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PROCEEDINGS OF THE RESCHEDULED/CHANGED
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 S. CAPITOL ST
ON TUESDAY NOVEMBER 12, 2019 AT 5:30 O'CLOCK P.M.
MARK LUFT * CHAIR * PRESIDING

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PLEDGE OF ALLEGIANCE

The pledge was led by Mayor Mark Luft.

City Clerk Sue McMillan confirmed that all Council Members were physically present and had logged in except Council Member Orrick who was absent.

Attendee Name	Title	Status	Arrived
Michael Garrison	Councilman	Present	4:32 PM
Rick Hilst	Councilman	Present	4:38 PM
Karen Hohimer	Councilwoman	Present	5:14 PM
Dave Nutter	Councilman	Present	4:35 PM
Lloyd Orrick	Mayor Pro-Tem	Absent	4:36 PM
John P Abel	Councilman	Present	4:32 PM
Mark Luft	Mayor	Present	4:58 PM

APPROVE AGENDA

Mayor Luft asked that Robert W. Swegle Director Mid-Central Illinois Regional Council of Carpenters Joint Apprenticeship and Training Committee come forward to the podium. Mayor Luft read and presented the proclamation recognizing National Apprenticeship Week November 11-November 17, 2019. Mr. Swegle spoke with appreciation of the positive impact apprenticeships had on the Pekin workforce and economy as a whole.

3.1. Motion to: **Approve Agenda**

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Dave Nutter, Councilman
SECONDER:	John P Abel, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

MINUTES APPROVAL

4.1. City Council - Regular Meeting - Oct 28, 2019 5:30 PM

4.2. Motion to: **Approve Minutes**

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael Garrison, Councilman
SECONDER:	Karen Hohimer, Councilwoman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

PUBLIC INPUT

No public comments were received.

CONSENT AGENDA

Mayor Luft read the 7 items presented to Council. The Consent Agenda was approved by Omnibus vote.

6.1. Appointments to Riverway Business Park Review Committee

6.2. Resolution No. 32-19/20 Mayor's Appointment of Keith Dunkelbarger to the Economic Development Advisory Committee

6.3. Resolution No. 36-19/20 Mayor's Appointments David Huskinson and Michael Thompson to the Zoning Board of Appeals

6.4. Tazewell County Animal Control Billing - October 2019

6.5. Police Department Monthly Stats - October 2019

6.6. National Apprenticeship Week November 11 thru November 17, 2019

6.7. Accounts Payable Bill Run through 10-28-19 and 11-8-19

6.8. Motion to: **Approve Consent Agenda**

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	John P Abel, Councilman
SECONDER:	Michael Garrison, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

PRESENTATION BY SIKICH LLP

Chad Lucas, an auditor representing Sikich, addressed Council regarding the current audit. Mr. Lucas informed Council that management letters were issued giving recommendations for improvement and all issues for the next audit will have been resolved and addressed. Mr. Lucas continued to explain that the firm was close to completing the audit, but several journal entries effected allocation amongst funds, adjustments to prior balances, and those type of things were extremely time consuming. Council continued to question details regarding the finalization of each report, penalties associated with filing late and a completion date of this month.

NEW BUSINESS

8.1. Resolution No. 31-19/20 Tri-County Multi-Jurisdictional Natural Hazards Mitigation Plan

Council Members were advised that the City of Pekin, has been subject to natural hazards including severe thunderstorms, severe winter storms, floods, tornadoes, and drought among others that pose risks to public health and property. Under the Disaster Mitigation Act of 2000, the United States Federal Emergency Management Agency (FEMA) requires that local jurisdictions have in place a FEMA-approved Hazard Mitigation Plan as a condition of receipt of certain future Federal mitigation funding. The City participated in the Tri-County Multi-Jurisdictional Natural Hazards Mitigation Plan update in accordance with disaster regulations. Staff recommended approval of the updated Plan as the official Hazard Mitigation Plan of the City of Pekin, Illinois.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John P Abel, Councilman
SECONDER:	Karen Hohimer, Councilwoman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

8.2. 2019-2022 Farm Lease for the Pekin Municipal Airport

The lease presented to Council was to allow Mark Weyhrich to farm the available tillable land at the Pekin Municipal Airport. The airport currently had 121.7 tillable acres in which Mr. Weyhrich proposed to farm for next three (3) years at a rate of $140 per acre totaling $17,038. Council discussed the $5 per acre decrease from his present farm lease. Council was advised cash leases across the state for fair non-irrigated ground decreased from $140 per acre in 2017 to $115 per acre in 2018. Council Member Garrison spoke in favor of the expected rate as a very good deal for the City.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Michael Garrison, Councilman
SECONDER:	Dave Nutter, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

