
PROCEEDINGS OF THE SPECIAL MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 SOUTH CAPITOL STREET
ON MONDAY, JUNE 15, 2015 AT 5:00 O'CLOCK P.M.

John McCabe * MAYOR * PRESIDING

PRESENT: COUNCIL MEMBERS, ABEL, DUNN, GOLDEN, ORRICK, LUFT, RITCHASON

Mayor McCabe called the Economic Development Advisory Committee (EDAC) Work Session with City Council to order and led the **Pledge of Allegiance**.

Roll was called. All members were physically present, except Rusty Dunn. A quorum was present.

AGENDA

Motion by Council Member Orrick, seconded by Council Member Dunn that the agenda be approved as presented. On roll call vote all present voted Aye.

Public Comment

Ann Witzig asks if there were 38 prospects for Asian Carp. Mayor McCabe tells her there is no document at this time as the Council chose not to receive and file it.

Mayor McCabe welcomes everyone and turns the meeting over to Andy Sparks, EDAC, Chairman. Andy Sparks thanks the council and public for attending and will give them the history and tools and then will ask them to review a case study. The following EDAC members were present at the meeting Carol Shields, Bob Hailey, Bill Fleming, Leigh Ann Brown, Dennis Keif, Mack Cakora, Laurie Barra, Jim Wolf, Greg Ratliff, Danielle Owens, Burt Dancey was also present along with Sarah Newcomb Deputy City Clerk. Sparks states the EDAC mission and purpose and explains the EDAC is a recommending team with knowledgeable, educated and diverse people on the committee.

Denny Kief gives a history of EDAC from 1984-2010; in 1989 the city's tax rate was \$3.49/100 EAV and council decided to utilize city home rule abilities to dilute the tax base to non-residents and to create new revenue in 2010 the tax rate 1.32/100 EAV a 62% reductions. 75% of economic growth comes from local business and lessens the burden on households by bringing head of household jobs. Negative attitudes are especially derogative to development, especially that by elected officials. In 1986 two TIF districts were created, one has expired and one will expire in 2021. Excel Foundry and the Windfarm have also benefited from TIF districts. ED requires a team effort and relationships are important including state and federal and regulatory relationships. The City has used several tools for the ED projects, in fact most of the business park was funded by Grants. Veterans drive most likely would not have been possible without the city gas tax and therefore made us shovel ready. The FBOP began negotiations for FCI-Pekin and the City was given 165 acres of property and the business park was created this allowed the buffer between residential areas and the prison, as well as infrastructure projects; FCI Pekin paid for the improvements at the Manito Blacktop and the improvements to WWTP. In 2010 FCI-Pekin announced potential expansion plans. Riverway Business Park has now been expanded to over 400 acres. The

City also has a history of working with residential contractors as well. Over past 3 years the EAV and sales tax have started lagging and the council needs to work closely with EDAC as competing regions are the trend – we don't compete with Peoria, we compete with other regions. The City needs to have new tools in its toolbox.

Keif and Sparks touch on TIF districts and Leigh Ann Brown states the Interior Program and Façade Programs have been successful in the central business districts. Brown continues explaining the Enterprise Zone expires in 2016. A new application in partnership with Morton, Tremont and Tazewell County is under review at the state and includes the 5 year property tax abatement and permit fees waivers for qualifying projects. More than 425 projects have been created and 2500 jobs created. Brown walks them through a typical processes of State Leads with little details, but a long list of requirements for the project's success. She shares an old example of that type of project with the council. Sites are often logged, so the more we bid on, the more likely we are to be recognized. We can be more creative with prospects when we own property. The North Business Park and Veterans Drive corridor will be the growth area, we have several prospects now including the Progressive Health Systems and she feels they will spur development in that area. She shares examples of design concepts of maps and information we share with prospects.

Bill Fleming shares the City and Chamber have been working on Veterans Drive since 60s when the funding was available, however the project did not happen. Carol Shields put together the Transportation Committee and made the road happen and they continue to work with the Transportation Committees in Springfield. Shields points out the dedication of people on the committee and she spends a lot of time and literally days with the legislative members and the success of Veterans is well deserved. She give City staff an "A" for the City's response to get information to the legislators and the quality of information and she encourages the Council to talk to anyone on the committee. Brown says the connection to 4-74 is important because interstate access is crucial for products, but also for work force as well. Having rail, air and roadways is critical. The Comprehensive Economic Development Strategy (CEDS) plan was submitted which include Front St and Veterans DR. North. Currently there are 400 employees on Front St. and all of the businesses there can grow, so Front St. is a \$6m project and could be seen as a top rated project. The Quality of Life component and downtown redevelopment and the goal of TIF is to enhance properties and improve tax base and those projects create food and beverage, gaming tax are spin offs of those developments. Brown shares a Business District tool with the Council. It is a tax driven incentive for development, the dollars generated go to achieve your redevelopment in that district, maintain jobs, increase tax base, and help with cost of infrastructure. Several cities have business districts including East Peoria having 3 districts, Morton (almost all businesses are in 1 district) Peoria (1). Pekin's current rate is 8% which I under all of those districts. The EDAC shares their draft proposal for a business district map. Brown points out that the proposed district would generate revenue in the amount of \$830,000 on a ¼% sales tax

Sparks shares a case study also shares the revenues vs expenses for general fund through FY 13-14. He believes ED can impact 4 types of taxes: property, food and beverage, local use and gaming taxes. Growing revenues are critical to improving the City's ability to provide quality services. The Pekin Hospital project could be as much as \$300,000 in new property tax in the City of Pekin. Keeping dollars in Pekin is crucial. BigR has exceeded their sales tax requirement as well as EastCourt Village. Food and Beverage – Rail House and Buffalo Wild Wings are good examples. A new Business District helps existing businesses to expand. Shares a case study for a \$12m project but needs \$1m from the City with a return on

investment \$100,000 going into the General Fund annually. Residential areas can qualify, can do matching funds as well. Sparks says it is the most powerful economic tool he has seen; Morton raised \$400,000. Orrick says has a lot of trust in the EDAC and Dunn asks what the impact of establishment of the Business District would be between now and 2020 from downtown to Derby to a technology corridor to Veterans. Brown says it is important for us to have as many tools as possible in our tool box, including being ready when someone makes a request i.e. the infrastructure is ready and waiting. McCabe reiterates that we can make different tools for different areas. Sparks talk about the PEDIF, you could make it a grant amount or could do loan fund and it makes it go farther. Keif says this doesn't just happen and it is a 23 year commitment. The Council has to put together the plans with a long term view. Abel says if the TIF and Ent don't happen and we don't do the business dist. we do not have three tools that other cities have. Sparks says the timing of it would include a study from a consultant showing blighted areas and would be looking at a January time line. Fleming says the consultant fees can be repaid from the funds once the business district is under way. Andy thanks the council for the commitment and looks forward to working with the

Orrick thanks the EDAC for bringing a tool that includes the whole city. McCabe like the equity of the prospective district and thanks the EDAC for their work. Meeting adjourns at 6:15 on a motion from Orrick and second from Luft.

Respectfully submitted,

Sue E. McMillan

City Clerk

Via

A handwritten signature in cursive script, appearing to read "Sarah J. Newcomb".

Deputy City Clerk