

**SYCAMORE CITY COUNCIL
AGENDA
February 6, 2006**

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 January 16, 2006.
 - B. Payment of the Bills for February 6, 2006.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. The Sycamore Economic Development Commission renews its “spotlight” on local businesses with a presentation by Rich Perales of Rich’s Tire Service at 121 North Maple Street (formerly Punk’s Firestone).
 - B. Introduction of new police officers Tiffany O’Neil and Anne Carlson.
- 8. REPORTS OF OFFICERS**
- 9. REPORTS OF STANDING COMMITTEES**
- 10. PUBLIC HEARINGS--None**

11. **ORDINANCES**

A. Ordinance No. 2005.79—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition from First Rockford Group and the National Bank & Trust Company, Trust No. 40-465200 for an Annexation Agreement, Annexation and Rezoning to “C-3” Highway Business District Planned Unit Development and “R-2” Two Family Residence District Planned Unit Development for a 82.148-Acre Property Located at the Northwest Corner of Peace Road and Illinois Route 23. Second Reading.

A public hearing on First Rockford Group’s plan for the development of the Artery Farm, located at the northwest corner of Illinois Route 23 and Peace Road, was held on January 16. At that time, the proposed annexation agreement, incentive agreement, and annexation were considered on first reading only.

The First Rockford Group proposes to develop the farm as suggested in the 2003 Comp Plan, namely with the entire Peace Road frontage to a depth of about 1,200 feet dedicated to highway commercial uses and a corridor at the west fringe dedicated to attached housing as a transitional buffer to possible residential uses further west.

The First Rockford Group now formally petitions the City Council for the approval of their proposed annexation agreement, annexation, and rezoning for “Sycamore Crossings” on second reading. The key documents are the preliminary plan and annexation agreement. These are summarized below:

Preliminary Plan

- a) Land Uses. The plan depicts two general types of land uses: “C-3” Highway Business to a depth of approximately 1,200 feet west of the Peace Road right-of-way (comprising about 65.245 acres), and “R-2” Two Family Residence District at the west boundary of the property (comprising about 16.903 acres) to allow the construction of 46 duplex buildings (92 units). These land uses conform to the 2003 Comp Plan.
- b) Access and Internal Circulation. The main access points are located at Sarah Drive and Peace Road and at Puri Drive and Peace Road. A “right-in only” from Peace Road is located between these two Peace Road access points. In separate actions the DeKalb County Board and the City Council approved an amendment to their joint agreement concerning access to Peace Road to permit the access point at Puri Drive, on August 17 and September 6, respectively.
- c) Screening of Adjacent Uses. The proper screening of the adjacent residential uses has been an important part of the planning since the introduction of the concept plan in the early summer of 2005. The proposed preliminary plan shows a 50-foot wide landscape buffer where the commercial zoning would abut the Grandview townhouses. A plan view (i.e. aerial view) providing more detail on the proposed landscape buffer in relation to the townhouses is appended to the annexation agreement as Exhibit “E.” A “line-of-sight” drawing which provides a section view of the buffer area is also attached to the annexation agreement as Exhibit “D.”

- d) Storm Water Management. The preliminary plan depicts the path of a storm water easement that would pipe the storm from the outfall of the structures near the intersection of IL Rt. 23 and Peace Road around the perimeter of the development area to the west edge of the property where the runoff would be slowly released over time. On-site detention would control and slowly release stormwater runoff from the paved and hard surfaces that will be built on both the commercial and residential-zoned areas.

Annexation Agreement

- a. Term. The term is for twenty years.
- b. Economic Incentive Agreement. An economic incentive agreement is referenced in the Agreement (Section 12,d and Section 14). The key features are excerpted and italicized below:

***Improvement of Property.** The Developer agrees to perform all of the work necessary to complete the development of the Property at its sole and exclusive expense, according to plans approved by the City Council, upon the recommendation of the City Engineer.*

***Construction of Public Infrastructure.** Offsite improvements that may qualify for public assistance include, among others, the following:*

- ✓ *Turn lanes including, but not limited to, curbing, gutters, storm sewers, and streetlights within the Peace Road right-of-way;*
- ✓ *The installation of traffic signals and all appurtenances including, but not limited to, looping, electronic controls, and programming at the intersection of Peace Road and Sarah Drive and the intersection of Peace Road and Puri Drive;*
- ✓ *The construction of the Sarah Drive extension, west of the Peace Road right-of-way, including, but not limited to, the value of the land beneath the road, curbing, gutters, sidewalks, storm sewers, and streetlights;*
- ✓ *The extension of a sanitary sewer trunkline to the Property;*
- ✓ *The piping of regional stormwater from the west side of the property to the culverts near the intersection of Peace Road and IL. Rt. 23;*
- ✓ *The installation of a buffer between the commercially-zoned property and abutting residential land, to the extent that the buffer required by the City exceeds the requirements for such buffer within the UDO; and*
- ✓ *The installation of a bike path on the east side of the Peace Road frontage.*

