

MINUTES
ECONOMIC DEVELOPMENT COMMITTEE
April 19, 2018

The Economic Development Committee held a meeting on April 19, 2018 at 4:30 p.m. in the Council Chambers at City Hall.

Present: Chairman Dan Colwell, Aldermen Connor, Jenkins, Sharp, Braun, Economic Development Director Parker and Attorney Mike Seghetti

Alderman Colwell called meeting to order at 4:31 p.m. First item on Agenda was a loan request. Director Parker presented information on the request.

Andrew Myers would like to purchase property located at 1249 N. Fourth Street. The building, known as the Northrup Building located next door to helping hands. Andrew has entered into an agreement to purchase the property from Nizam and Gail Wadi for \$105,000. The property was appraised on February 26, 2018. The 13,804 sq. ft. facility was appraised at \$115,000. The property is being sold "As Is". Andrew knows that the roof needs to be fixed and a number of other cosmetic things inside the building to make it work for his type of business.

The name of Andrews's business is Resurrection Welding, Inc., a welding and fabricating company. Andrew also creates customized hay feeders. These feeders are completely made by him and created to accommodate the needs expressed by each individual customer. He is currently doing his business out of his garage and it has become too small to accommodate the repairs he is doing. Also he has been receiving complaints for doing this type of work out of his home. That is why he has been seeking a commercial facility to work out of. He is currently under contract with PDC to repair their dumpsters and really needs this space that the property on 4th Street provides to expand his business. By helping him to acquire this property it will allow him to complete his projects in a timelier manner and grow his company. He plans to employ 2 others over the next year.

He plans to put new siding on the front half of the building and erect a privacy fence so that the dumpsters and other work cannot be seen from 4th Street if they are parked outside. He also plans to put up a nice sign staying in compliance with whatever the rules are for signage on 4th Street. He also will do some landscaping in the front of the building. He realizes this is on a major thoroughfare and will keep the property up accordingly.

In addition to the building Andrew is also seeking funds to purchase two pieces of equipment a forklift and a cutter. He is seeking façade money to do the upgrades to the outside of the facility, roof, siding, fence and signage. His overall ask from the city is \$113,868.00. Andrew was present for questions.

He was asked about other jobs he has lined up outside of the contract with PDC, he mentioned a company in East Peoria that he will do some work for in addition to being in a position to go out and look for more jobs since he would have the facility to do the work out of.

Director Parker pointed out that she presented 2 options for the repayment. Option 1 would allow him to pay interest only payments for the first 6 months so he would have more cash to put into the fix up of the inside of his building until he was able to ramp up his business. Option 2 was a 10 year loan with a 15 year amortization, again to allow more cash flow for him to use those additional dollars to fix up the inside. This would be a balloon note that he would have to get refinanced (through the city or another financial institution) at the end of the 10 year term.

The committee agreed to move forward with the loan request; a 10 year note at 3% with a 15 year amortization. At the attorney's suggestion, it was decided that as the improvements to the outside of the building are completed, the city will pay for those repairs up to the approved amount of this project. This assures that the funds are going directly into the project in the event he defaults on the loan and the city has to take back the property it will be improved property.

Chairman Colwell summarized the conversation and stated that because of the consensus of the committee he would recommend this move forward for full council approval.

Next on Agenda was the façade revisions; Director Parker stated the only changes that will be made to the program would be to change the percentage from 50/50 to 80/20. The City will now pay 80% of the project up the maximum which did not change, it's still \$5,000 in the downtown TIF and \$2,500 for businesses outside the TIF. Also they will be allowed to apply one time per fiscal year. This is all being done in effort to get more businesses to participate.

The Mayor gave an update on projects:

Bacon Building Proposal: We are moving forward with the repair of the win

4th Street Study- The Mayor asked that Director Parker to reach out to the former 4th street group to work with us and the representative from Midwest Engineering who is working with us on the grant.

CGI Group-An opportunity through Peoria County that will allow us to create a video to promote the city. That video will not cost the City any money, The video become the property of the City and can be used on our own website, at the Town Theater or any other media outlet we would choose. It will be a great marketing piece.

The Mayor asked that Director Parker send all members the sample videos so that they can see the quality of the work this company does.

Motion was made and seconded to go into closed session under section 2 (c) (6) Sale or Lease of Real Estate

Regular meeting opened back up at 5:13- No action was taken during the closed session.

There being no further business meeting adjourned at 5:13 p.m.

Respectfully Submitted
Chairman Colwell

Sale of Third Street
Purchase from Bud Prather