

**SYCAMORE CITY COUNCIL**  
**AGENDA**  
**October 3, 2005**

**City Council Committee Meetings**

No Meetings are Scheduled

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**Regular City Council Meeting**  
**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 Regular City Council Meeting of September 19, 2005.
  - B. Payment of the Bills for October 3, 2005.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
  - A. Recognition of Jim Lyon who has retired after 24 years of service as a firefighter (1979-2005).
  - B. Presentation by the Sycamore Economic Development Commission. Commissioner Rod Schairer will introduce Rob Wilkerson, executive director, who will briefly describe the range of services and programs offered by the Kishwaukee Family YMCA.
  - C. Proclamation declaring the week of October 9-15, 2005 as Fire Prevention Week in the City of Sycamore.

- 8. **REPORTS OF OFFICERS**
- 9. **REPORTS OF STANDING COMMITTEES**
- 10. **PUBLIC HEARINGS--None**
- 11. **ORDINANCES**

**A. Ordinance No. 2005.42—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Wolf Lake Development Corporation for an Annexation Agreement, Annexation and Rezoning to “R-1” One Family Residence District for Property Known as the The Hamlet of Sycamore Creek (Lindgren Farm) in the City of Sycamore, Illinois. Second Reading.**

At the City Council meeting of September 19, the Council voted 5-3 to postpone the second reading on Ordinances 2005.42, 2005.43, 2005.44, 2005.45, 2005.46 and 2005.47 until the regular City Council meeting of October 3. The background reports on each of these ordinances have been reproduced for the Council’s reference, with minor editing.

In addition, a copy of the statement read at the September 19 Council meeting by School District Board Member Dave Shipley in behalf of the Board of Education is appended for the Council’s review. Mr. Shipley did not bring copies for distribution prior to the Council meeting. The statement is a significant in its departure from previous “neutral” positions taken by Board representatives. Much of the anxiety about the pace of residential growth in recent years has focused on the fiscal impact on local governmental services, particularly the quality of education provided by the Sycamore School District. The Sycamore Board of Education’s “Development Notebook” (2004) and the Board’s “Strategic Design Plan” (2002) have highlighted the benefit of long-range planning in cooperation with City officials. Mr. Shipley reported that the Board “favors larger developments by responsible developers who recognize the impact which their development will have on the community and the school district. B&B development has demonstrated through their past land donations to the school district, their voluntary contributions above that required in the Land cash Fee Ordinance, and their willingness to work with the School District and the City that they are developers who recognize their impact and try to alleviate some of that burden.”

With regard to the ongoing joint planning efforts of the District and the City, Mayor Mundy, Alderman Paulsen, and the City Manager attended the District’s initial facility planning sessions on Thursday, September 22. The District’s Citizen’s Advisory Council is hosting the meetings whose purpose is to define the types and capacities of facilities to be built in the next ten years. Another session will be held at the Sycamore center on October 20. The two sites donated by B&B in the vicinity of Plank Road provide the flexibility to design concepts for new space to meet elementary and middle school needs.

### Background Report on the B&B Proposals

At the Plan Commission meeting of August 8, the Commission considered annexation agreements and preliminary plans for the development of three farms in the northeast quadrant of Sycamore's planning area. All three are contiguous with at least one of the phases of the Sycamore Creek planned unit development under the ownership and management of B&B Enterprises, L.P. The petitioner, Wolf Lake Development Corporation, is an investment arm of B&B Enterprises, L.P. organized for the purpose of developing all three farms. The development team working on the preliminary plan and annexation are familiar to the Council and will be present at the October 3 meeting to answer any questions the Council may have. The team includes Chuck Hanlon of Land Vision, John Wills of Christopher B. Burke Engineering West, the traffic consultant Kenig, Lindgren, O'Hara, Aboona, Inc., the drainage consultant Huddleston-McBride Land Drainage, and legal counsel Pat Griffin of Griffin, Hoskins & Brizuela.

As reported at the September 19 Council meeting, the petitioner is seeking the approval of development plans for land areas of varying size contiguous with one or another phase of the Sycamore Creek development to ensure an orderly and compatible residential growth in an area dedicated to low-density residential development on the City's 2003 Land Use Plan. The community discussion of Sycamore's future growth since mid-July 2003 has established the City's framework for such development plans. Since that time, four joint Plan Commission and Council meetings, ad hoc committees on growth appointed by both Mayor Swedberg and Mayor Mundy, numerous joint meetings of elected and appointed officials from local taxing bodies, and a variety of public forums have focused on local economic growth. The recommendations of Mayor Mundy's ad hoc committee are the most recent policy-level findings and were supported by the Council on June 20. The recommendations were as follows:

