

**SUMMARY MINUTES OF THE MEETING  
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL  
OF BLOOMINGTON, ILLINOIS TUESDAY, MAY 29, 2018; 7:00 P.M.**

The Council convened in Regular Session in the Council Chambers, City Hall Building, at 7:00 p.m., Tuesday, May 29, 2018.

Mayor Renner directed the City Clerk to call the roll and the following members of Council answered present:

Aldermen: Jamie Mathy, David Sage (Absent), Mboka Mwilambwe, Amelia Buragas, Scott Black, Joni Painter, Diana Hauman, Kim Bray, Karen Schmidt, and Mayor Tari Renner.

Staff Present: Steve Rasmussen, Interim City Manager; Jeffrey Jurgens, Corporation Counsel; Cherry Lawson, City Clerk; Scott Rathbun, Finance Director; Scott Sprouls, IS Director; Nicole Albertson, Human Resource Director; Jim Karch, Public Works Director; Bob Yehl, Water Director; Clay Wheeler, Police Chief; Melissa Hon, Asst. to the City Manager; Bob Mahrt, Community Development Director; Austin Grammar, Economic Development Coordinator; Nora Dukowitz, Communication Manager; Jennifer Toney, Grants Coordinator; and other City staff were also present.

**Recognition/Appointments**

- A. Proclamation declaring June 1, 2018 “National Gun Violence Awareness Day”.
- B. Appointment of Daniel Freburg to the Citizens Beautification Committee.
- C. Appointment of Scott Rathbun to the Bloomington Fire Pension Board and to the Bloomington Police Pension Board.

**Public Comment**

Mayor Renner opened the meeting to receive public comment, and the following individuals provided comments to the Council:

Bruce Meeks	Scott Stimeling	Mike Matejka
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**“Consent Agenda”**

*Items listed on the Consent Agenda are approved with one motion, and is provided in **BOLD**, and items that Council pull from the Consent Agenda for discussion are listed with a notation **Pulled from the Consent Agenda**.*

**Motion by Alderman Black and seconded by Alderman Schmidt that the Consent Agenda and Addendum be approved.**

**Mayor Renner directed the Clerk to call the roll, which resulted in the following:**

**Ayes: Aldermen Mathy, Mwilambwe, Buragas, Black, Painter, Hauman, Bray, and Schmidt.**

**Nays: None.**

**Motion carried.**

The following was presented:

Item 7A. Consideration of approving the Minutes of the May 14, 2018 Regular City Council Meeting, and the March 10, 2018 City Council Work Session Meeting. *(Recommend the reading of the minutes be dispensed with and the minutes approved as printed.)*

The following was presented:

Item 7B. Consideration of approving Bills, Payroll, Procurement Card Purchases, and Electronic Transfers in the amount of \$12,072,022.59. *(Recommend the Bills, Payroll, Procurement Card Purchases, and Electronic Transfers be allowed in the amount of \$12,072,022.59, and orders drawn on the Treasurer for the various amounts as funds are available.)*

The following was presented:

Item 7C. Consideration of approving Appointments to Various Boards and Commissions. *(Recommend Daniel Freburg be appointed to the Citizens Beautification Committee and Scott Rathbun be appointed to the Bloomington Fire Pension Board and to the Bloomington Police Pension Board.)*

The following was presented:

Item 7D. Consideration of a Supportive Housing Program/Continuum of Care McLean County Core Services Grant Agreement (Project IL0289L5T121710) to the U.S. Department of Housing and Urban Development, in the amount of \$136,706, as requested by the Community Development Department. *(Recommend the Supportive Housing Program/Continuum of Care McLean County Core Services Grant Agreement (Project IL0289L5T121710), in the amount of \$136,706, to the US Department of Housing and Urban Development be approved, and the Interim City Manager and City Clerk be authorized to execute the necessary documents.)*

The following was presented:

Item 7E. Consideration of a Resolution approving a Grant Agreement for the Illinois Housing Development Authority's Abandoned Property Program (IHDA APP) in the amount of \$60,000, as requested by the Community Development Department – Office of Grants Administration. *(Recommend the Resolution approving the Abandoned Property Program Grant Agreement to the Illinois Housing*

*Development Authority, in the amount of \$60,000, and the Mayor and City Clerk be authorized to execute the Resolution and the Interim City Manager and City Clerk be authorized to execute any other necessary documents.)*

RESOLUTION NO. 2018 – 32

A CORPORATE RESOLUTION ACCEPTING A GRANT FROM THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY'S ABANDONED RESIDENTIAL PROPERTY MUNICIPAL RELIEF PROGRAM

The following was presented:

