



City of Pekin

REGULAR ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING MONDAY, JULY 8, 2024 12:00 PM

1. Call to Order

2. Approve Agenda

3. Approval of Minutes

3.1. Motion to Approve the EDAC Regular Meeting Minutes of May 13, 2024

4. Public Input

5. Consent Agenda

5.1. Monthly Staff Report

5.2. Monthly Financial Report

6. Unfinished Business

6.1. Strategic Planning

6.2. Motion to Recommend the High Impact Business Incentive Program

7. New Business

7.1. Motion to Recommend Project Priorities for the TIF Building Improvement Program

8. Any Other Business to Come Before the Commission

9. Adjourn



City of Pekin

**PROCEEDINGS OF THE REGULAR MEETING
OF THE ECONOMIC DEVELOPMENT ADVISORY COMMITTEE OF THE CITY OF
PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 S. CAPITOL ST
ON MONDAY, MAY 13, 2024 AT 12:00 PM**

Call to Order

The regular meeting of the Economic Development Advisory Committee was called to order at 12:00PM. A quorum was declared by D. Leman.

Attendee Name	Organization	Title	Status	Arrived
Roy Bockler	Economic Development Advisory Committee	Member	Present	Noon
Caty Campbell	Economic Development Advisory Committee	Member	Present	Noon
John Campbell	Economic Development Advisory Committee	Member	Present	Noon
Keith Dunkelbarger	Economic Development Advisory Committee	Member	Present	Noon
Buster Hanley	Economic Development Advisory Committee	Member	Present	12:02
Drew Leman	Economic Development Advisory Committee	Member	Present	Noon
Amy McCoy	Economic Development Advisory Committee	Member	Absent	
Danielle Owens	Economic Development Advisory Committee	Member	Absent	
Earl Riley	Economic Development Advisory Committee	Member	Absent	
Liridon Rrushaj	Economic Development Advisory Committee	Member	Present	Noon

Dennis Short	Economic Development Advisory Committee	Member	Absent	
Jack Steger	Economic Development Advisory Committee	Member	Absent	
Pat Taphorn	Economic Development Advisory Committee	Member	Absent	

Others in attendance:

Mayor Mary Burress, City Manager John Dossey, Josh Wray – Director of Economic Development, Council Member Dave Nutter, and Baylee Gambetti.

Approve Agenda

L. Rrushaj motioned to approved the agenda, seconded by K. Dunkelbarger. Motion passed by voice vote.

Approval of Minutes

3.1. Motion to Approve the Regular Meeting Minutes from April 8, 2024

C. Campbell motioned to approve the minutes of the April 8, 2024 meeting, seconded by J. Campbell. Motion passed by voice vote.

Public Input

R. Bockler suggested hosting a Regional Economic Development Symposium with surrounding towns.

Consent Agenda

D. Hanley motioned to approve consent agenda, seconded by C Campbell.

5.1. Monthly Staff Report

J. Wray provided an overview of the report. He mentioned that he posted it on LinkedIn and it has gained attention. The residential part is moving, likely in part by TIF.

5.2. Monthly Financial Report

The consent agenda was approved by voice vote.

Unfinished Business

6.1. Strategic Planning

No update for this month. Will resume discussion in June.

6.2. Marketing/Communication Update

J. Wray had meeting with McDaniels Marketing last week and they provided their expertise. The FY25 budget included about \$45,000 for marketing, so he intends to put out RFP, and has a vision of multiple marketing campaigns –

residential, corporate/industrial. He would pull in different members for their expertise/input in each area.

6.3. Airport/Port Opportunities

Mike Cruce was unable to attend today's meeting due to an FAA inspection already scheduled for today. The City applied for a \$1.6M grant to put up security fencing. K. Dunklebarger made a suggestion of partnering with ICC to offer a flight instruction class that could be offered utilizing the Pekin airport. He further states that we are missing an opportunity to make money with the airport. R. Bockler adds that there is a shortage of pilots.

6.4. Outdoor Dining Downtown

J. Wray asked Terri Gambetti to reach out to her contacts to see if there is interest in outdoor dining downtown, and it appears that there is. An ordinance was created several years ago to initiate it. Upon agreeance of this committee, staff will draft something for Council review.