8.3. Resolution No. 33-19/20 Determination of Estimated 2019 Property Tax Levy

City Manager Rothert described the provisions of the resolution was to declare the City's intent to establish a 2019 tax extension that did not exceed 105% of its 2018 tax extension. The Illinois Truth in Taxation Act required the governing body of a municipality to determine the amount of money estimated to be necessary to be raised by taxation. The Library was not in the equation to calculate the 105% numbers. The action needed to take place at least 20 days before the final adoption of the tax levy. If over 105% public hearing and published notice would be required.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Rick Hilst, Councilman
SECONDER:	Michael Garrison, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

8.4. Resolution 34-19/20 Approving Right of First Refusal Agreement and Acceptance of Easements for Riverway Business Park

City Engineer Michael Guerra presented and recommended the approval of a resolution to accept a right of first refusal agreement, permanent, and temporary easements for the Riverway Business Park/ Koch Street Drainage Project. He advised the Council the donated easements from Excalibur Seasoning Company and Kriegsman Transfer Company were to allow the City to construct a new storm sewer to route storm water that currently drains into Koch Street over to the retention ponds for the Riverway Business Park. The right of first refusal for a parcel of Kriegsman Transfer Property that currently had a detention pond would allow the City the first priority to purchase this parcel to protect the use of the detention pond should Kriegsman Transfer Company seek to sell that parcel.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Dave Nutter, Councilman
SECONDER:	Rick Hilst, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

8.5. Ordinance No. 2853-19/20 Redevelopment Agreement with 353 Court, LLC for stabilization of historic building at 353 Court Street

City Manager, Mr. Mark Rothert, presented the agenda item to Council to adopt Ordinance No. 2853-19/20 to enter into a redevelopment agreement with 353 Court Pizza, LLC for use of Central Business District Tax Increment Financing for tenant improvements to property located at 353 Court Street. Mr. Rothert reviewed the request with Council that 353 Court LLC is interested in stabilizing the building to make the ground floor tenant-ready and provide the basic infrastructure needed to support future upper-story living. To facilitate this stabilization 353 Court, LLC is asking for $375,000 in funding assistance from the City of Pekin Central Business Tax Increment Financing (TIF) fund. Total estimated stabilization project costs are $742,000, which include demolition, building rehabilitation and renovation, and the installation of a sprinkler system throughout the building.

Mr. Rothert added that the City's investment in this project would stabilize a building constructed in 1910. Once stabilized, the building life would be extended for another 50 years and the ground floor would be ready for tenant improvements. It would also sprinkle the two upper floors, which have always been the primary hurdle for establishing non-owner occupied residential living in the downtown. Downtown residential living is one of the driving factors to attracting and maintaining a wide variety of retail businesses offerings.

Mr. Rothert explained that the agreement is structured as a forgivable loan at 3% interest with a 60-month (5-year) term. One fifth of the loan will be forgiven annually on December 31st each year following approval of the loan. If 50% of the ground floor of the building is vacant for more than 364 consecutive days at any time during the term of the agreement, the loan balance plus any accrued interest is immediately due on the 365th day of such vacancy. A Promissory Note, which defines the loan amount, interest rate and conditions of default, will be secured by a mortgage on the property. The developer shall not sell or otherwise convey the property, other than by lease, during the term of the loan.

Mr. Michael Thompson representing 353 Court Street, LLC, presented a slideshow presentation on the history with before and after pictures of projects in Pekin, which have included Maquet's Rail House, Aerial athletics and GroUp Gardening. Mr. Thompson explained that his company passes on 8 to 10 businesses per year due to lack of adequate space.

Mr. Travis Guthman, owner of 353 Court Pizza, LLC gave a brief background on the road that led him to opening a restaurant in Lacon, Illinois followed by a terrible car accident. The proposed new manager of the Pekin restaurant, Amanda, also spoke and gave Council a brief history of the investment she has with Pizza Peel.

Mr. Thompson added that the packet included all the costs for stabilization to prepare the building for tenants, roof, tuck-pointing and constructions systems.

Councilmember Hilst discussed in detail the key elements about the stabilization project that included a lack of itemization and business plan.

Councilmember Nutter showed concern that the real estate tax base was not indicated in the contract nor were there EAV benchmarks in calculating repayment. A lengthy discussion followed.

Mayor Luft reminded Council that detailed concerns and questions regarding an agenda item should be dealt with and answered before Council meetings.