***Incentive Payments.** The maximum amount of any retail sales tax rebate shall be tied to the value of the offsite improvements identified above. This value shall be determined on the basis of the actual contract costs of construction, as verified by the City Engineer.*

***Reimbursement Mechanism.** In consideration of the Developer's investment in the commercial zoning as shown on the preliminary plan and the public improvements identified above, the City agrees to remit to the developer a portion of the Monthly Distributions from any commercial properties as follows:*

- *Annual Periods 1 and 2: No Monthly Distribution. The first annual period shall begin when a total of 50,000 square feet of retail space is open and operating. "Retail" in this context means a commercial use whose primary purpose is to sell taxable goods to ultimate consumers.*

- *Annual Periods 3 through 6: the Monthly Distribution is paid 50% to the City and 50% to the Developer.*
- *Annual Periods 7 through 10: the Monthly Distribution is paid 60% to the City and 40% to the Developer.*

On a monthly basis, the tenants shall furnish to the City Treasurer or designee copies of sales tax reports as described in Paragraph 6, below. No later than twenty-one (21) calendar days after the City's receipt of the monthly reports, the Treasurer shall pay to the Developer an amount equal to the applicable percentage of the expected Monthly Distribution from the Illinois Department of Revenue, based on the reporting of the tenants. It is understood that no disbursements shall be made by the City to the Developer prior to the City receiving the appropriate sales tax reports. Any disbursements not made within the twenty-one (21) day period (and not subject to a bona fide dispute between the parties) shall accrue interest at the rate of one percent (1%) for each month or fraction thereof until such time as payment has been made.

Sales Tax Reports. *The Developer shall require its tenants, as a provision in their leases with the Developer, to provide Sycamore with exact copies of any and all sales tax returns (e.g. Form ST-1 or Form ST-2), sales tax reports, sales reports, amendments, or any other information whether paper or electronic (the "Documentation") filed with the State of Illinois or other appropriate governmental entity, which documents are provided to Sycamore for purposes of identifying sales tax revenues collected pursuant to this Agreement. Further, all prime store tenants, outlot users, and other retail businesses on the commercially-zoned lots shall be required to sign documents required by the City and/or the Illinois Department of revenue to allow the City access to sales tax documents filed by these same store tenants and outlot users.*

Commencement of Term. *The Developer agrees to establish and maintain commercial uses on the commercially-zoned acres of the 75.84-acre Property. This Agreement shall become effective when a total of 50,000 square feet of retail space is open and operating. "Retail" in this context means a commercial use whose primary purpose is to sell taxable goods to ultimate consumers.*

- c. Impact and other Development Fees. All existing types of fees will apply, as they may vary over time. In addition, the Property will be subject to a City-imposed transfer fee if the March referendum is successful.
- d. Traffic Study. John Brady can summarize the very detailed study prepared by McClure Engineering and subsequent intersection design studies (see attached) prepared in cooperation with the DeKalb County Highway Department. County Engineer Bill Lorence and his staff were particularly generous in their time and insight to define entrance designs that would serve the development while also ensuring efficient traffic movements on Peace Road for through traffic.
- e. Variiances. In May of 2005, the City's UDO introduced a number of new features, including higher landscaping standards in parking areas, and a new format to more easily direct the reader to such topics as allowable uses in zoning districts. However, for the most part, the UDO did not revise established bodies of local law pertaining to signage and setbacks in commercial areas. This means that the signage and setback codes have not essentially changed in decades, and do not anticipate a regional

commercial development of the size of “Sycamore Crossings,” which is roughly comparable in square footage to the Cherry Vale Mall. The following requested variances from the provisions of the UDO are practical in nature, and point toward deficiencies in the law rather than new policy directions.

aa. Signage.

- The permitted maximum sign area for any wall sign on the property shall be increased by fifty (50) percent.
- Each outlot containing a multi-tenant building shall be entitled to one (1) free-standing monument sign of one hundred square feet along Peace Road and one (1) twenty square foot free standing tenant identification sign with a maximum height of seven (7) feet along the inner ring road.
- The shopping center shall be entitled to three (3) three hundred square foot freestanding pylon signs on the Property as follows: one toward the intersection of IL Rt. 23 and Peace Road, one near the intersection of Puri Drive and Peace Road and one near the intersection of Sarah Drive and Peace Road. Each shall have a maximum height of thirty-five (35) feet.
- Monument signs shall not be located nearer than five (5) feet to any property line, provided their placement does not impede visibility for vehicular traffic.
- For so long as the owner and/or Developer is actively marketing the development of the Property, it shall have the right to install and maintain two illuminated double-faced 10’ x 30’ marketing signs on the property, and informational and directional signage on the Property of a reasonable size and configuration. The Owner and/or Developer shall remove such signs promptly after it has ceased marketing the development of the Property.

bb. Setbacks.

