



**CITY COUNCIL REGULAR MEETING AGENDA
MONDAY, SEPTEMBER 24, 2018; 6:00 PM**

Council Questions and Staff Response

Questions from Alderman Diana Hauman:

Item 8B: How many living jobs are being created/will be created with this project?

Staff Response: Bob Mahrt, Community Development Director

Item 8B: The Commercial Packaging "Project" consists of the removal of a derelict water tower from the property located at 2047 Ireland Grove Road. The proposed Incentive Agreement would provide for reimbursement of demolition costs in the form of a property tax rebate. The proposed Incentive Agreement also provides for a discount of the "tap on" fees for a commercial entrance on to South Mercer Avenue.

It is staff's understanding that the total employment will generally remain the same, following the consolidation of business operations and the relocation to the new facility in the City of Bloomington.

Item 8B: What will happen with the properties that are being vacated? Will their property tax revenues be decreased?

Staff Response: Bob Mahrt, Community Development Director

Item 8B: As detailed in the City Council memorandum, the two former Commercial Packaging facilities within McLean County have been re-occupied with new business ventures. The assessed values of these properties would not appear to be impacted due to the continuation of commercial use.

Questions from Alderman Kim Bray:

Item 8B: Are we in negotiations with this entity? If so, should this item be reviewed in closed session?

Staff Response: Bob Mahrt, Community Development Director, and Austin Grammer, Economic Development Coordinator

Item 8B: Economic Incentive Agreements of this nature are not permissible to discuss in a closed session meeting of the City Council. City staff have completed negotiations with the Developer and recommend approval of the proposed agreement as presented.

Item 8B: Why these concessions; why now?

Staff Response: Bob Mahrt, Community Development Director, and Austin Grammer, Economic Development Coordinator

Item 8B: On December 11, 2017, Interim City Manager Steve Rasmussen conveyed to the Developer an outline of the City's proposed terms for an agreement. A draft copy of those terms had been provided to the City Council by former City Manager David Hales on October 23, 2017. Now that the Developer is ready to move forward with the Project, staff has coordinated with the Developer on the proposed agreement. The agreement was drafted by City staff with assistance from Kathi Field Orr & Associates, the City's Economic Development Legal Counsel.

Item 8B: What impacts are there on the other businesses in the area; can we expect requests from them as well?

Staff Response: Bob Mahrt, Community Development Director, and Austin Grammer, Economic Development Coordinator

Item 8B: The removal of abandoned signs, billboards, and other visual clutter is often a priority for municipalities to improve the attractiveness of a community and to promote private investment. City staff believes that the proposed removal of the privately-owned, derelict water tower on the Subject Property will improve the view shed of the general area. The pictures of the water tower that were included in the City Council meeting packet show that the water tower is visible from a great distance away from the property. The water tower is currently painted with the words "WILDWOOD INDUSTRIES" which is a company that is no longer in business. City staff are currently in discussions with a nearby business about a potential expansion project. City staff believe the removal of the water tower will be beneficial for that other potential project.

Item 8B: Does the water tank require removal? If not, have we considered simply repainting—perhaps with a Bloomington logo? What is the cost to repaint?

Staff Response: Bob Mahrt, Community Development Director, and Austin Grammer, Economic Development Coordinator

Item 8B: So long as the water tower remains structurally sound, it can remain in an as-is condition. A 2014 Pantagraph newspaper article stated that the Town of Normal spent \$625,000 to repaint the Town-owned water tower on Main Street between Hancock Stadium and University High School. The derelict water tower located at 2047 Ireland Grove Road is privately-owned and is not a part of the City's water system. The City does own an active water tower .4 miles to the south along Hamilton Road. That water tower has the word "BLOOMINGTON" painted on its face.

Item 8B: Is the Mercer Road connection 60% discount approximately \$48,000? What other items are we foregoing by permitting the tap on Mercer?

Staff Response: Bob Mahrt, Community Development Director, and Austin Grammer, Economic Development Coordinator

Item 8B: Correct, the 60% discount is approximately \$48,000. After applying the discount, the Developer would pay a tap-on fee of approximately \$32,000. Conceptual plans for the Developer's proposed new driveway access onto Mercer Avenue have been reviewed by the City's Engineering department. Due to the raised median along Mercer Avenue at the location of the proposed driveway, only right-in, right-out access will be allowed. City Engineering staff have conveyed support for the proposed new driveway to staff in the Community Development Department – Office of Economic Development.

Item 8B: It is mentioned that City staff assisted CP and the commercial real estate broker in the real estate transaction. To what extent? Is this usual?

Staff Response: Bob Mahrt, Community Development Director, and Austin Grammer, Economic Development Coordinator

Item 8B: City Economic Development staff frequently meet with local and regional commercial real estate brokers to promote the City and specific sites and buildings. Local brokers call upon City staff to confirm zoning and utility information and also to provide details about site specific incentive programs (i.e. Enterprise Zone, TIF Districts, etc.). In the instant case, the broker who was assisting the Developer with the Subject Property requested that City Economic Development staff meet to discuss potential incentives and those meetings and follow-up discussions were held.

Item 8B: What is CP's stated reason for requesting the rebate? Have other rebates been granted to them in the past? By whom? As part of this transaction?

Staff Response: Bob Mahrt, Community Development Director, and Austin Grammer, Economic Development Coordinator

Item 8B: The Developer has requested the proposed municipal financial assistance to aid the Developer in overcoming the extraordinary costs identified and incurred by the Developer in relation to the Subject Property. City staff is not aware of any other rebates or incentives being provided to the Developer by the City or other entities in relation to the Subject Property. The Subject Property is not in the Enterprise Zone so EZ incentives (the abatement of sales tax on building materials) are not available to the Developer.