Item 7F. Consideration of an Ordinance approving a Petition from F.O.B. Development Inc. for an Easement Vacation Plat for Empire Business Park Eighth Addition and a Final Plat for Empire Business Park Ninth Addition, located east of Airport Road, south of Cornelius Drive, and north of Empire Street, as requested by the Public Works Department. *(Recommend the Ordinance approving the Easement Vacation Plat for Empire Business Park Eighth Addition and the Final Plat for Empire Business Park Ninth Addition be approved, subject to the petitioner paying the required tap-on fees, and the Mayor and City Clerk be authorized to sign the necessary documents.)*

ORDINANCE NO. 2018 – 38

AN ORDINANCE PROVIDING FOR THE VACATION OF A PORTION OF A UTILITY EASEMENT LYING WITHIN EMPIRE BUSINESS PARK EIGHTH ADDITION AND APPROVING THE FINAL PLAT OF EMPIRE BUSINESS PARK NINTH ADDITION

The following was presented:

Item 7G. Consideration of: (1) an Ordinance Amending Ordinance 2018-23 for the FY2019 Budget for the Fiscal Year Ending April 30, 2019, in the amount of \$70,410 for FY 2019, to allow payment of monthly training and related services incurred from Kronos Workforce Management; and (2) authorization of a payment to Kronos Workforce Management for FY2018 invoices for monthly training and related services that were utilized in the amount of \$45,270, as requested by Information Services. *(Recommend the Ordinance Amending the FY 2019 Budget for monthly service in the amount of \$70,410 and the Payments due to Kronos Workforce Management for FY 2018 invoices for monthly services in the amount of \$45,270, and the Mayor and City Clerk be authorized to execute the necessary documents.)*

ORDINANCE NO. 2018 – 39

AN ORDINANCE AMENDING THE BUDGET ORDINANCE FOR THE FISCAL YEAR ENDING APRIL 30, 2019

The following was presented:

Item 7H. Consideration of a Petition for the Lake Bloomington Lease Transfer of Lots 1 and 2 in Block 5 in Camp Kickapoo from Rayan, LLC to Watersun, LLC, as requested by the Water Department. *(Recommend the Lake Lease Transfer be approved, subject to the following contingencies: (1) the septic system conditions included in the McLean County Health Department's January 30, 2018 letter; (2) the new lease holder apply for permits for existing non-leased marginal land and reservoir improvements that are determined compliant with the City rules and regulations within six (6) months of transfer, (3) the new lease holder apply for an electrical permit and inspection through the Community Development Department, (4) the lease and refuse fees invoiced are not past due, (5) the transferee providing documentation of the sale of the house located on the property, and the Mayor and City Clerk be authorized to execute the necessary documents.)*

The following was presented:

Item 7I. Consideration of a Petition for the Lake Bloomington Lease Transfer of Lot 4 in Block 5 in Camp Kickapoo from Hugh and Beverly Parker to David and Julia Turner, as requested by the Water Department. *(Recommend the Lake Lease Transfer be approved, subject to the following contingencies: (1) septic system risers or access ports be installed and that the rock trench be uncovered within six (6) months of transfer; (2) the shed located across Cherokee Lane, adjacent to Lot 4 in Block 5 in Camp Kickapoo either be removed by new lessee or that ownership of shed is transferred to the City of Bloomington for removal within six (6) months of transfer; (3) the new lease holder apply for permits for existing non-leased marginal land and reservoir improvements that are determined compliant with the City rules and regulations within six (6) months of transfer, (4) the lease and refuse fees invoiced are not past due, (5) the transferee providing documentation of the sale of the house located on the property, and the Mayor and City Clerk be authorized to execute the necessary documents.)*

## **“Regular Agenda”**

The following was presented:

Item 8A. Consideration of a Resolution approving the Rules of the Public Safety & Community Relations Board of the City of as well as the Board's brochure and posters, as requested by the Board in consultation with the Police Department and Legal Department. *(Recommend the Resolution approving the Rules of the Public Safety & Community Relations Board of the City of Bloomington, Illinois and the Public Safety & Community Relations Board brochure and posters be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.) (Presentation by Jeff Jurgens, Communication Manager, 15 minutes, City Council discussion, 15 minutes.)*

Mr. Jurgens provided a brief overview stating the Board was created on July 24, 2017. Their first occurred on December 13, 2017, and they have been working diligently to fulfill some of the directives that this Council directed including creating rules, procedures, and bylaws for the transaction of business by the Board, developing a brochure explaining the Board's procedures and the resources available to complainants, and developing a poster highlighting the resources available to complainants. When Council adopted this ordinance, you directed the new Board develop and provide a report to Council for final approval. Although city staff has been available as a resource to assist and review what has been prepared, the true driving force

behind this has been the Board. Art Taylor, Chairman will provide the formal presentation of those items and answer questions of the Council.