- The 2003 Comp Plan supports a balanced vision of community growth and should be supported;
- The "circuit breaker" regulation that has paced the annual number of permits since November of 2003 (Ordinance 2003.65) and has also deferred the timing of initial permits on a sliding scale from one to six years, based on the size of the residential development, is working and should be maintained;
- Impact fee schedules that are tied to the value of developed land should be adjusted at least every two years or more often if increases in land values spike higher than the average annual trend of 7-8%.
- Based on the findings of the independent Fiscal Impact Study presented in the spring of 2005, "balanced growth" means an average of 250 residential permits per year in the period 2010-2015.
- New residential developments should pay for themselves. The recent independent fiscal impact study prepared by the NIU Center for Governmental Studies found that over the next ten years the City, the Sycamore Park District, and the Sycamore Library should see positive fiscal balances based on the growth anticipated in the City's 2003 Comp Plan. However, the study also concluded that the net present value of the School District's revenue/cost balance will be negative in the same ten-year period without new operating revenues. Counting the average property taxes generated by all of Sycamore's housing stock and Illinois state aid, the District's projected operating

“shortfall” was \$2,777 per student over a ten-year period, or \$278 per student per year. On the capital side, a 10.6% increase in the School impact fee will bring capital revenues in line with the debt service requirements for a new school in 2008 without an increase in the District’s bond and interest levy. The impact fee increase has been supported by Mayor Mundy’s ad hoc Committee and by the City Council, and is on this agenda as Ordinance 2005.51.

In this planning context, B&B Enterprises requested a workshop before the Plan Commission in June of this year. The Plan Commission supported their concept plans in terms of the Comp Plan and on the basis of their favorable past experience with the developer and its commitment to higher standards of development and fiscal contributions. Subsequent to the June Commission meeting, the principals of B&B Enterprises prepared the necessary engineering and legal documents to formally petition the City to act on their planning concepts. This is the first petition for a formal review of a residential annexation since May of 2004.

As with the September 19 Council agenda, this agenda presents three sets of plans, annexation agreements, and petitions from the B&B group. Each involves separate farms and owners so each will be taken individually. The first development plan concerns the 41.09-acre Lindgren Farm, which would be developed as The Hamlet of Sycamore Creek.

The Preliminary Plan—“The Hamlet of Sycamore Creek”

The proposed plan has the following features:

1. Land Uses. The following table depicts the various land uses by their relative area:

Single-Family Homes	Acres	Percentage
Single Family Lots	22.81	55.5
Private Parks & Conservation Areas	8.86	21.5
Public Park Land	0*	0
Public Road Right-of-Way	9.42	23
Total	41.09	100%

\* Because of the dedicated public park areas in the adjacent Sycamore Creek II project, the Park District administration is not seeking a public park dedication.

2. A gross area of 41.09 acres and a gross density of 1.97 units per acre;
3. A total of 81 single-family detached home lots. Based on the provisions of the City’s permit constraints (Ordinance 2003.65), the first permit could not be issued until September 2006, and no more than 35 permits could be issued per year.
4. A main entrance on Lindgren Road;
5. A shifting of traffic through the subdivision via five outlets, including the main entrance.
6. The signature B&B arrangement of private park space. About as much private park space as public road right-of-way is shown.

The Annexation Agreement

The principal terms of the annexation agreement are as follows:

1. The Name. In keeping with the Comprehensive Plan's preference for a gateway development on the northeast side that suggested one is arriving in "Sycamore," the staff and the developer have cooperated on a name that gives direction toward a portion of Sycamore Creek, without losing the general orientation to the larger Sycamore Creek planned development. To the observer, there would be an entry scheme consistent with others in "Sycamore Creek."
2. The Term. The agreement runs for twenty years.
3. Performance Guarantees. The developer shall provide an irrevocable letter of credit for the public improvements on the site.
4. School Contribution. The agreement proposes to make the School District "whole" by one of two means. The agreement acknowledges the current public/private initiative in behalf of a new funding source for the School District's operational priorities (Paragraph 15). The Commission is aware of the recent work of Mayor Mundy's ad hoc Committee on Growth Management and its support for a real estate transfer tax. A brief question-and-answer piece regarding the proposed tax is appended for the Commission's reference. Based on a review of all Sycamore real estate transactions in 2004, the ad hoc Committee believes it is reasonable to assume that the proposed transfer tax, with exemptions, will generate sufficient new revenue to offset the projected imbalance in school operating funds. Since the proposed tax can only be imposed by a referendum and the next general election is March 21, 2006, the annexation agreement must anticipate both a successful and an unsuccessful referendum to assure that a comparable level of school funding is provided. How can this be done? The Developer agrees to pay a \$3,000 per unit "voluntary fee" to the School District in addition to any applicable impact fee. The largest previous "voluntary" fee offered by any developer to the School District was \$1,500 per lot (Sycamore Creek).