RESULT:	**APPROVED [4 TO 0]**
MOVER:	John P Abel, Councilman
SECONDER:	Michael Garrison, Councilman
AYES:	Michael Garrison, Karen Hohimer, John P Abel, Mark Luft
ABSTAIN:	Rick Hilst, Dave Nutter
ABSENT:	Lloyd Orrick

8.6. Ordinance No. 2854-19/20 Redevelopment Agreement 353 Court Pizza, LLC

City Manager, Mr. Mark Rothert, presented the request to Council to adopt Ordinance No. 2854-19/20 a redevelopment agreement with 353 Court Pizza, LLC. Mr. Rothert explained that 353 Court Pizza, LLC is the legal entity for a proposed Pekin Pizza Peel restaurant looking to locate at 353 Court Street. There is currently one Pizza Peel located in Lacon, Illinois. They are seeking $300,000 in funding assistance from the City of Pekin Central Business Tax Increment Financing (TIF) fund. Total estimated project costs are $578,500, which include the total renovation of the first floor of 353 Court Street into a new, 145-seat full service pizza restaurant.

Mr. Rothert continued to explain that The Pizza Peel is a destination restaurant that has been doing business in Lacon for the past 10 years. The restaurant draws customers from over 30 miles away and they have been looking to open a second location in Pekin. Located directly across from the Tazewell County Courthouse, this restaurant would help stabilize the 300 block and further enhance unique dining opportunities that currently bookend downtown Court Street. A quick-serve lunchtime buffet will be offered, something that is appealing to workers who only have 30 minutes for lunch.

Mr. Rothert introduced, Mr. Matt Fick, the City's Economic Development Manager to present key financial items of the agreement to Council.

Mr. Fick pointed out that the agreement was structured as a forgivable loan at 3% interest with a 60-month (5-year) term. One fifth of the loan will be forgiven annually on December 31st each year following approval of the loan. The project must be completed in eighteen (18) months and the developer must continue to operate a restaurant on the leased premises for the term of the loan. The developer must also meet certain performance metrics/benchmarks with respect to net municipal sales tax revenues generated by the project each year with the first generating a prorated $40,000 from the date of opening. If net municipal sales tax revenues generated by the Pekin Pizza Peel are less than the minimum benchmark for any year, the developer shall pay the City a performance penalty equal to the amount of the shortfall. If greater than the minimum benchmark for any year, the City shall add the excess amount to the annual net municipal sales tax revenue calculation for the following year.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Michael Garrison, Councilman
SECONDER:	John P Abel, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

8.7. Resolution No 35-19/20 Discussion and Authorization to Pursue Court Street TIF District & Business Development District

City Manager, Mr. Mark Rothert, introduced the request to adopt Resolution No. 35-19/20 authorizing the City Manager to pursue the creation of a TIF district and business development district primarily along Court Street and other commercial areas of the city. Mr. Rothert described the major issues facing the community, which included a deteriorating infrastructure, a need for more business development, and declining neighborhoods and housing stock. Illinois municipalities have available to them the use of TIF Districts and Business Development Districts to address such issues of community blight, deterioration, and economic growth. Mr. Rothert gave brief definitions of TIF and Business Development districts. Mr. Rothert also gave a brief description of a map included in the packet that outlined a proposed study area where a new TIF and BDD could be located in the city. One benefit of the BDD over TIF is that it can help assist on new construction where TIF cannot. Lastly, the BDD could be assessed, planned for and put into place in a relatively short period of time (60-90 days) by a simple majority vote of the city council.

Mr. Rothert presented examples to Council on how both the TIF and BDD could effectively be used to help fund eligible public works projects, help new and existing businesses renovate, expand operations or relocate to a more suitable location, help neighborhoods with housing stabilization, demolition of vacant structures or emergency repairs.

Mr. Rothert gave one last example and directed Council's attention the slides included in the council packet of an example in Taylorville, Illinois that used both TIF/BDD tools for growth and development.

Staff recommended the City pursue the creation of a TIF and BDD along Court and other key areas of the City as identified in the map to address the ongoing issues of business development, infrastructure needs, and neighborhood stabilization.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John P Abel, Councilman
SECONDER:	Michael Garrison, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Jim Mangan approached the podium and addressed Council regarding what he feels is the illegal wastewater billing.

David Bess, Community Development Block Grant Program Manager was introduced by the City Manager.

City Manager, Mr. Rothert and City Engineer, Mr. Michael Guerra, reminded Council to turn in their street maintenance plan recommendations.

EXECUTIVE SESSION 5 ILCS 120/2 (C) (1.) PERSONNEL PERFORMANCE OF SPECIFIC EMPLOYEES OF THE PUBLIC BODY

10.1. Motion to: **Motion to Move Into Executive Session**
Motion was moved and seconded to move to Closed Session at 7:27 PM to discuss 5 ILCS 120/2 (c.) 1. Personnel Performance of Specific Employees of the Public Body.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael Garrison, Councilman
SECONDER:	Dave Nutter, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
ABSENT:	Lloyd Orrick

ADJOURN

No further business to come before the Council, in open session motion was made by Council Member Abel, seconded by Council Member Hohimer to adjourn.

Council Adjourned at 7:45 PM.