Mr. Taylor stated, the Board has been diligently working toward its goals of what the council set forth in its original ordinance, which is to serve the citizens as an advisory committee to the Chief of Police and City Manager, providing a perspective of police policy and training and to improve police-community interactions. This encompasses providing resources to the community on how to make a formal or an informal complaint to the police; assisting the City and the police department in clarifying and improving procedures related to complaints; adding a citizen perspective to the evaluation of civilian complaints including timely and fair and objective reviews of those complaints; as well as to identify perceived deficiencies in police and community interactions. All with the intent of improving interactions and shared understanding and to provide fair treatment to and to protect the rights of citizens and the police.

Alderman Black asked how these meetings been attended by the public. Mr. Taylor stated there were 20 members of the public who attended the first quarterly meeting on March 21, 2017. The Board answered as many questions as possible to get input and feedback on language that is in the brochure. The brochure will be available in Spanish as well.

Alderman Mwilambwe asked how meetings are noticed and will the Board utilize social media. Mr. Taylor stated our meetings are on the second Wednesday of every month, that meeting is open to the public. Meetings are noticed on the City's website and available throughout the media. The first quarterly meeting was held on March 21, and the next one is scheduled for June 20, 2018. Communication was sent out to the entities that helped and that were instrumental in establishing the Board in the first place which would include Not in Our Town, Black Lives Matter, NAACP, and the League of Women Voters.

Alderman Bray inquired about Section 2A Confidentiality of Sensitive Information and how the matter would be handled by the Board. Mr. Taylor stated a great deal of time was placed in our conversations about confidentiality, not only to anyone who may be presenting a complaint but also to the Board members who would be charged with hearing those complaints. Part of the brochure discusses how complaints can be presented to the Board. It has to be in writing, and has to be a complaint previously heard by the Bloomington Police Department before it comes to the PSCRB. That, any personal information that could identify the individual who was making the complaint or the complainant would be redacted by the City Legal Department that is in the rules.

Mr. Jurgens stated Mr. Taylor's explanation of the process is his understanding as well. Subsection A, does talk about the confidentiality of sensitive information and in the actual ordinance that was approved, the information that is provided to the Board is information that would be subject to release under FOIA. It is not a review of whether or not the complaint was founded or unfounded, decided correctly or incorrectly, by the Police Department, it is rather a review of the overall process and whether or not there need to be other procedural changes as part of that review.

Alderman Bray asked whether a complainant, once this review done, have an option to ask for confidentiality of their concerns or their allegations. Mr. Taylor that was broadly discussed in our deliberations with reference to the rules. A complainant may file a complaint either with the Bloomington City Police Department, through the city legal department, or at a PSCRB public meeting. There is a box located in our

meetings for anyone to drop off a written complaint. It is then reviewed by the City Legal Department where they will then begin the redaction process to ensure that the complainant and/or the police officer in question identities are kept confidential. That way once the PSCRB reviews the complaint, it will not have the identity of the individual who filed a complaint nor the identities of the police officers that the complaint may be directed to.

#### RESOLUTION NO. 2018 – 33

#### A RESOLUTION APPROVING THE RULES OF THE PUBLIC SAFETY & COMMUNITY RELATIONS BOARD AND APPROVING THE BOARD'S BROCHURES AND POSTERS

**Motion by Alderman Schmidt second by Alderman Painter that Council approves the Resolution approving the Rules of the Public Safety & Community Relations Board of the City of Bloomington, Illinois and the Public Safety & Community Relations Board brochure and posters be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.**

**Mayor Renner directed the Clerk to call the roll, which resulted in the following:**

**Ayes: Aldermen Mathy, Mwilambwe, Buragas, Black, Painter, Hauman, Bray, and Schmidt.**

**Nays: None.**

**Motion carried.**

The following was presented:

Item 8B. Consideration of a Contract and Unit Prices with Corrective Asphalt Materials, LLC, as a limited source, in the amount up to \$310,000, for the FY 2019 Pavement Preservation program, as requested by the Public Works Department. *(Recommend the Contract and Unit Prices with Corrective Asphalt Materials, LLC for the FY 2019 Pavement Preservation Program, in the not-to-exceed \$310,000, be approved as a limited source, and the Interim City Manager and City Clerk be authorized to execute the necessary documents.) (Presentation by Jim Karch, Public Works Director, 5 minutes, City Council discussion, 5 minutes.)*

Mr. Karch provided a brief review of the project and request Council approval to move forward.

Alderman Mathy asked whether the goal of the program that every street in the City would be done every five years. Mr. Karch explained the long-term plan within that first year, is to do one Reclamite treatment. After four or five years, you come back and do another Reclamite treatment. The C85 is debatable because it depends upon, when it reaches that rating of four (4) just before the potholes start then you apply the C85. The goal is to stretch that curve out to where you go to more of the, you know, 30 to 40-year mark.

Alderman Bray asked whether streets should have more than two treatments. Mr. Karch explained that two treatments of Reclamite, one treatment of C85. They have considered upon arriving at that pavement life, determining whether we can do a second C85 treatment is worth it. A C85 is \$2 and 10 cents and resurfacing mill and fill is \$35, those two comparisons, you really want to try to stretch the life as much as you can.

