

MINUTES  
ECONOMIC DEVELOPMENT COMMITTEE  
September 6, 2017

The Economic Development Committee held a meeting on September 6th at 5:30 p.m. in the Council Chambers at City Hall.

Present: Chairman Dan Colwell, Mayor White, Aldermen Connor, Jenkins, Hughes, Sharpe and Economic Development Director Parker

Alderman Colwell called meeting to order at 5:30 p.m. Alderman Colwell asked that a change be made in the order of agenda items so that the loan request would go first.

Director Parker stated that Bowl and Arrow is seeking a loan in the amount of 84,150 mostly for working capital in order to hire more employees for opening their restaurant and to purchase 2 pieces of equipment. They are asking for a 5 year term and will allow the city to take a 2<sup>nd</sup> position on their Truitt property. The interest rate would be at 3%. Michelle went into what some of the menu items will be and also stated that the way the building is set up, they are able to shut down the retail portion and allow the restaurant side to stay open later if they so choose. Mayor stated that this would be an increase in sales tax revenue. Conesus was to recommend to council for approval.

The draft minutes were reviewed of the previous meeting and approved as presented.

Next is an overview of the RFP responses from the RFP on 3<sup>rd</sup> St. and the vacant lots. We received 3 proposals on the Third street property for salvage. The proposals were as follows:

- Larry Baer Brands Construction for \$100
- Peoria Architectural Salvage LLC for \$485.00
- Whiskey City Architectural Salvage for \$3,700.

Alderwoman Connor stated that one of the proposals had that they would not hold the city responsible and showed proof of coverage with their proposal and she was wondering if all would do that. The response from Director Parker was that all of the proposal had to show that they have general liability insurance and would not hold the city responsible. Chairman Colwell stated that it is pretty straight forward they all saw the properties and Whiskey City out bid the other two. Alderman Jenkins stated he is all for the \$3,700 bid. Alderwoman Connor concurred. Chairman Colwell stated we will move forward with recommending Whiskey Architectural Salvage as the winning bid at Council on Monday.

Next would be the vacant lots. We only received one proposal on the vacant lots right behind city hall. We did not receive any proposals for the Ash Street property. Mayor White explained that he and Director Parker met with this group a few weeks ago as they had done some research on Chillicothe and they were looking to do some type of housing development. They were given a list of properties to look at here in Chillicothe and told them about the RFP that was out for the City owned properties. He called back several days later and was interested in the land behind

City hall and said they would be submitting a proposal. The proposal stated they are looking to do a brand new 3 story senior living facility. Mayor White also stated that the letter that came with the RFP had a number of contingencies on it. The use tax credits to reduce the rent on these housing development projects and with that they have to provide certain things. IHDA had classified Chillicothe as a metro community, so they asked for a letter from the City to IHDA saying that Chillicothe is not metro and is not a suburb of Peoria. So it's it will come down to IHDA then saying that Chillicothe is considered rural so that they can get those tax credits. This process takes some time so they will have to submit application for the housing development project in December, and with that they would not even know if it was accepted until July 2018. The request is that we donate the land to them so that in the application they can say they have control of the land, this makes for a stronger application and more likely to get approved. If we donate the land to them, the land goes back onto the tax rolls. If the City agrees to do this in the agreement with them there can be a contingency that if he does not get approved for the project the land reverts back to the city. At this time no actual TIF dollars being committed other than the donation of the land. The recommendation to the council will be to accept the proposal and direct the city attorney to prepare a redevelopment agreement.

Next is the ALCO project. Mayor White explained where things are at with the buyer and the seller. The developers have found a renter and now are having their contractor look at the facility to get number for the cost of the build out. They will only be using half of the building. They have been and will continue to look for another tenant for the other half. The developers have been emailing Director Parker back and forth with questions in regards to the TIF and how they can access those funds to help make this project happen. Director Parker stated that the last correspondence with them is that they will be sending us a proposal in regards to what they want from the city. Until we are in receipt of that request we are somewhat at a standstill. She stated that they do know that we gave ALCO \$200,000 when they did their project some years ago. We also let them know that ALCO agreement it came with some guaranteed sales tax. Director Parker also informed them that the property is in the enterprise zone which they had not considered in their numbers.

The stated that the ordinance requires that the Marketing and Tourism Committee submit an annual plan. That plan goes through ED Committee then on to Council. This is not just a plan it is a way to monitor the spending of the M & T dollars throughout the year. A spread sheet was shared with the committee showing the outline of the funds. Consensus was to move this to council for approval.

The HELP Loan has been updated and revised. Due to the state releasing their ties to the dollars in this fund, the city can write their on rules on how those dollars can be spent. The changes made basically mirror the TIF Loan guidelines. The major changes are no required bank participation; dollars loaned out are not tied to number of jobs created. Some other changes were the interest rate will be 3 points below prime or no lower than 3%. Also the term lengths were shorten in order to allow the funds to turn over more quickly.

Next was the discussion concerning the Christmas decorations? Basically our decoration are old and falling apart. The question is what will be done this year because no dollars were budgeted for holiday decorations. After discussion it was determined that Director Parker along with a

few people from the M & T committee will go through to see what can still be used and then use some M & T dollars to purchase a few things just for this year and then put in the budget for next year to get some new decorations.

There being no further business meeting adjourned at 6:25 p.m.

Respectfully Submitted  
Chairman Colwell