New Business

7.1. Residential TIF Program

J. Wray opened up for opinions and thoughts on the current TIF program after providing a brief overview, which was also included in the agenda packet. D. Leman and B. Gambetti are considering how they can make it work for developers and how lots can be marketed. Group discussion around homes under \$200K, apartments, and "tiny homes" as this price range is most desirable for buyers/renters. B Gambetti cautions offering "tiny homes" to the right demographic - suggesting this would be ideal for seniors. Group consensus is that the current TIF program is great, but may benefit from better marketing and helping the public understand the program better and the benefits it provides.

7.2. TIF Building Improvement Program

This is a commercial-focused, competitive grant program. There is money allocated in the budget this year for this. Included in the agenda packet is a draft of the proposed program. Proposal includes a 50% return on eligible expenses, up to \$50,000 per grantee. If unused, the funds would remain in the TIF. Suggestion to include a QR code that would open the GIS map. This would allow someone to type their address in to easily see if they are eligible. The group agrees that this would be the appropriate place to review applications and prioritize.

7.3. High Impact Business Program

J. Wray reviewed the proposed program, which was inspired by a State of Illinois program. He would like the input of this group and the Council. The idea is to create a flexible program to plan for the unknown. For example, if a business approaches the City and wants to move to Pekin, there could be money set aside to offer them an incentive. D. Leman suggests the group review the program proposal and bring their feedback to the next meeting for discussion.

Any Other Business to Come Before the Committee

R. Bockler suggested assigning a few different people (Josh, Mayor, Mayor Pro Tem) to some of the top businesses in Pekin, so they have a point person to report updates (new hires, issues, etc.) to going forward.

Discussion around the idea of potentially changing the city code to require approval from the Council for any new gaming cafés, tobacco/vape shops, etc. Open to feedback/thoughts. There seems to be a consensus for "special use" to require approval, but there are some differing opinions.

Notice: Tonight City Council is discussing/voting on putting Home Rule out to referendum. D. Leman asked for the opinions of members. Note that there is a lot of misinformation on social media.

Adjourn

L Rrushaj moved to adjourn the meeting at 1:30 PM, seconded by C. Campbell. Motion approved by voice vote.

The next regular meeting is scheduled for Monday, June 10, 2024 at Noon in the City Council Chambers.



REQUEST FOR COUNCIL ACTION

Agenda Date: July 8, 2024
To: Members of the Economic Development Advisory Committee
From: Joshua Wray, Economic Development Director

AGENDA ITEM: Monthly Staff Report

DESCRIPTION:

East Court Corridor

- Cullinan has notified the City they are only one lease issue away from signing a 4th tenant to the old Bergner's building.
- Court Street construction progresses with completion still expected in late fall 2024.

Downtown

- The City was unsuccessful in its application to Rep. LaHood's office for a \$2 million federal grant through HUD to do infrastructure and streetscape work downtown. Staff is working with the Chamber to apply for a very similar grant through DCEO.
- The City has nearly completed its portion of the parking lot / alley renovations on the 200 block of Margaret Street. Maquet's Rail House owns the majority of the parking lot, and they intend to finish their portion by July.
- Staff had a recent inquiry from a property owner downtown

Riverway Business Park

- Staff continues to work with the international manufacturer who is looking at Pekin to be their first location in the U.S.
- Staff responded to a request for information through Intersect Illinois for a company that manufactures microreactors that are able to be trailered by semi to disaster sites and other areas for short-medium term power needs (no nuclear material involved in the manufacturing process). The company would bring 250 jobs and \$228 million capital investment on a 20-acre site.
- Staff attended GPEDC's recent AgTech event and met with the regional tech hub director for Illinois Fermentation and Agriculture Biomanufacturing (iFAB). iFAB was recently selected as one of 12 tech hubs in the country to receive federal grant funding to pursue their goals and initiatives, estimated at \$51 million. Staff has connected further with iFAB, and Mr. Wray will likely be serving on the iFAB Infrastructure Committee.