**Motion by Alderman Hauman second by Alderman Schmidt that Council the Contract and Unit Prices with Corrective Asphalt Materials, LLC for the FY 2019 Pavement Preservation Program, in the not-to-exceed \$310,000, be approved as a limited source, and the Interim City Manager and City Clerk be authorized to execute the necessary documents**

**Mayor Renner directed the Clerk to call the roll, which resulted in the following:**

**Ayes: Aldermen Mathy, Mwilambwe, Buragas, Black, Painter, Hauman, Bray, and Schmidt.**

**Nays: None.**

**Motion carried.**

The following was presented:

Item 8C. Presentation and discussion on the City's utilization of Tax Increment Financing as an economic development tool and possible action on a Resolution outlining the City's Guidelines for the utilization of Tax Increment Financing, as recommend by the City's Community Development Department - Office of Economic Development. *(Recommend the Resolution outlining the City's Guidelines for the utilization of Tax Increment Financing be adopted, and that the Mayor and City Clerk be authorized to execute the necessary documents.) (Presentation by Bob Mahrt, Community Development Director, 30 minutes, City Council discussion, 30 minutes.)*

Mr. Rasmussen explained when Council discussed the Tax Increment Financing three or four weeks ago, one thing that it asked before the City move forward on any other TIF actions is for a policy or guidelines on how TIF's would be handled the future. The City is proposing the enclosed resolution for Council consideration and possible action. In past practices of some cities, TIFs were been abused. Staff does acknowledge; however, we are dedicated to ensure that does not happen as it is a powerful tool that can be used in economic development.

He stated that he had spoke with Dr. Riley regarding the proposed policy and resolution as well as working together carefully with the school district to ensure there is an agreement that will allow us to work together. He asked Bob Mahrt, Director of Community Development to provide background on the City's efforts with Tax Increment Financing.

Mr. Mahrt provided a quick overview of the prior TIFs within the community, some of the existing TIFs that are current are in place, and of some of the potential TIFs that we might have in the future.

In the late 1980s, three TIFs were generated by the community--that was the Veterans Parkway Redevelopment Project from 1986 to 1993, the Market Square Redevelopment Project Area from 1986 to 2009, and the Downtown Bloomington Redevelopment Project Area from 1986 to 2009. That was a very significant one that encompass of roughly 54 blocks in our downtown area, very large in comparison to the other TIFs that we have had within our community. More recently, we have had the Empire Street Corridor Redevelopment Project starting in 2016, the Downtown South Redevelopment Project Area also in 2016,

and some of the ones that are in play right now and for further discussion is the proposed Downtown East Washington Redevelopment Project Area and then the potential North Main/Chestnut Street Redevelopment Project Area.

The first project was the Veterans Park Redevelopment Project and it started in June of 1986 and lasted just seven years, through 1993. We want to look at opportunities of dissolving the TIF once the objectives have been met. The Market Square Redevelopment Project that also went from 1986 to 2009. It qualified as both a conservation area and a blighted area and some of the notable projects in that are the Pilot Truck Stop, the Market Square Shopping Center. The Downtown Bloomington Redevelopment Project Area and that went from 1986 to 2009. There were some carryover for some legal issues that the City is dealing with in that area. The entire 54 blocks was designated as a blighted area as the blighting factors criteria has to be met. Those are very high standards in the TIF Acts to meet the criteria and to have that entire boundary as a blighted area in 1986.

Through that process, the City had roughly 49 redevelopment agreements. Some created projects, some were laid to rest, they did not fulfill their obligations, but the biggest factor that here is that the Equalizer Assessed Value in that TIF area increased to 145% over that 23-year period. In 1986 when the TIF began, the Equalizer Assessed Value was roughly \$13 million. At the end of the TIF, it was roughly \$32 million, so there was a significant increase in the Equalized Assessed Value.

Other projects was the Russell Francois Offices, roughly 72,000 in public incentives that were provided to it for historic rehabilitation, exterior wall repair, waterproofing, and storefront restoration and that building still stands. The Coffee Hound and Ivy Lane Bakery, again, roughly leveraging private of \$182,000 with public incentives of \$80,000 to bring that project together. The Castle Theater is still a vibrant business in our downtown area. The Castle Theater had public costs of \$385,000, total project investment of \$1.2 million, and the condo build-out on the upper story.

The McBarnes Building, we had an investment of \$1.7 million in our downtown area, of which \$466,000 was public incentives for the restoration of that historic building. The Corn Belt Bank building, a \$2.1 million project in our downtown for the historic rehabilitation, the elevator system, and the office build-out and that was undertaken in 2001. TIF funds can be used to leverage some private investment to really maintain and enhance our downtown area or any TIF area. These are new TIF areas that we have within our community and adopted in 2016. It is a relatively large TIF area from Veterans Parkway along the Empire Street corridor all the way to Colton Avenue where the high school project. Roughly 65 parcels, the area was identified as blight; however, important to note is the Equalized Assessed Value had been declining over a period of time.