Why \$3,000.00? Based on the 2000 Census data and more recent occupancy data collected by the City's Building department over the past 19 months (see attachment), the City's new households have an average of .7 students (about two-thirds of all new households have no children). The average new household is thus about 2.7 persons. The independent fiscal study presented this spring reports a net School operating imbalance of \$8,469,503 over the period 2005 to 2015. At the 2004-2005 enrollment level, this would be a funding shortfall of \$2,777 per student (\$8,469,503/3050). The developer has agreed to "round up" the "voluntary" donation to \$3,000 per home, payable at the time of permitting in the same manner as impact fees. If the planned referendum on a transfer fee is successful, this contribution would be a "credit" against any transfer fee obligation. If the referendum is unsuccessful, every house permit would generate a \$3,000 voluntary donation to be applied to School operating needs.

5. Impact Fees. Impact fees shall be assessed at the rate in effect at the time a permit is issued, allowing the rates to float upward over time as the City Council determines their appropriate levels with the advice of local taxing bodies.
6. Park Contribution. Several large park dedications are immediately north and northeast in the Sycamore Creek II development area. One is "Columbia Park" and comprises 3.04 acres. It would be reached by Bismarck Street and is about 700 feet from the northwest corner of the Hamlet. Another larger park—"Washington Park"—comprises

13.86 acres and is immediately north via Austin Avenue. Given the abundance of nearby park space, Park District Director Dave Peek has agreed that the developer should simply pay the required impact fees for the development.

7. Water and Sewer Main Extensions. The developer shall provide proper storm sewer, sanitary sewer and water main systems in accordance with the City's standards and at the developer's sole expense.
8. Variations. There are no proposed variations from City policies or practices.

#### The Traffic Study

A summary of the traffic study performed by Kenig, Lindgren, O'Hara, Aboona, Inc. of Rosemont is attached. The development will generate 50 two-way vehicle trips during the weekday morning peak hour and 70 two-way trips during the weekday afternoon peak hour. It is estimated that 70 percent of the vehicle trips will approach or depart the site from the south entrance. Due to the multiple access points and the low traffic volumes generated by the site, no geometric improvements were recommended for Lindgren Road at its intersection with Plank Road or at its intersection with the main entrance. The consultant recommended that the main entrance should provide one inbound and one outbound lane and the outbound lane should be under stop sign control.

The City staff recommends no occupancy permits for this development until the Lindgren Road re-configuration and Plank Road improvements are complete.

Pace of Development. A spreadsheet depicting the number of allowable permits per year is attached. The spreadsheet places the proposed development in the context of all current developments.

#### Recommendation

At the regular Plan Commission meeting in August, ***the Plan Commission voted 10-0 to recommend the Council's approval of this development.*** City Council approval of the Plan Commission recommendation is requested. The proposed annexation agreement and preliminary plan epitomize good long-term planning in the following ways:

- They are consistent with the City's Comp Plan and Northeast Sub-Area Plan, and all locally-adopted codes and ordinances;
- They promise fiscal contributions that will more than make the School District, Park District, Library and City whole.
- They provide additional amenities--e.g. private parks, bikepaths, the conservation of undeveloped open spaces-- that will enhance the quality of living for residents within the subdivision.

There is an additional intangible reason which cannot fairly count as heavily as the aforementioned factors but is certainly on the minds of city employee with regular contact with the firm: B&B Enterprises has a long track record of doing what it promises on paper, and doing it well. From City employees who test the underground piping to Park employees who work with the firm in planning and creating park space, the general opinion is that the developer delivers.

**B. Ordinance No. 2005.43—An Ordinance Annexing the 41.09-Acre Property on the North Side of Lindgren Road East of Plank Road in the City of Sycamore, Illinois. Second Reading.**

If the Council approves Ordinance No. 2005.42, the Council’s support for the attached ordinance is also requested. This ordinance separately considers the act of annexation for recording purposes.

City Council approval is recommended.

**C. Ordinance No. 2005.44—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Wolf Lake Development Corporation for an Annexation Agreement, Annexation and Rezoning to “R-1” One Family Residence District for Property Known as Sycamore Creek III (Yvonne Wolfenberger Farm) in the City of Sycamore, Illinois. Second Reading.**

The second and related plan of development submitted by B&B Enterprises concerns the 282.98-acre Wolfenberger Farm which lies directly east of Sycamore Creek, Phase Two.

The Preliminary Plan—“Sycamore Creek III”

The proposed plan has the following features:

1. Land Uses. The following table depicts the various land uses by their relative area:

Single-Family Homes	Acres	Percentage
Single Family Lots	134.03	47
Private Parks & Conservation Areas	48.63	17
Public Park Land	35.47	12.5
School Dedication	0	0
Public Road Right-of-Way	64.85	23
Bike Pathways	1.53	.5
Total	282.98	100%

2. A gross land area of 282.09 acres and a gross density of 1.61 units per acre;
3. A total of 457 single-family detached home lots. Based on the provisions of the City’s permit constraints (Ordinance 2003.65), the first permit could not be issued until September 2010, and no more than 68 permits could be issued per year (see the revised permit timeline, attached).
4. A 7-acre lake would be the centerpiece of a large public park dedication directly across from Devine Way.
5. A central or hub park of about 5.5 acres connected to the outlying parks and residential lots by bikepaths.
6. A shifting of traffic through the subdivision via nine outlets, including the main entrance.
7. The signature B&B arrangement of private park space.
8. An entrance amenity on the Plank Road corridor (Parcels 3&4) as prescribed by the 2003 Comp Plan and the June 2003 Northeast Regional Plan.