- Any outlot with frontage on both Peace Road and the inner ring road shall treat the inner ring road as their rear yard.
- The front yard building setback from Sarah Drive and Puri Drive, for commercial uses, shall be twenty-five (25) feet.

cc. Relief from Section 4.4.2 of the UDO.

Regarding the “R-2” zoning area, the annexation agreement assumes that the extraordinary offsetting property and retail tax revenue to be generated from the commercial retail area, along with the limitation to two bedrooms, obviates the need to pace the construction permitting of the proposed two-bedroom duplexes according to the timelines defined by Section 4.4.2 (Ordinance 2005.60). The reason for this variance request is purely economic. The Developer considers the permission to undertake duplex construction before 2010 as a prerequisite for proceeding, in view of the many millions of upfront costs associated with the development of this farm prior to any return on the Developer’s investment.

- f. Buffering of Adjacent Residential Uses. The Grandview townhouses parallel the south boundary of the proposed development area. According to Section 6.6.2 I, 3

of the City's UDO, a landscape buffer is required between the townhouses and the adjacent commercial uses. The screening proposed in the annexation agreement exceeds the requirements of this regulation. The pertinent language in the agreement is excerpted below:

- *The Developer and Owner shall provide a landscaped berm and eight-foot fence along the property line separating the commercially-zoned portion of the property and the residential (townhouse) property to the south. The berm shall be constructed within 120 days from the start of the mass earthwork for the residentially-zoned portion of the Property. The fence and landscaping for the berm shall commence within 30 days of the issuance of the first building permit for a commercial building on any portion of the commercial property, excluding the commercial acreage within Phase I that begins at Sarah Drive and stretches southward along the Peace Road frontage to a point approximately 1,400 feet distant from the center of the fence line.*
- *The Developer and owner shall provide an eight-foot fence, consisting of alternating board-on-board construction with gaps of 1-1/2 inches or less, along the property line separating the two-family zoning and the residential property to the south. This fence shall be installed at the same time that the fence is installed along the property line that separates the commercially-zoned portion of the Property and the townhouses to the south.*

A section view of the landscape buffer and a plan view of the landscape buffer have been added as Exhibits "D" and "E", respectively, to the annexation agreement.

Recommendation

The First Rockford Group has proposed the largest regional shopping center in Sycamore's history, in terms of the potential for retail development. The Plan Commission considered this development at its last regular meeting on January 9. By a vote of 9-2 (Henderson absent; Evans and Brotcke against), the Commission recommended the Council's approval of this annexation agreement.

The City Manager strongly supports the Plan Commission recommendation. The project envisioned by the agreement and the preliminary plan has been anticipated in a very general way by the Council's long-range planning since the mid-1990s. Of course, the details of how the Artery farm would be developed were not elaborated in such long-range planning. Taken altogether, the annexation agreement, preliminary plan and proposed incentive agreement (see Ordinance 2005.80, below) outline details that the City staff has been negotiating for over a year. For many, seeing is believing. Local residents ask: "where is the commercial to follow the houses we are seeing?" Here it is, in large scale. It was not automatic; it has taken years of steady attraction efforts. The Sycamore market remains "thin" in purchasing power, relative to other geographic areas in northern Illinois, and therefore more risky in terms of commercial investment. The Sycamore-DeKalb market area consists of about 200,000 people in an area bounded by Rt. 47 to the East, Cherry Valley to the North, the Quad Cities to the West, and U.S. Interstate 80 to the South. The competing Fox Valley market area which includes Geneva, St. Charles, Batavia, and Elgin

includes about 1.5 million residents and already features a wide variety of vendors along its main commercial corridors.

The proposed “Sycamore Crossings” development exceeds any scale imagined in the 2005 fiscal study. First Rockford is an experienced and successful developer of commercial property in Rockford, DeKalb, and other locations in northern Illinois. The firm has confidence in the growth of our market area over the next decade and its evolving appeal to retailers and their customers. City Council approval is strongly recommended.

B. Ordinance No. 2005.80—An Ordinance Approving an Economic Incentive Agreement Between the City of Sycamore, Illinois and First Rockford Group. Second Reading.