Since 2016, two redevelopment agreements for properties within that Empire Street Corridor Redevelopment Project Area: the former Kmart Plaza into the Colonial Plaza Shopping Center, Dick's Sporting Goods, and a number of other major retailers in that area has increased economic revitalization of that area also the redevelopment of the former Baymont Inn into a Best Western Plus Hotel. The Colonial Plaza Redevelopment Project had roughly 75% of a portion of the increment that goes back to the developer, and a third of the sales tax rebates. The entire incentives for that \$11 million improvement, is maxed out at \$4 million for incentives.

Although he is not familiar with the redevelopment agreement, it is his understanding that the sales tax rebate was valid for 10 years--up to \$2 million. The remainder was the increment up to 75% of the increment. The



remainder of the increment can be used in other areas of that Empire Street Corridor Plan for new streets, sidewalks. Council recently approved the eligibility of the Fairway Drive Intersection Improvement as a TIF-eligible project in this district. In doing so, Council established that as a TIF-eligible project and as funds and increment come back into that project area, the City will be able to transfer those funds as MFT. It is an opportunity to leverage that increment for other purposes aside from commercial redevelopment.

The Downtown Southwest Redevelopment Project Area was adopted in 2016, 6.4 acres, 13 parcels or thereabout. The area qualified for both blight and conservation is a realization and an attempt to meet the taxing districts requirements on targeted TIFs. It includes the former junior high school project or property you had previously signed a redevelopment agreement for that proposal pending the TIF approvals.

The Lafayette Hotel and apartment area did not qualify as blight and therefore, it was removed from of the TIF area so that would not receive incentives if requested through the TIF district. Council did approve a feasibility study for the North Main/Chestnut Street Redevelopment Project Area--the BroMenn Hospital or the Electrolux. There are eight and a half acres, five parcels.

If it were to be a sales tax generator, then you may not need to use TIF as opposed to a residential component or a mixed-use that may have a mix of both TIF and sales tax. Not everything have to be TIF. We can evaluate the terms of agreements or the terms of a TIF. We can make them targeted and shrink the size so to avoid abusing the standards that we want to create for TIF.

Attorney Field-Orr stated she began working with the City in 2009 providing guidance on TIF districts and projects. Those initial TIFs were massive and for several years, had represented the City in conjunction with other negotiated agreements and they were not TIF agreements. She referenced Ashley Furniture, Green Top, and other sales tax generators.

With regard to the Empire Street TIF, we have committed sales tax. We have taken on a policy of the smaller, the better and there should be a project. Some projects were refused as they did not demonstrate economic viability for the City.

With regard to expanding your position in terms of policies, it should be put in writing to reconcile with the schools two very important aspects. Number one, you never TIF more inch...not an inch more than is absolutely needed and you never incentivize without an absolute demonstration that there is a gap in financing but for your assistance, the project could not, or would not go forward. Those two principles will keep the City on track and provide a continuation of the record that you have provided.

A city is only as good as our school districts. If we take the three TIFs, two in place and the one that's proposed and we look at its effect on the school district which is paramount and crucial, the EAV within those three TIFs assuming the third one is passed is 0.54% of the EAV of the school district. Negligible, it would appear. However, if we succeed in those TIFs our projections and are able to develop those properties would, in fact, result in an increase in the EAV from 0.54% to over 2%. Our goal is to redevelop. The reality is you have not considered it a TIF unless it has been demonstrated to you that the EAV of the proposed area has continually declined.

Number two, do not incentivize. They have tried to keep it with local developers as an example in the Downtown area. It has been with retail sales, not with TIF dollars where it has been a national chain.

Proposing a written resolution adopting a policy with two perspectives: (1) only TIF it if the EAV if it demonstrates the EAV has been declining so that you should be doing something, and (2), do not incentivize any business unless it can be proven to the community.

Alderman Schmidt asked about the Veterans Parkway Redevelopment Project, that it ended in seven years and not in 23 years.

Ms. Field-Orr explained if you shorten the length of the TIF before you adopt it, you have just shot yourself in the foot because how can you then determine what is the minimal economic incentive for a particular project. A review of this should occur as an absolute project-by-project basis; you do not know until it happens. Secondly, there were no projects within the Veterans TIF. Alderman Schmidt referenced the Jumer Hotel. Ms. Field-Orr stated, the TIF law mandates that if you declare a TIF and do not have a project in seven years, you have to kill the TIF.

Mr. Mahrt stated it is his understanding that the TIF established in order to reconstruct Clearwater Street. Ms. Field-Orr stated it did not provide any increments.

Alderman Schmidt asked how other communities in Illinois handle these sorts of challenges in handling TIFs in terms of best practices.