## The Annexation Agreement

The principal terms of the annexation agreement are as follows:

1. The Name. In keeping with the Comprehensive Plan's preference for a gateway development on the northeast side that suggested one is arriving in "Sycamore," the staff and the developer have cooperated on a name that gives direction toward a portion of Sycamore Creek, without losing the general orientation to the larger Sycamore Creek planned development. To the observer, there would be an entry scheme consistent with others in "Sycamore Creek."
2. The Term. The agreement runs for twenty years.
3. Performance Guarantees. The developer shall provide an irrevocable letter of credit for the public improvements on the site.
4. School Contribution. As with The Hamlet and The Commons agreements, the developer intends to pay a \$3,000 per unit "voluntary fee" to the School District in addition to any applicable impact fee, if the referendum on a transfer tax is unsuccessful. The largest previous "voluntary" fee offered by any developer to the School District was \$1,500 per lot (Sycamore Creek). If the planned referendum on a transfer fee is successful, this contribution would be a "credit" against any transfer fee obligation.
5. Impact Fees. Impact fees shall be assessed at the rate in effect at the time a permit is issued, allowing the rates to float upward over time as the City Council determines their appropriate levels with the advice of local taxing bodies.
6. Park Contribution. The proposed Park contribution dwarfs any in recent memory. The 7-acre private lake at the north of the project could offer a variety of recreational activities including fishing and small boats (presumably with a "no wake" zone across the entire lake). According to the Park Fee Ordinance, the developer was required to dedicate 15.71 acres for the population represented by the 457 units on the Sycamore Creek III plan. The 35.47 acres of dedicated public parkland represents 226% of the ordinance requirement.
7. Bike Paths. The Sycamore Creek III plan offers an elaborate system of bike trails joining parks and adjoining neighborhoods at no public cost. Maintenance would be assumed by a homeowners association.
8. Water and Sewer Main Extensions. The developer shall provide proper storm sewer, sanitary sewer and water main systems in accordance with the City's standards and at the developer's sole expense.
9. Variations. There are no proposed variations from City policies or practices.

## The Traffic Study

A summary of the traffic study performed by Kenig, Lindgren, O'Hara, Aboona, Inc. of Rosemont is attached. The development will generate 325 two-way vehicle trips during the weekday morning peak hour and 415 two-way trips during the weekday afternoon peak hour. It is estimated that 70 percent of the vehicle trips will approach or depart the site from the south entrance, with the remaining from the north. The study recommends that at the Plank Road and Access Roadway intersection, an eastbound right-turn lane, and a westbound left-turn lane should be provided on Plank Road, and a separate northbound left-turn lane and northbound right-turn lane should be provided on the Access Roadway. The consultant recommends that the exiting movements be under stop-sign control.

The City staff recommends no occupancy permits for this development until the Lindgren Road re-configuration and Plank Road improvements are complete.

Pace of Development. A spreadsheet depicting the number of allowable permits per year is attached. The spreadsheet places the proposed development in the context of all current developments.

Recommendation

On August 8 *the Plan Commission voted 10-0 to recommend the Council's approval of this project.* City Council approval of the Plan Commission recommendation is requested. As with The Hamlet P.U.D., the proposed annexation agreement and development plan epitomize good long-term planning in the following ways:

- They are consistent with the City's Comp Plan and Northeast Sub-Area Plan, and all locally-adopted codes and ordinances;
- They promise a pace of development that conforms to our best judgment about the moment when new residential development could be absorbed without straining local operational services;
- They promise fiscal contributions that will more than make the School District, Park District, Library and City whole.
- They provide additional amenities--e.g. private parks, substantial public park space, bikepaths, the conservation of undeveloped open spaces-- that will enhance the quality of living for residents within the subdivision.

**D. Ordinance No. 2005.45—An Ordinance Annexing the 282.98-Acre Property Located South and East of Plank Road and North of Lindgren Road in the City of Sycamore, Illinois. Second Reading.**

If the Council approves Ordinance No. 2005.44, the Council's support for the attached ordinance is also requested. This ordinance separately considers the act of annexation for recording purposes.

City Council approval is recommended.

**E. Ordinance No. 2005.46—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Wolf Lake Development Corporation for an Annexation Agreement, Annexation and Rezoning to "R-1" One Family Residence District for Property Known as The Commons of Sycamore Creek (Mapes Farm) in the City of Sycamore, Illinois. Second Reading.**

The third and related plan of development submitted by B&B Enterprises concerns the 114-acre Mapes Farm which lies between the northwest portion of Sycamore Creek, Phase Two and the North Grove Crossing development.