Workforce

- US Census data from 2021 shows that the City imports 7,205 people from outside of Pekin

to work here, exports 10,059 residents of Pekin to work elsewhere, and retains 2,791 residents to work in Pekin. Comparisons to other communities are attached.

Residential

- The 34-unit duplex development at Parkway and Velde was approved by City Council.
- Staff has started meeting with stakeholders to create a residential marketing strategy.

Staff Activity

June 5-11

- Attended quarterly AgTech event – focus on bioprocessing development opportunities
- Attended ILCMA conference – presented on economic development panel
- Attended City Council meeting
- Attended Greater Peoria Comprehensive Economic Development Strategy committee meeting
- Met with sports complex development and management company
- Met with staff to discuss grant application to DCEO for downtown infrastructure and streetscape
- Met with landowner to discuss development of property
- Met with potential new restaurant for N 8th Street
- Applied for scholarship to attend economic development course through the International Economic Development Council
- Prepared agenda items for City Council meeting
- Received TIF applications for building improvement program
- Processed enterprise zone sales tax exemption certificates
- Created monthly staff report with financial info for Pekin EDAC

June 12-18

- Spoke at Chamber breakfast
- Posted notice for sale of City-owned property on Front Street
- Met with stakeholders to discuss residential marketing strategy
- Met with staff to discuss grant application to DCEO for downtown infrastructure and streetscape
- Vacation

June 19-25

- Vacation
- Met with regional office of education

- Processed TIF grant applications
- Attended City Council meeting
- Reviewed software to track economic development programs
- Processed Tourism invoices