As noted in the staff summary of the proposed annexation agreement, above, the First Rockford Group has requested City assistance in the form of a sales tax rebate over an eight-year period, beginning two years after the first 50,000 square feet of retail space is open and operating. The salient terms of this agreement were outlined in the staff report under Ordinance 2005.79, above, but are also summarized below:

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City Council approval is recommended.

C. Ordinance No. 2005.81—An Ordinance Annexing the 82.148-Acre Property Located at the Northwest Corner of Peace Road and Illinois Route 23 in the City of Sycamore, Illinois. Second Reading.

If the Council approves Ordinances 2005.79 and 2005.80, 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.

12. RESOLUTIONS

A. Resolution No. 467—Authorizing the Mayor to Sign an Intergovernmental Signal Agreement with the City of DeKalb for a Share of the Maintenance for a New Traffic Signal at Gateway Drive and Illinois Route 23.

The attached resolution would authorize the Mayor to sign an intergovernmental agreement establishing the maintenance shares for the new signal at Illinois Rt. 23 and Gateway Drive. This signal will assist movements into and out of the new Kishwaukee Hospital facility to the west, and a growing number of services to the east. The City of Sycamore will be responsible for 25 percent of the annual maintenance of the signal including the preemption feature and coordination with other signals along the corridor. City Council approval is recommended.

B. Resolution No. 468—Approving an Agreement Between the City of Sycamore and Castle & Castle Development, LLC for the Completion, Operation and Maintenance of Street lighting Improvements in the Hickory Terrace Subdivision.

The attached resolution clarifies what the City of Sycamore expects of developers with respect to the installation of period-style or historic street lighting poles and lamps in residential subdivisions. As these poles have become more preferable to the standard Com Ed concrete pole, so has the cost of maintaining them. In the past, the City has paid a base cost and the developer has paid for any costs above the base charge imposed by Com Ed for concrete poles in older city neighborhoods. However, this resolution would establish the practice of requiring homeowner associations in new annexations to pay for all of the ongoing maintenance costs.

City Council approval is recommended.

C. Resolution No. 469—Supporting HB4468 Which Amends the State of Illinois Annexation Statute.

On June 6, 2005 the City Council unanimously voiced its support for legislation that would amend 65 ILCS 5/11-15.1(a) of the Illinois state statutes which presently permits development through annexation agreement on non-contiguous properties outside Cook and the collar counties. The law was originally enacted to help municipalities in “downstate” counties that do not have zoning authority. However, in recent years, at least one instance has arisen in which a municipality has entered a pre-annexation agreement with an owner whose property was not contiguous, and for purposes that might not otherwise be desirable within the remote planning jurisdiction. This action was upheld in the state supreme court, and the legislature is now considering a bill, introduced by Representative Pritchard, that would prohibit such agreements for non-contiguous properties unless mutually desired by the county and municipality. Such instances might arise, for instance, when an agreement relating to the extension of public utilities would benefit all parties.

Although this bill nominally restricts municipal authority, and derogation of city authority would arguably be offset by the protection afforded against agreements entered by other municipalities with nearby propertyowners contrary to Sycamore’s long-range planning efforts.

City Council approval is recommended. If the Council approves, the resolution will be forwarded to Rep. Pritchard. It will also be forwarded to the DeKalb County Regional Planning Commission which is considering joint action. A similar resolution will be on the DeKalb city council agenda on February 13.

13. CONSIDERATIONS

A. Consideration of a Request from Cornerstone Christian Academy for a Remote Informational Sign on City Property Near the Intersection of West State Street and North Cross Street.

Prior to the reconstruction of Illinois Route 64 in the vicinity of the intersection with North Cross Street, a small directional sign existed on a private parcel near the intersection that

directed visitors to the Cornerstone Christian Academy near the north end of North Cross Street. That sign was removed around the time of the Rt. 64 reconstruction project, and a later owner has not agreed to the installation of another sign.

The Unified Development Ordinance (UDO) does not permit such signs in the parkway or on public property. However, it does suggest that the Council can make an exception where a public purpose is clearly presented, and where vision will not be obstructed. In the attached letter, the Cornerstone Academy requests the Council's permission to install a small directional sign in the parkway on the south side of the intersection, opposite the Federated Church sign. The Federated Church has been consulted since the receipt of this request and would prefer that the sign not be installed opposite their sign in order to avoid confusion. The City staff suggest the alternative of a small directional sign below the street name on the North Cross street sign, with the Cornerstone Academy responsible for the cost of the sign and its maintenance.

City Council direction is requested.

14. APPOINTMENTS

15. ADJOURNMENT