The Preliminary Plan—“The Commons of Sycamore Creek”

The proposed plan has the following features:

1. Land Uses. The following table depicts the various land uses by their relative area:

Single-Family Homes	Acres	Percentage
Single Family Lots	61.46	53.8
Private Parks & Conservation Areas	20.33	17.8
Public Park Land	0*	0
School Dedication	10.32	9
Public Road Right-of-Way	21.98	19.2
Bike Pathways	0.31	.2
Total	114.09	100%

\* A dedicated park area will be incorporated with the larger school site, in the same manner as the South Prairie School site.

2. A gross area of 114.09 acres and a gross density of 1.75 units per acre;
3. A total of 200 single-family detached home lots. Based on the provisions of the City’s permit constraints (Ordinance 2003.65), the first permit could not be issued until September 2007, and no more than 40 permits could be issued per year (see the revised permit timeline, attached).
4. The main entrance will be Springfield Street which merges with Plank Road through a portion of Sycamore Creek II.
5. A shifting of traffic through the subdivision via four outlets, including the main entrance.
6. The signature B&B arrangement of private park space.
7. The enlargement of the donated school site in Sycamore Creek II from 22.09 acres to 32.41 acres.

The Annexation Agreement

The principal terms of the annexation agreement are as follows:

1. The Name. In keeping with the Comprehensive Plan’s preference for a gateway development on the northeast side that suggested one is arriving in “Sycamore,” the staff and the developer have cooperated on a name that gives direction toward a portion of Sycamore Creek, without losing the general orientation to the larger Sycamore Creek planned development. To the observer, there would an entry scheme consistent with others in “Sycamore Creek.”
2. The Term. The agreement runs for twenty years.
3. Performance Guarantees. The developer shall provide an irrevocable letter of credit for the public improvements on the site.
4. School Contribution. The agreement proposes to donate 10.32 acres to enlarge the school land donation in the adjacent Sycamore Creek Phase Two from 22.09 acres to 32.41 acres. The developer is not seeking the “credit” for the land value that is afforded developers in the School land/cash ordinance. In addition, as with The Hamlet and Sycamore Creek III agreements, the developer intends to pay a \$3,000 per unit “voluntary fee” to the School District in addition to any applicable impact fee, if the referendum is unsuccessful. The largest previous “voluntary” fee offered by any

developer to the School District was \$1,500 per lot (Sycamore Creek). If the planned referendum on a transfer fee is successful, this contribution would be a “credit” against any transfer fee obligation.

5. Impact Fees. Impact fees shall be assessed at the rate in effect at the time a permit is issued, allowing the rates to float upward over time as the City Council determines their appropriate levels with the advice of local taxing bodies.
6. Park Contribution. The additional 10-acre donation for the school site makes a larger area available for outdoor recreation, organized fitness programs and athletics. It is hoped that the Park District and School District can collaborate on a creative use of this large land area for both school and park purposes.
7. Bike Paths. The Commons plan shows a continuation of the bike trail along Springfield Street from the Sycamore Creek, Phase Two project to the western boundary of the Commons.
8. Water and Sewer Main Extensions. The developer shall provide proper storm sewer, sanitary sewer and water main systems in accordance with the City’s standards and at the developer’s sole expense.
9. Variations. There are no proposed variations from City policies or practices.

#### The Traffic Study

A summary of the traffic study performed by Kenig, Lindgren, O’Hara, Aboona, Inc. of Rosemont is attached. The development will generate 150 two-way vehicle trips during the weekday morning peak hour and 200 two-way trips during the weekday afternoon peak hour. It is estimated that 70 percent of the vehicle trips will approach or depart the site from the south entrance, with the remaining from the north. The study recommends that at the Plank Road intersection with the access road, a northbound left-turn lane and a southbound left-turn lane should be provided on Plank Road and a separate eastbound left-turn lane and a shared through/right-turn lane should be provided on the access roadway. The exiting movements onto Plank Road should be under stop-sign control.

The City staff recommends no occupancy permits for this development until the Lindgren Road re-configuration and Plank Road improvements are complete.

Pace of Development. A spreadsheet depicting the number of allowable permits per year is attached. The spreadsheet places the proposed development in the context of all current developments.

#### Recommendation

By a vote of 10-0, ***the Plan Commission voted on August 8 to recommend the Council’s approval of this development.*** The City staff request the Council’s approval of the Plan Commission recommendation. As with The Hamlet and Sycamore Creek III developments, the Commons annexation agreement and development plan epitomize good long-term planning in the following ways:

- They are consistent with the City’s Comp Plan and Northeast Sub-Area Plan, and all locally-adopted codes and ordinances;

- They promise a pace of development that conforms to our best judgment about the moment when new residential development could be absorbed without straining local operational services;
- They promise fiscal contributions that will more than make the School District, Park District, Library and City whole.
- They provide additional amenities--e.g. private parks, bikepaths, the conservation of undeveloped open spaces--that will enhance the quality of living for residents within the subdivision.