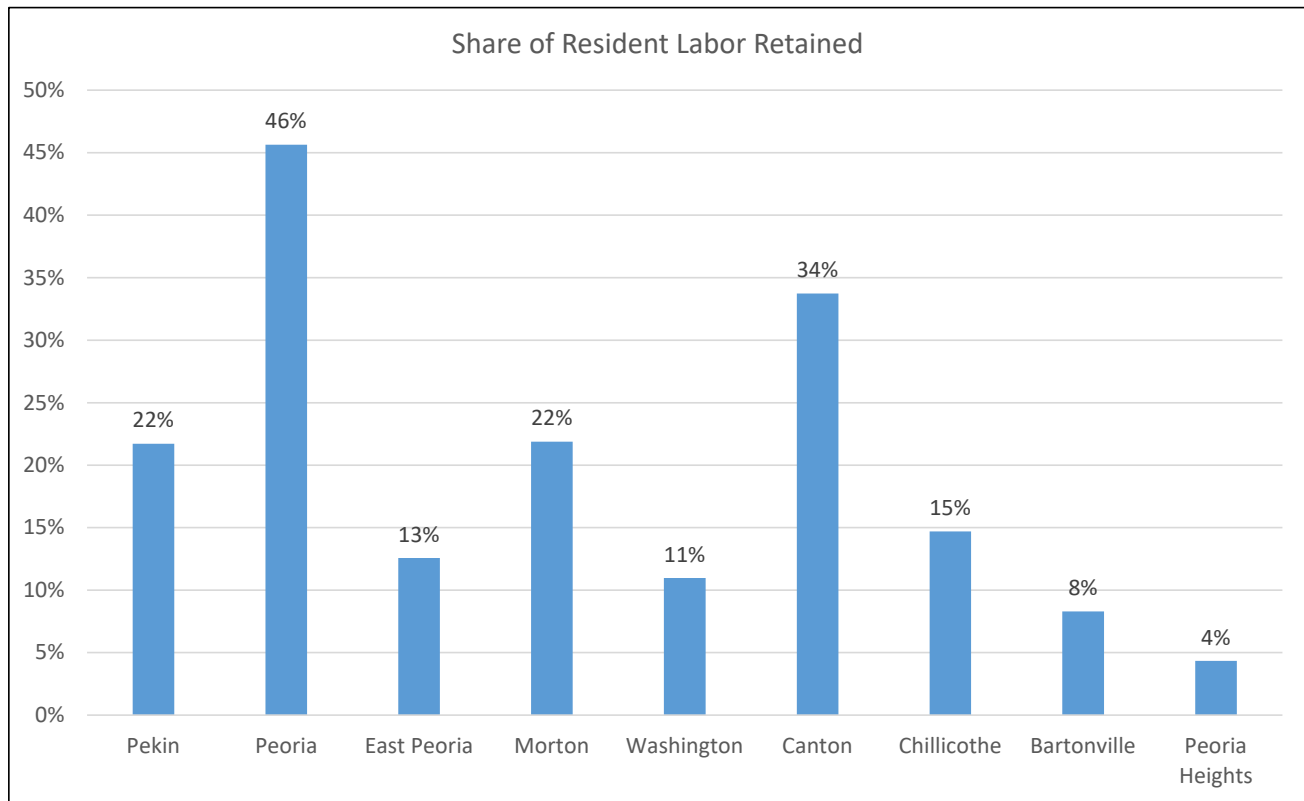
June 26 - July 2

- Attended Tourism Committee meeting
- Attended department head meeting
- Met with local developer and builder to discuss additional residential development
- Met with GIS/marketing company to kick-off development of materials
- Met with energy brokers for electric aggregation and City facility needs
- Gave interview to WMBD for 34-unit duplex development
- Met with downtown business to discuss future expansion plans
- Processed TIF grant applications
- Prepared meeting documents for Tourism Committee meeting
- Prepared meeting documents for City Council meeting
- Prepared meeting documents for EDAC meeting
- Negotiated lease-to-sale of City-owned property

