sycamore and Sycamore Family Farms (see Ordinance 2004.92, above). The lease is necessary to tie the Poliskas to the arrangement outlined in Ordinance 2004.92 following the conveyance of the property by Sycamore Family Farms. The lease essentially replicates those terms.

City Council approval is recommended.

**12. RESOLUTIONS--None**

**13. CONSIDERATIONS**

**A. Consideration of a Presentation by Paul Rasmussen, President of the DeKalb County Farm Bureau, Concerning the Impact of City Planning on Farm Land Values.**

Mr. Rasmussen would appreciate more than three minutes of the Council's time to raise the Council's awareness of sometimes conflicting ambitions among local farmers with respect to the future of their farms. As Mr. Rasmussen will explain, his family and many local farm families that are members of the DeKalb County Farm Bureau are interested in maintaining farm operations. However, given some recent City planning initiatives such as the 2003 Comp Plan's "green belt" at Whipple Road, and the Sycamore/Genoa/DeKalb County growth control agreement, the opportunity to pursue the very different option of selling their farms at a development price has escaped them. Since the real estate market reveals a dramatic difference between the per acre price of land dedicated to farm operations (e.g. \$5,000) and the per acre price of land available for residential or commercial development (\$20,000 and upwards to \$45,000), local farmers are naturally interested in City policies.

Mr. Rasmussen will elaborate upon his concerns.

**B. Consideration of an Administration Proposal for Targeted Public Sidewalk Repairs in 2005.**

The City staff have attached a bid list of possible sidewalk improvements city-wide. The list is also broken down by ward and was compiled with the assistance of Mike Weide, a local civil engineer who was given 30 days to produce the attached list and bid documents. As the Council will see, the list of "voids" in neighborhood sidewalks, especially those on school routes or along pedestrian routes to commercial areas, is long and comprises a major share of the approximately \$240,000 available for sidewalk construction in the 2003 Bond Fund (Fund 26).

If the Council generally approves of this listing, bid documents will be finalized to invite public bidders. It is hoped that the construction can begin in June. City Council direction is recommended.

**C. Consideration of a Report from Water Superintendent Ebe Smith Recommending a Contractual Back Flow Prevention Program.**

As Water Superintendent Ebe Smith writes in the attached memorandum, because of the Water department's limited staff the City has solicited interest from private firms that could provide the professional assistance necessary to implement Sycamore's first back flow prevention program. Federal and state law define the types of commercial and industrial installations that require the installation and maintenance of back flow prevention devices, and the purpose of such a local monitoring program is to annually record that required devices are in good operating order. There are literally hundreds of such devices in place in Sycamore today and over time the Water department has compiled a list of about 144 high

hazard locations where it is essential to prevent the “backflow” of hazardous liquids or waste products into the City’s water distribution system. These high hazard locations will be the first target of the program.

Under state and federal law, the devices in question have to be inspected annually by a certified inspector. The City’s responsibility is to keep a record of their inspections and assure that all affected firms operate under the law and adhere to their responsibilities for compliance. The consulting firm working with the City does not actually do the inspections, but establishes and maintains the data bases, notices, and related correspondence.

The attached contract would establish a one-year contract with Backflow Compliance Company to set up the City’s program for \$34,000. After the first year and provided all affected companies are enrolled and cooperating, it might be possible to absorb the oversight responsibilities within the Water department’s staff. Funding for this program can be found in the FY06 Water Fund budget (740-8333; 741-8584).

Water Superintendent Smith will be available to answer any questions the Council may have about the proposed program, which is federally mandated. City Council approval of the attached agreement is recommended.

**D. Consideration of an Engineering Department Recommendation Concerning a Used SUV for the Assistant City Engineer.**

The FY06 City Budget contains an allocation of \$20,000 for a used vehicle for the new assistant city engineer. These monies are allocated in the Capital Assistance Fund (Fund 6; #8521). Because the new assistant engineer starts on May 2, at which time he will face an array of responsibilities, it is recommended that the Council authorize the award of a contract to the low bidder, effective May 2. This will allow the contract to be executed and the purchase to occur early on the morning of May 2.

City Engineer John Brady has advertised for a used SUV and will open bids on Friday, April 15. He will report to the Council on the bids and submit a bid tabulation and recommendation at the Council meeting of April 18. With the Council’s provisional authorization, the purchase can occur in FY06, when the allocation would become effective.

**E. Consideration of an Engineering Department Recommendation Concerning a New Digital Printer/Scanner.**

The FY05 City Budget has an allocation of \$30,000 for a digital printer/scanner to replace the blueprint copier that was “used” upon its purchase several decades ago. City Engineer John Brady has solicited bids for such a piece of equipment and has worked with John Laskowski, the new assistant city engineer, to develop the specifications.

The bids will be opened on Friday, April 15. Mr. Brady will prepare a bid tabulation and recommendation for the Council at the meeting of the 18<sup>th</sup>.

**F. Consideration of a Closed Session to Discuss Personnel Matters.**

**14. APPOINTMENTS**

**15. ADJOURNMENT**