**F. Ordinance No. 2005.47—An Ordinance Annexing the 114.09-Acre Property Located Northwest of the Intersection of Plank Road and Lindgren Road. Second Reading.**

If the Council approves Ordinance No. 2005.46, the Council’s support for the attached ordinance is also requested. This ordinance separately considers the act of annexation for recording purposes.

City Council approval is recommended.

**G. Ordinance No. 2005.53—An Ordinance Amending the Combined Annual Budget and Appropriation Ordinance for the Fiscal Year 2005-2006 to Create a New Fund 27, “2005 Refunding Bond Fund.” First and Second Reading.**

As the Council will recall, the City learned about a “current” refunding opportunity from Eric Anderson of Harris Bank in early May after the approval of the FY06 fiscal year budget. “Current” refundings are settled not greater than 90 days prior to the optional redemption date. The bonds in question were from the 1999 Refunding Bond series—a total of \$2,915,033.89 in all. Since nearly all of the outstanding series could be refunded at a lower interest rate within the guidelines of the Internal Revenue Service, the City staff recommended the refunding and the Council authorized it on May 16, 2005 (Ordinance 2005.06). The refunding savings of about \$91,500 from the bond sales in July were used to diminish the City’s debt service requirements, and the remaining outstanding bonds remain on the same maturity schedule.

The first principal and interest payment on the refunded bonds is due. A budget amendment is necessary to create a new fund that will officially disburse the \$2,915,033.89 to redeem the outstanding bonds, and to pay any outstanding interest. The amendment also revises Fund 19, the 1999 Bond Fund, which has a new debt schedule. At this writing, the debt service schedule for the revised 1999 bond series is not available. The 1999 and 2005 debt service schedules and revised budget sheets will be distributed and explained at the Council meeting on October 3.

City Council approval is recommended.

**H. Ordinance No. 2005.54—An Ordinance Concerning the Recommendation of the Zoning Board of Appeals with Regard to the Petition of Lori Strain of 149 North Cross Street for a Variance from Sections 3.2.2 and 6.5.2 of the Unified Development Ordinance in the City of Sycamore. First and Second Reading.**

On Tuesday, September 27, the Zoning Board of Appeals conducted a hearing to consider a petition from Lori Strain of 149 North Cross Street for a Variance from Sections 3.2.2 and 6.5.2 of the Unified Development Ordinance to allow for the construction of a one-car garage in the rear yard of her lot. The lot in question is non-conforming in size and would not afford the required setback area if the modest garage was built.

The Unified Development ordinance (UDO) requires a minimum rear yard of 25 feet on lots platted before June 24, 1996. If such a depth exists, an attached garage can be built to within five (5) feet of the rear lot line. Ms. Strain has only 14 feet, 6 inches to spare behind her house. However, Ms. Strain owns a corner lot with an extraordinary front yard of 35 feet along North Cross Street, which at some point in the distant past squeezed her house into the required rear yard area. Clearly, our current zoning preferences were not in effect at the time the home was built.

The Zoning Board voted to recommend the Council's approval of Ms. Strain's request by a vote of 4-0. The Board reasoned that the house was constructed before modern zoning was in place, and that Ms. Strain's proposed garage would not alter the appearance or essential character of the neighborhood. However, the Board limited the size of the attached garage to one-bay and an overall size of 12.5 feet by 21 feet. The garage access will be over the driveway serving 618 Loomis Street. Ms. Strain has used this driveway for years to park her vehicle on an unenclosed surface. A cross-easement will need to be established and recorded to afford legal access.

City Council approval of the petition and the Zoning Board's recommendation is requested.

**12. RESOLUTIONS--None**

**13. CONSIDERATIONS**

**A. Consideration of Several Funding Options for the Set-up Costs for the Zeolite Filtering Systems at Wells 6, 8 & 9.**

The City staff propose that the Council consider a contract with Water Remediation Technology (WRT) for the installation and annual maintenance of radium removal systems at Wells 6, 8 & 9. The consideration of WRT's proposals moves the Council and our community closer to compliance with EPA-mandated levels of radium in our drinking water. The issues here are not driven by development, but by regulatory decisions made at the federal level. Some background may be useful.

For over four years, the regular water sampling performed by the Sycamore Water Department on its deep sandstone wells has revealed a combined radium reading slightly in excess of 5 pico curies per liter (pCi/L) at two of those wells (Wells 6 & 8). During this period, in accordance with EPA regulations, the department has published notices and periodically sent mailings to every local household and business to notify our users that there is a problem but no health hazard. Such notices have also explained what the Water department hopes to do to remedy the situation. Several years ago, the department investigated a number of ameliorative methods including (a) altering the pumping schedules of the affected wells; (b) blending water from new shallow sand and gravel

aquifers with water pumped from the City's deep sandstone wells; (c) installing expensive treatment facilities at all the current wells and the proposed Well #9 to soften the water we pump; and (d) new radionuclide control technologies under the supervision of the Illinois EPA. Each of these options required a careful hydrological assessment. While the City was investigating the options, the Illinois EPA mandated that all communities in Illinois should have their water below 5 pCi/L by December, 2003. On that date, about 100 public and private water systems had not achieved the 5 pCi/L goal, generally because of a lack of funds. Since that time, the IEPA has adjusted its strategy to work out compliance plans with willing municipalities. Sycamore has worked out such a plan following IEPA testing procedures. The City has entered an agreement to attain compliance at the new Well #9 this year and at Wells 6 & 8 by July 1, 2006. The treatment process will not soften the water or discharge radium to the sanitary sewer, as in DeKalb. Instead, Sycamore will install a zeolite Z-88 media that will filter the pumped water at the wellheads. Every six months or so, the zeolite medium will be removed and replaced.