Pekin Area Workforce Inflow/Outflow

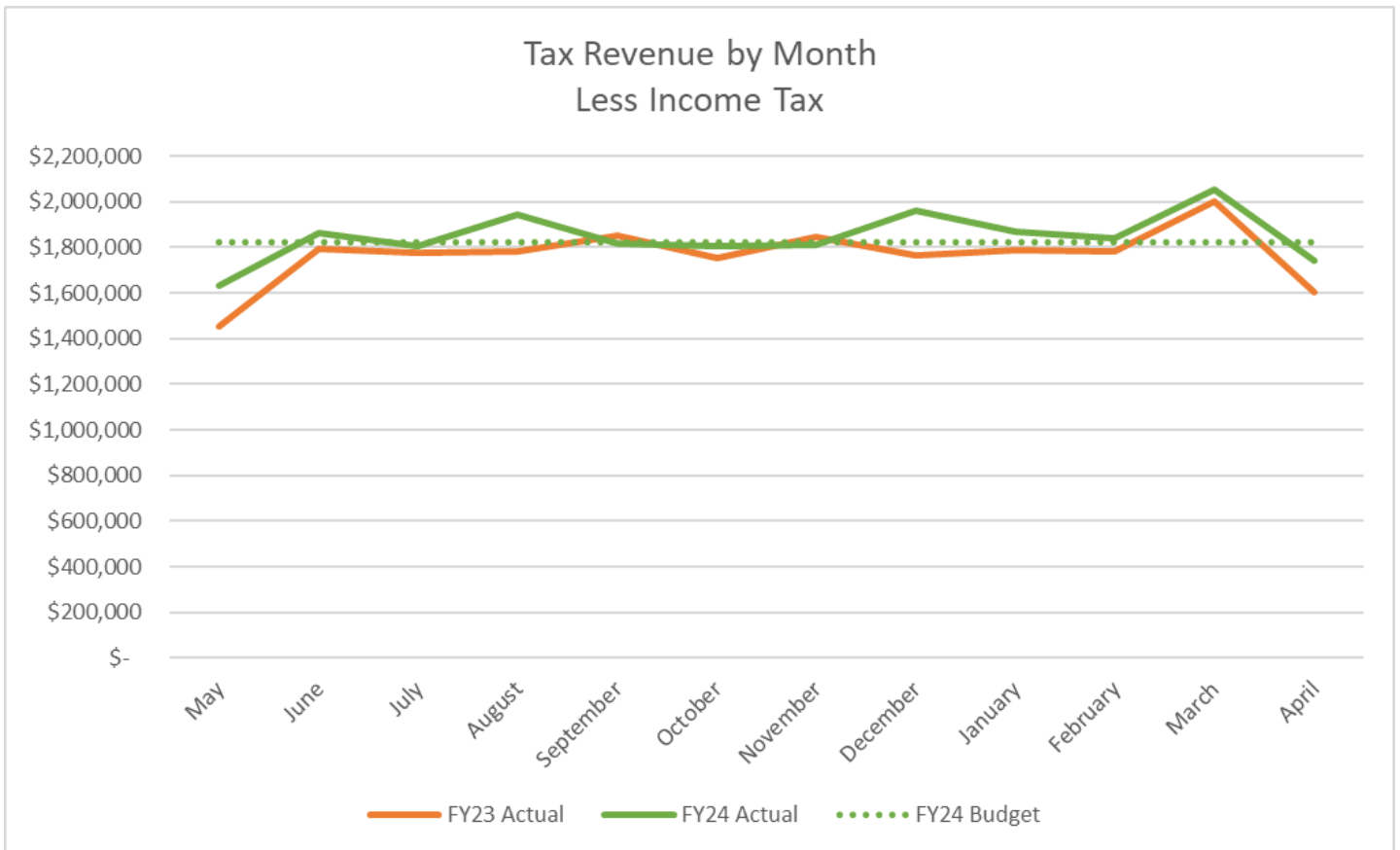
2021 US Census Data

Municipality	Population	Inflow		Retained		Outflow	
Pekin	31,448	7,205	36%	2,791	14%	10,059	50%
Peoria	111,666	50,663	55%	18,630	20%	22,195	24%
East Peoria	22,276	8,940	48%	1,223	7%	8,509	46%
Morton	17,133	8,594	54%	1,626	10%	5,802	36%
Washington	15,978	2,704	27%	789	8%	6,406	65%
Canton	13,403	2,526	37%	1,447	21%	2,843	42%
Chillicothe	6,042	1,244	34%	349	10%	2,026	56%
Bartonville	5,855	2,660	53%	198	4%	2,188	43%
Peoria Heights	5,827	2,407	35%	195	3%	4,298	62%



April 2024 Financial Metrics

Revenue					
	FY23 Monthly Avg.	Apr-2023	Apr-2024	FYTD	% of Budget
Sales & Use Taxes	\$ 1,515,656	\$ 1,352,354	\$ 1,483,424	\$ 18,798,438	99.7%
Food & Beverage Tax	\$ 129,704	\$ 134,371	\$ 127,914	\$ 1,608,588	103.8%
Cannabis Tax	\$ 14,256	\$ 15,049	\$ 17,025	\$ 184,118	105.2%
Liquor Tax	\$ 16,957	\$ 16,847	\$ 15,928	\$ 213,464	106.7%
Hotel Tax	\$ 31,918	\$ 29,514	\$ 35,835	\$ 394,105	96.1%
Gaming Tax	\$ 57,663	\$ 57,426	\$ 62,811	\$ 725,667	111.6%
				\$ -	
Income Tax	\$ 427,254	\$ 445,102	\$ 491,407	\$ 5,194,826	99.9%





REQUEST FOR COUNCIL ACTION

Agenda Date: July 8, 2024
To: Members of the Economic Development Advisory Committee
From: Joshua Wray, Economic Development Director

AGENDA ITEM: Strategic Planning

DESCRIPTION: The last work the EDAC did regarding the economic development strategic plan was to identify strategies to achieve the Committee's overarching goals. Those are summarized below:

Goal 1: Encourage a wide range of local options for housing, employment, goods, services, and leisure.

Strategy 1: Incentivize diverse types of residential and commercial development/redevelopment.
Strategy 2: Make proactive, positive contact with developers and businesses in target industries.

Goal 2: Support sustainable and well-planned growth.

Strategy 1: Make proactive infrastructure improvements in future growth areas.
Strategy 2: Participate in regional economic development efforts and lead efforts in Tazewell County.
Strategy 3: Identify future land use for housing and commercial growth.
Strategy 4: Modernize development-related City Code sections.

Goal 3: Provide efficient and effective government services.

Strategy 1: Engage in 2-way communication with all types of audiences/customers.
Strategy 2: Continuously improve development processes at City Hall.
Strategy 3: Offer clarity for customers regarding relationships with other entities.
Strategy 4: Employ a reliable, high-quality development staff.

