



**MINUTES
ECONOMIC DEVELOPMENT COMMITTEE
August 1, 2018**

The Economic Development Committee held a meeting on August 1, 2018 at 4:30 p.m. in the Council Chambers at City Hall.

Present: Chairman Dan Colwell, Alderman Jenkins, Alderman Sharp, Economic Development Director Parker and Mayor White

Absent: Aldermen Connor,

Public Present: Mr. and Mrs. Greg Owens and Sarah Sights

Meeting was called to order by Chairman Colwell at 4:31 p.m. Mayor White gave the budget review Director Parker added that line item for land acquisition was high due to the purchases of the 4th street properties, legal services were high due to the volume of activity we have had with our TIF's and loans. That the line item for advertisement was high due to the city paying the dues for the Peoria Area Convention and Visitors Bureau but there are no other out of order expenses.

1st items on agenda were the two requests for the façade grant program. The first is Castaways located on 4th street. Castaways located at 1707 N. 4th Street would like to do some upgrades to the facility. They would like to Paint building and remove the paint awnings. Stain the parking lot fence, fix beer garden fence and replace lighting, install lighted sign on front of building, fix trim and paint shed. The project total is \$3,566.53. If approved the maximum this program can pay out is 80% or \$2,500. – Non TIF Program.

The second request is from The Cutting Edge. The Cutting Edge would like to replace the full front window and the area above and below the window. The estimated total cost is \$ \$6,180.56. If approved the maximum this program can pay out is 80% or \$5,000 –Central Business TIF Program

Alderman Jenkins said that he has talked to the owners of the cutting edge and they had wanted to do this for some time, and now with the new split of 80/20 they want to move forward with it.

Consensus was to move both of these requests to council for final approval.

The next is the Fourth of July donation. Director Parker stated that this is just a formality to bring this to committee due to the dollar amount of the request. The amount was already approved with the budget. It is listed out as a separate line item for Fourth of July contribution.

Director Parker stated that she had received an application from a gentleman who will be moving here from the Chicago area to purchase some existing Jackson Hewett Tax Service's offices. His request was for a help loan for the Jackson Hewett Tax Service office that he wants to open here in Chillicothe on Ash Street. This expansion project will involve the acquisition of 10 existing store locations with an additional of 5 new store locations which will result in 60 jobs retained and 30 new jobs created. This loan is a portion of what the overall loan request is. They have a participating bank that will finance \$200,000 of the \$375,000 project. The owner is looking to borrow \$150,000 from the City and putting in \$25,000 of his own money into the project. His application showed \$75,000 will be used for

working capital and the other \$75,000 will be used for improvements to the Ash St. location along with furniture, fixtures and equipment needed to open this office here in Chillicothe.

The question was asked what would be used as collateral. Director Parker stated just the furniture and fixtures and any equipment he would purchase. Mayor White asked about the lease term and maybe a breakdown of exactly what the money would be spent on. Chairman Colwell and Mayor White would like a meeting set up with the applicant and or have Director Parker get a few more details on what exactly the money would be spent on for the Chillicothe facility.

Chairman Colwell stated that the City would like to put an RFP out for the salvage rights for the 2 properties the city purchased recently. This would be for the former BB's and the Former Jerry's Auto both on 4th Street. There may be some things in one or both of those facilities that some of our antique or 2nd hand dealers would like to go in and strip out before both properties are demolished. Consensus was to move this request forward to full Council for approval.

Mayor White talked about the downtown zoning. Director Parker says she gets several complaints about some of the downtown business spots being used for storage or being used as residence in areas where it's not allowed. Mayor White said that he is aware of a number of the concerns and has addressed some if not most. Alderman Colwell stated that we need to remain consistent and treat all businesses the same. Alderman Sharp mentioned ordinances were put in place for a reason and we need to follow what the ordinance says.. They will continue to look at this issue and come up with a next steps plan of action.

Owens Design Group would like to enter into a redevelopment agreement with the City to purchase the Second Chance Furniture Store building and move from its current location to expand their business. This new location will create jobs, allow them to get into the wedding business with invites and a bridal party (or any type party) component like none anywhere else in the tri county area. The total project cost is roughly \$378,087. This total would have to be broken down into what is TIF eligible cost. The floor was yielded to Greg and Sarah as they went into more details of how the business would be expanding and how this building would lend itself well to what space they need. He stated they have been in their current location for 15 years and would like to remain in Chillicothe. Alderman Colwell emphasized the need for "skin in the game" he said its critical to all TIF and or loan projects that the city does. The consensus was to have a motion to direct the City Attorney to move forward with a draft redevelopment agreement that would then be reviewed by all council before final approval.

Next on the agenda were Old Business Updates:

Overland Group- They are moving forward with this project they continue to do their due diligence

Bacon Building Roof: Work is complete

TIF Plan Update: Nothing new to report at this time.

There being no further business meeting adjourned at 5:40 p.m.
Respectfully Submitted

Chairman Colwell