To implement its plan, the City applied for low-interest loans from the Illinois Public Water Supply Revolving Loan Fund. To date, the City has been awarded two low-interest loans: one in the amount of \$780,495 for the drilling of Well #9 and the installation of utilities (water and sewer) to the Airport Road site (September 2003) and a second loan in the amount of \$845,088 for the construction of the well building at Well #9 and additions to Wells 6 & 8 to accommodate the installation of zeolite treatment systems (May 2005). Neither of these loans will finance the set-up costs associated with the zeolite filtering systems, which include the delivery and installation of the vessels which hold the zeolite filtering medium.

It should also be noted that the two-year phased increase in water user fees approved in June 2003 does not cover the annual zeolite maintenance charges for Well #9, although the new level of user fees will finance payments on the two loans noted above, and about one-half of the zeolite maintenance charges for Wells 6 & 8. When pricing was sought for the zeolite process in June of 2003, the estimated costs were tied to the installation of one tall filtering vessel at Well #6 and another at Well #8. Since that time, the City's scope has changed in several ways. Rather than roll the dice and hope that higher levels of radium were not found at Well #9, the staff recommended and the Council approved the design and construction of a treatment facility at Well #9. In addition, to make each of the three planned treatment facilities at Wells 6, 8 & 9 more compatible with the surrounding residential architecture, the design was changed to include two shorter tanks rather than one tall tank at each well to avoid a tower-like structure alongside the well houses. The user fee increases approved in June 2003 anticipated an additional cost of 40 cents per 1,000 gallons pumped at Wells 6 & 8 for the radium treatment facilities; the estimated cost in September 2005 for treatment facilities at Wells 6, 8 & 9 is about 59 cents per 1,000 gallons pumped. Aside from the increases associated with the changes in the City's scope of work, this sharp increase is partially attributable to higher stainless steel costs and the "seller's market" created by the narrow range of vendors authorized by the IEPA.

Who would install the zeolite filtering systems and what would the cost be? Under IEPA guidelines, any approved treatment process other than ion exchange (i.e. softening) requires

a pilot study using the proposed alternative technology. Water Remediation Technology, LLC (WRT) performed our pilot study in May 2003 using WRT's zeolite system. We could search the very limited field of EPA-approved vendors once again, but any other firm would have to perform a new pilot study using our water supply and their technology and then await IEPA approval—a process that could take another 6-9 months.

WRT has submitted a proposal with two options:

**Option A:** The City pays the set-up costs out of pocket. In addition, the City would finance the annual maintenance costs for the zeolite treatment, estimated to be about \$196,000 per year over ten years. The set-up costs are as follows:

- Well #6: \$375,000;
- Well #8: \$460,000;
- Well #9: \$460,000.
- Total: \$1,295,000 plus any costs associated with the connections between the WRT equipment and the roughed-in piping in the wellhouses. Such connections would be made by a local plumbing firm for an estimated cost of \$10,000 per well.

The annual maintenance costs should be covered by the current level of user fees, with some economies in the operation of the Water department, provided the bids for the treatment buildings at Wells 6 & 8 are within our engineering estimates. The ten-year term is shorter than the usual twenty-year term, but a shorter-term obligation gives the City some flexibility in choosing another vendor at a later date.

The funding for the set-up charges would be drawn from the reserves in the Water Fund and the Water Impact fee Fund as follows:

Well #9. The \$460,000 in set-up fees for the radium treatment equipment would be taken from the Water Impact Fee Fund, since the new well principally serves new growth areas on the City's southeast side. Our auditor's trial balance for the Water Impact Fee Fund is \$1,653,912 as of April 30, 2005.

Well #6: About 20% (\$75,000) of the \$375,000 in set-up fees would be taken from the Water Impact Fee Fund. The gallons pumped from each well flow throughout the system, so it is difficult to draw the line between gallons serving new and established residential areas. However, over the next twenty years, Well #6 is expected to account for about 20% of the gallons pumped from Wells 5, 6, 7, 8, & 9. The balance (\$300,000) would be taken from the Water Fund reserve (which was \$4,308,375 as of April 30, 2005 according to the auditors' trial balance for FY05).

Well #8: About 25% (\$115,000) of the \$460,000 in set-up fees would be taken from the Water Impact Fee Fund, based on the percentage of gallons pumped to the city system. The balance (\$345,000) would be taken from the Water Fund reserve.