Staff recommends cutting one strategy from each goal 2 and goal 3, but we can move forward if this is the final list from the Committee.

The next step in the process will be to generate one or two measurable objectives for each strategy. These objectives can be measured discretely (have it or don't) or continuously (progress over time). Once the objectives are identified, staff will generate the measures related to them and present to the Committee for feedback. Staff then intends to create a simple scorecard to present to the Committee and the City Council quarterly.



REQUEST FOR COUNCIL ACTION

Agenda Date: July 8, 2024
To: Members of the Economic Development Advisory Committee
From: Joshua Wray, Economic Development Director

AGENDA ITEM: Motion to Recommend the High Impact Business Incentive Program

DESCRIPTION: At the last EDAC meeting, staff presented a draft program for "high-impact businesses" across three commercial sectors: downtown, industrial/corporate, and other. Staff requested the Committee's feedback on the eligibility and performance requirements for each sector, and the Committee requested some time to review. Staff has not made any changes to the attached draft program.



City of Pekin
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HIGH IMPACT BUSINESS PROGRAM

Purpose

The purpose and intent of the High Impact Business (HIB) Program is to provide standard criteria for economic incentives offered by the City of Pekin for large-scale development or redevelopment projects to enhance efficiency and transparency in the City's development process.

Funding

Funding for the HIB program will be available on a year-to-year basis as the City's budget is approved by City Council. No application window is planned for this program; rather, the HIB program will be available at all times until funds are committed to allow maximum flexibility for project funding.

Available Incentives

The following incentives are available as applicable to the project (e.g., no sales tax funding is available for a business that does not generate sales tax):

- Grant
- Forgivable loan
- Property tax rebate
- Sales tax rebate
- Hotel tax rebate
- Loan with or without interest
- Sale of City-owned property below appraised value
- In-kind engineering and/or construction of public improvements

Definitions

Business: Any end-user entity of a site or building including for-profit, not-for-profit, or institutional entities.

Head of Household Job: A full-time job earning at least the median household income in the City of Pekin as defined by the most recent data from the U.S. Census Bureau.

Incentive Agreement: Agreements, ordinances, and/or resolutions approved by the City Council providing for any combination of available economic incentives.

Return on Investment: The point at which the collective City-revenues received by the business's activities equal the total value of incentives provided by the City; provided, the start time for return on investment shall be after a certificate of occupancy is obtained.

Eligibility

The City assigns eligibility criteria for an incentive agreement based on the type of development as follows:

Industrial / Corporate Office

- Business must employ a minimum of 10 head of household jobs.
- Project must be projected to yield a 5-year return on investment based on incentive package. Each 2 additional head of household jobs employed by the business will add 1 year to the allowable return on investment time up to 10 years.
- All permits for project must be obtained within 6 months of incentive agreement approval.
- All jobs used for incentive criteria must be employed within 1 year of certificate of occupancy and must continue to be employed for the life of the incentive agreement or until return on investment is obtained, whichever is later.

Central Business District

- Project must open a new storefront in a building that has been unoccupied for at least 6 months within or contiguous to the Central Business District TIF region.
- Business must be a retail business or be a service business that generates significant new foot traffic to the downtown area.
- All permits for project must be obtained within 6 months of incentive agreement approval.
- Business must operate in good standing with the City and all other units of government for at least 5 years after receiving a certificate of occupancy.

Other

- Business must employ a minimum of 5 head of household jobs and 5 additional full-time equivalent jobs.
- Project must be projected to yield a 5-year return on investment based on incentive package. Each additional 1 head of household job or 2 full-time equivalent jobs employed by the business will add 1 year to the allowable return on investment time up to 10 years.
- All permits for project must be obtained within 6 months of incentive agreement approval.
- All jobs used for incentive criteria must be employed within 1 year of certificate of occupancy and must continue to be employed for the life of the incentive agreement or until return on investment is obtained, whichever is later.

Disclaimers

The City Council reserves the right to approve or disapprove of any incentive package or any other matters brought before it for action as provided for by law. This program is meant to provide a streamlined process for economic incentives, but the City Council may deviate as it sees fit based on the specific considerations of any project.