Ms. Field-Orr stated best practices is to establish a policy. The City could utilize TIF to the minimum amount necessary to provide an incentive. The worst possible thing that she experienced is that if you do not have a TIF, you are out of the ballgame. The City of Bloomington feels as frustrated do most other municipalities. The problem is that the schools represent the largest part of the real estate and...tax and the incentive is somehow to induce a developer by giving them some break on the tax. TIF does not give them a break on the tax but it reimburses them for some of the costs so they can pay their tax.

Mayor Renner stated there also economic spillover especially if you have a very tight TIF. If there is a TIF that is proposed, as we only have two that were approved, it could easily have spillovers but it also could have an investment within it even if it is tight and does not ask for any money. Ms. Field-Orr stated the City would be obligated, as it had shown to demonstrate that there is a need for an incentive.

Alderman Black asked whether the policies are structured in the way similar to the one that is presented to Council for consideration. Ms. Field Orr replied it is more structured. City staff is recommending a tightly structured policy for Council consideration.

Alderman Mwilambwe asked whether it is possible to have a workable policy for all parties. Ms. Field -Orr explained there is a way to the extent that the City does not have a project to incentivize or an immediate use that improves the area and especially the one that is presented. There is always a way to if a TIF district impacts a taxing district in any way.

Any impact that a development has on a school, you know, the law protects schools that if there is a residential development and the residential development has children that result in an increase of the population of the school district the TIF Act has a formula for how you must pay that. To the extent the taxing district has an impact in dollars and cents because of some development, they should be reimbursed, number one, and the law provides for that. Number two, if there are funds that are not committed and not to

be utilized for development or improvement in the TIF districts, those be declared a surplus. In fact, the law says if you have incremental dollars in your TIF and you do not have a committed project for a period of three years, you must declare it a surplus and that is a way to protect the taxing districts.

Alderman Bray ask for clarification on the concepts of prevailing wage and the concept of project labor agreements and how the City maximize the economic development potential that is TIF.

Ms. Field-Orr stated we do not have a mandate on Project Labor Agreements with regard to using local contractors or discernation and in terms of our city collective bargaining agreements. We have not made a mandate related to prevailing wage.

Mr. Jurgens stated in the Prevailing Wage Ordinance that Council adopts every year, there is a provision and it is not kind of the standard, it is not required. There is a provision in the ordinance that says that the prevailing wage should apply to private commercial economic development projects directly supported by public funds including projects supported by Tax Increment Financing or tax incentives of any kind. Then there are some other provisions about that as well. Council already require language for TIF projects in its prevailing wage ordinance.

Ms. Field-Orr explained it is difficult to work that type of a commitment with prevailing wage in collective bargaining agreements and utilization of the services of unions. It is not often that the base may be here but the individuals are, how do you judge it? How do you review it? Why would you want to get into labors? It gets to be very touchy subject area as to where a laborer lives as opposed to using local businesses to the greatest extent possible. That does not guarantee residency or that we are using local laborers.

Alderman Bray stated that she would be interested in exploring more about what the implications of a PLA would be and through TIF districts, hire local, and by local. Ms. Field-Orr advised, in their legal limitations is to know how much the City can demand that, before Council take up that matter.

Alderman Black stated some conversation should occur with Council regarding its philosophy before a decision is made as it is important to ensure the school voices are heard.

Barry Riley, Ph.D. Superintendent of District 87 Schools stated, Alderman Schmidt asked how some communities doing relative to dealing with TIFs. That although he cannot speak to all communities, nearly half of the counties in the State of Illinois now have the countywide sales tax. In some of those counties, school districts are being directly impacted by TIFs. McLean County is not one of those counties. He referenced the ballot measure that failed. He expressed concern over how TIF districts impacts school districts and asked Council for consideration as it affects the needs of the students and school district.

He commented on the comments of Mr. Mahrt stating it is not a big deal; however, when we talk about the Empire Street Corridor, that area that runs from Veterans Parkway to Towanda Plaza, it captures Bloomington High School and the junior high school. They qualify as a conservation area it was described as a blighted area in totality. He does not want the public to view the district as a blighted area.

I also want to talk just briefly about the Downtown TIF that ended in 2009. During that 23-year TIF we had some growth. He encouraged Council to go do some research and look at the cost of living and how that went up over that same time and see if that growth was right in line with that.

For many years, the school district has requested that TIF be structured so that we receive some direct benefit before the end of the typical 23-year life and I appreciate that there has been some conversation about that. He referenced the resolution for consideration by Council, and indicated that the school district does not agree with the proposed resolution. He thanked for its consideration, and indicated a willingness to continue that dialogue, as they want to be good partners when it comes to economic development.