Total Water Impact Fee funding:      \$650,000

Total Water Fund reserve funding: \$675,000 (includes \$10,000 per well for local plumbing connection work)

**Option B:** Finance the set-up costs along with the annual maintenance costs over a twenty-year period. If the City were to approve this option, *the City's annual overhead cost would increase by about \$321,000 rather than the \$196,000 in Option A*, or an additional \$125,000 a year for twenty years. Such an increase could not be absorbed by economies in departmental spending and would require another increase in water user fees. Both the Council and staff desire revisions to the current tiered rate schedule. However, for illustrative purposes, if no adjustment was made to the present rate schedule, household user fees would have to increase by about 15% per average household (i.e. a household using about 1,700 cubic feet of water for each two-month billing period). Presently, the two-month water bill for such a household is about \$50.00.

The City Manager recommends Option A. This should not require an increase in user fees and gives the Council the flexibility to modify the present tiered structure of rates at a later date, subject to IEPA approval. City Council direction is recommended. Depending on the Council's direction, a budget amendment can be prepared for the next Council agenda.

**B. Consideration of a Request from Kishwaukee Community Hospital for Relief from Sections 8-2-2 and 8-4-2 of the City Code Regarding Water and Sewer Connection Fees.**

The City Code provides that all new building connections to the City's water and sewer systems are assessed connection fees in addition to any relevant tap fees and, of course, user fees. The connection fees are one-time charges to build the reserves in the Sewer and Water Funds for system improvements. In the case of commercial and industrial businesses which typically pay higher connection fees on the basis of their anticipated number of openings and employees, the cost of new connections can be offset by credits for the number of full-time jobs created or retained (see Section 8-4-2, C, 6).

Kishwaukee Community Hospital has been a customer of Sycamore's water system since the facility opened in December, 1975. Since the hospital is located within the County's political jurisdiction, it has paid one-and-a-half times the applicable rate for water usage. As the Council has observed, the Hospital and its contractors have been kept to a brisk pace in the development of the new, 240,000 square-foot, \$102 million hospital complex which will be located on a 23-acre campus to the south and east of the present facility. As the earth-work and infrastructure work continues, the construction of the new building nears. At this point, the final permit fees are typically paid. Though the County of DeKalb assesses the engineering and building fees, the City of Sycamore will assess the connection fees and additional charges for taps and water and sewer inspections. Based upon a 100-bed facility, with maximum allowable credits (75%) for jobs created and retained, and using the 1.5 multiplier for service in an unincorporated area, the hospital's connection fees are as follows:

Sewer: \$75,000

Water: \$44,850

Total: \$119,850

The fees are calculated as follows:

Sewer: 100 patients x 4 units per patient = 400 units @\$500 per unit = \$200,000  
\$200,000 – 75% credit based on # of employees = \$50,000  
\$50,000 @1.5 times for unincorporated users = \$75,000

Water: 100 patients x 4 units per patient = 400 units @\$299 per unit = \$119,600  
\$119,600 – 75% credit based on # of employees = \$29,900  
\$29,900 @ 1.5 times for unincorporated users = \$44,850

The fee of \$119,850 for the combined water and sewer connection charges, after deductions, seems extraordinary in terms of the hospital's projected impact on the City's water and sewer systems and in view of the fact that the hospital will continue to pay 1.5 times the applicable rate for water usage. At the request of the KCH administration, the Council is asked to consider a modification based on what the facility would be charged if it were constructed in the City limits. The incorporated charge would be \$79,900, or \$39,950 less than the unincorporated rate.

In view of the hospital's longstanding usage and its service to the Sycamore community as an employer and a health provider, the City Manager recommends a reduction in the connection fees to the "incorporated" rate of \$79,900. City Council direction is recommended.

### **C. Consideration of a Contract with Brad Manning Ford for the Purchase of Three Utility Trucks.**

The FY06 Budget contained an allocation for the replacement of three pickup trucks: one in the Public Works department and two in the Water department. The replacement truck for the Public Works department is a two wheel drive, three-quarter ton truck to be used for routine daily duties of the Treatment Plant and sewage collection system, primarily. This vehicle would replace a 1987 GMC truck. The Water department budget included an allocation for one four-wheel drive, three quarter ton pickup and one two wheel drive, three-quarter ton pickup. The two trucks to be replaced are the 1987 GMC and 1988 Chevy trucks. All three replacements were bid at one time to invite more aggressive bids.

On September 12 the bids were opened. A bid tabulation is attached. One local bidder—Brad Manning Ford—was within 5% of the lowest responsible bid and chose to invoke the local preference policy. A letter from Manning Ford agreeing to match the low overall bid for the three trucks (\$49,600) is attached. The trucks would be purchased with monies from the following budget line items:

Public Works: 04-752-8521  
Water: 02-741-8521

City Council approval of the Manning Ford bid is recommended.

**14. APPOINTMENTS**

**15. ADJOURNMENT**