Incentive agreements will be contingent upon all entitlement requirements (e.g., zoning) and all other requirements of law including County, State, and federal permits/licenses/etc. Payment of economic incentives shall not occur prior to all required approvals being obtained.

Incentive packages utilizing TIF or BDD funding will require additional documentation of eligible expenses, and length of incentive agreements for such funds may not extend beyond the life of the applicable TIF or BDD district.

Contact Information

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REQUEST FOR COUNCIL ACTION

Agenda Date: July 8, 2024
To: Members of the Economic Development Advisory Committee
From: Joshua Wray, Economic Development Director

AGENDA ITEM: Motion to Recommend Project Priorities for the TIF Building Improvement Program

DESCRIPTION: Background:

In May, the City Council approved a \$110,000 TIF program for grants up to 50% of eligible expenses (capped at \$50,000 per grant) for commercial building improvements in any TIF. That program guide is attached. Staff posted a call for projects for the month of June, and we received 15 applications. A summary sheet of these applications is attached, and the actual applications will be made available to the Committee members before the meeting.

The general goal of the program this year is to select the most impactful projects for funding, and staff's recommendation then is to fund the top projects until the total funding runs out rather than to give smaller grants to more projects. Based on the criteria stated in the program, staff recommends the order of priority shown on the summary sheet, which would result in funding three projects in this grant cycle if approved by City Council.

Action Needed:

Staff requests the Committee's review of applications and staff recommendation and then make a Committee recommendation to City Council.

2024 TIF Building Improvement Grant Application Summary Sheet

Staff Rec.	Applicant	Business	Sector	Location	Total Exp	Grant	Summary of Work	Notes
1	Speck Corp	Derby Station	Service	805 Derby	\$ 195,600	\$ 50,000	Total rehab for new business	
2	Olivia's Playhouse	Olivia's Playhouse	Retail	341 Court	\$ 99,770	\$ 49,885	Rehab for expanding business	Previous TIF funding for rennovation of this property in 2022 of \$10,000
3	Kelly Madden		Service	901 Derby	\$ 90,000	\$ 45,000	Total rehab for new business	Previous TIF funding for acquisition of this property in 2023 of \$30,000
4	Classical Dance Academy	Classical Dance Academy	Service	111 6th	\$ 54,866	\$ 27,433	Rehab for expanding business	Previous TIF funding for improvements to this property in 2022 of \$200,000*
5	Rustic Roots Studio	Rustic Roots Studio	Service	513 Court	\$ 75,000	\$ 37,500	Rehab for expanding business	
6	American Senior Living	Liberty Estate Senior Living	Housing	1112 Court	\$ 500,000	\$ 50,000	Total rehab for senior housing	May be considered residential and not commercial
	BDT Enterprises	Hometown Laundry	Service	2307 Court	\$ 30,000	\$ 15,000	Painting and other improvements	
	Touch of Glass	Touch of Glass	Service	410 Court	\$ 17,000	\$ 8,500	Windows and door	
	Taxton Inc	Pine Street Apts	Housing	2703 Pine	\$ 34,200	\$ 17,100	Parking lot & apt unit rehab	May be considered residential and not commercial; open code violation
	Lyal Order of the Moose	Loyal Order of the Moose	Nonprofit	2605 Broadway	\$ 15,440	\$ 7,720	Canopy Rehab	
	BMD	8th Street Plaza	Retail/Service	1526 N 8th	\$ 11,000	\$ 5,500	HVAC	
	TCRC	TCRC	Nonprofit	33 S 4th	\$ 261,000	\$ 40,000	Chair lift	
	Kriegsman Dunn Attorneys	Kriegsman Dunn Attorneys	Service	417 Court	\$ 36,470	\$ 18,235	Roof replacement	
	Lyal Order of the Moose	Loyal Order of the Moose	Nonprofit	2605 Broadway	\$ 9,500	\$ 4,750	Parking lot rehab	
	Sunset Plaza	Sunset Plaza	Retail/Service	2910 Court	\$ 41,600	\$ 20,800	Steel Bollards	