Alderman Mathy stated he understand and appreciate the position that the state has put the school districts in everywhere, in every educational institution, not just our school, our high schools. He was the president of the Downtown Bloomington Association at the time where that TIF closing out. He mentioned the rate of inflation was outpaced by 5% inside of the TIF district. At the time the increment was released to the City and the school district, there was a 23-year buildup period for that sales tax increment. It was determined to be completely repaid in seven years. He asked how the school district is hurt if we could stop the rollercoaster effect.

Mr. Riley stated if the EAV is going down, it hurts all of us and that hurts the bottom line of any taxing body that is to receive dollars based off EAV. He asked Council to consider other avenues of incentivizing development before considering a TIF district.

Alderman Buragas stated she believes there is a better understanding of TIF based upon the board discussion based on the conversation. In essence, the City is willing to collaborate and that economic development is about partnership and working together for the benefit of the city and everyone who lives here. She is excited about the proposed policy, as it will go a long way in helping all to ensure collaboration are successful. In addition this potential value of this notion of prevailing wage and potentially project labor agreements, as she sees the value in having a conversation regardless of the vote of the Council.

Ms. Field-Orr asked stated for clarification purposes that it is not a requirement that the EAV go down to be blighted, that is just one of the requirements. It has been a policy of this City and that is why language was included into the proposed resolution. Our policy takes us a step closer to collaboration than the law would otherwise mandates.

Mayor Renner asked if one of the two TIFs that we have in progress, if it is zero, and we are not getting any money in the schools. Ms. Field-Orr stated that you are encouraged to TIF it and that is a win-win for everyone but if it starts out at zero.

Mayor Renner: And if I could related to that because you said something else that, at least at 500 feet without digging deeper, might be viewed as contradictory and I think I know what the answer is but I'm asking that question anyway. You had said, "You would shoot yourself in the foot if you did not do something like a 23-year TIF to start because you don't know how long."

Kathy: Because you don't know what...that doesn't mean just because there's a 23-year TIF, that doesn't negate the fact that you could still collaborate and utilize the percentage that you don't require for an incentive. I think that is more important...if I may, in my opinion, that may be more important because you may need a percentage of the TIF or one project in the TIF generates increase in values of the immediately surrounding buildings so you do have increment that is obviously not committed in any way, shape, or form to a particular project which gives you an opportunity to declare a surplus or to assist a school district or any other taxing district as the needs may be shown.

Mayor Renner clarified for the record by declaring the surplus, the money goes back to the taxing body, to school district and all the taxing bodies. Ms. Field-Orr stated in proportion to their tax levy which would be any surplus is most beneficial fortunately to the school.

Alderman Bray stated for clarification purposes we talking about ways to minimize impact on the school and the operation of the school as comments were made of limiting use of residential projects in TIF.

Ms. Field-Orr stated we have as a City. Empire Street project has no residential the proposed Downtown Washington has no residential at this time, assuming it is all zoned as commercial. It does not affect the school districts in what we have proposed. The only other problem is that we cannot declare a surplus or the City work with one taxing district if they have the surplus, that is all or none and you cannot make a payment in lieu of taxes without distributing equally to all of the taxing districts. If you took a proportionate share of the school district, we could not give it back directly to the school district.

Mr. Mahrt stated the City offered that developer 75% of the increment from that development which goes back to the developer. A sales tax rebate for a period of 10 years, the total increment or the total incentives for that development was \$4 million for a minimum of \$11 million in investment and a threshold of sales tax generated in order to receive those incentives.

Mayor Renner we are at that critical point where we have not received any surplus money. At the point that we begin to or maybe we are about to cross it, when we hit \$4 million. He asked whether those funds are returned to the City or to District 87. Mr. Mahrt stated it is still generating an increment and the sales tax as the hybrid incentive they are not getting sales tax revenue from any of the communities in this area.

Ms. Field-Orr explained the way the agreement was structured was a maximum amount for 10 years we put in sales tax, after that the balance due would be, would be with the real estate taxes for a maximum of a 20-year term. However, as Mr. Mahrt explained, only 75% of the real estate taxes are committed to the project. There is a 25% play even with the sales tax, even with the real estate for 20 years. There maybe when it is at its full value so there will always be in a potential to have a surplus. However, there are likely to be other businesses to fill in in the Empire Street project. As we overcome those infrastructure concerns, hopefully before 23 years, there will be declarations of surplus but right now.

Mr. Mahrt stated the reason for the TIF discussion was not to elaborate on individual TIF project areas. Within the resolution, there is not an understanding that there are economic development incentives that the City can use in certain instances. Under Section 3 of the proposed resolution, this is the City's wording. The school district has an alternate wording that you can compare and contrast against where we are at but there is some common themes here that we are in general agreement with, and they can offer their perspectives on this. The first one under Section 3A, "The City Manager shall thoroughly consider the available alternatives to TIF and review the benefits of the alternatives to TIF with the private developers and the taxing district."

B, "The City Manager shall file a written report with the City Council listing the alternatives to TIF and detailing the communications held with the private developers and the taxing districts regarding the alternative to TIF and their use." This is another communication tool that the City Manager with input from staff can get that information, you know, to the City Council. There is a question here as to at what point do

have open negotiations? At a certain point where some of our draft works probably would not be directly communicated but it's something that we would in part to our people here.

C, "The City Manager shall provide an opportunity for the appointed leaders of the taxing district to review, prior to adoption by the City Council, the City Council's purpose and basis for creation of a new redevelopment project area," which is a TIF district," And/or consideration of a new development or redevelopment agreement that utilizes the TIF Act. The City Manager shall also maintain communication between the city and the taxing districts in regards to the city's implementation of the redevelopment plans for each of these city's designated redevelopment project areas." This is something that we could when there is a Joint Review Board meeting it is something that we can thoroughly discuss at that time. We can also have some interoffice communications between the taxing districts and our City Manager. D, "With regard to the use of the TIF Act and the creation of a new or redevelopment project area, the city pledges to..."

D1, "Compensate each taxing districts for any demands made upon it as a result of an approved development or redevelopment project as required by the TIF Act." City would follow the TIF Act and if it is appropriate to compensate a taxing district, then we are going to appropriately compensate the taxing district. Number two, "Limits the term of the designation of a redevelopment project area to the time required to achieve the completion of the redevelopment project plan and payment of the city's obligations to any project."

Number four, "Ensure that all newly created incremental tax revenue not needed for the implementation of the redevelopment plan be declared surplus for distributing to the taxing districts." A good discussion this evening about appropriately incentivizing the developer. If there is some surplus, that that surplus can be directed back to the taxing districts. "Review each redevelopment project annually and report to the taxing districts in writing as the availability of surplus funds and the intended use of surplus funds," I think that's something we would do as part of our annual Joint Review Board meetings and this is a specific request and I think we can meet this request.

Number six, "Limit the term of the redevelopment agreements and otherwise ensure that the amount of any incentive to a private developer be limited to the minimal amount necessary to fund the shortfall of the redevelop project as demonstrated by the developer in order to proceed with the redevelopment project." The request will be made whole through a TIF project does not allow us any extra monies to fund these private developments.

Ms. Field-Orr stated what has been recommended by the Community Development Department seriously narrows the scope and your focus in utilizing TIF to commit to the taxing districts, not only the school, a proportionate share of revenues or a time limit at the beginning really would limit your ability to incentivize any project. Your commitment in this to try to use any incentive other than TIF I think is crucial to the taxing districts and if you follow that, in and of itself, I think we will be doing a service to the community that they deserve.

#### RESOLUTION NO. 2018—

### ~~A RESOLUTION AFFIRMING THE CITY OF BLOOMINGTON'S ECONOMIC DEVELOPMENT INCENTIVE GUIDELINE AND OUTLINING THE CITY'S GUIDELINES FOR THE UTILIZATION OF TAX INCREMENT FINANCING~~

**Motion by Alderman Black second by Alderman Bray to table this item to the June 18, 2018 Committee of the Whole Meeting, and that staff review components to the policy that is for shop local, buy local hire, and PLA's.**

**Mayor Renner directed the Clerk to call the roll, which resulted in the following:**

**Ayes: Aldermen Mathy, Mwilambwe, Buragas, Black, Painter, Hauman, Bray, and Schmidt.**

**Nays: None.**

**Motion carried.**

### **City Manager's Comments**

Mr. Rasmussen provided a brief overview of the upcoming community events for this weekend and in July stating staff has included the Parks and Recreation, Grossinger Arena, the Ice Center, the Library, and the Bloomington Center for the Performing Arts. We have this weekend "Cogs and Corset" which is Friday, Saturday, and Sunday. He asked all to come out and enjoy the community events.

### **Mayor's Comments**

Mayor Renner thanked all for the turnout for the Memorial Day Parade, and thanked Steve Rasmussen and Alderwoman Hauman for holding the city sign.

### **Aldermen's Comments**

Alderman Hauman announced the 27th Annual British Car Festival at the David Davis Mansion on Sunday afternoon at 9:00, or Sunday, 9:00 to 3:00, 150 vintage antique or vintage British cars, so if any of these things do not appeal to you.

### **Adjournment**

**Motion by Alderman Black seconded by Alderman Hauman adjourning the meeting. Meeting adjourned at 9:10 p.m.**

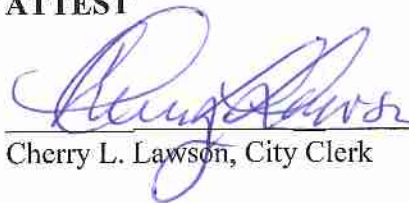
**Motion carried. (Viva Voce)**

**CITY OF BLOOMINGTON**



Karen Schmidt, Mayor Pro Tempore

**ATTEST**



Cherry L. Lawson, City Clerk