

CITY COUNCIL QUESTIONS/COMMENTS FOR JULY 9, 2012 CITY COUNCIL AGENDA

Staff Responses as of July 9, 2012 at 9:26 AM

WORK SESSION

Alderman: Robert Fazzini

Topic: "Video Gaming"

Questions:

1. "Is the 25% of fees collected before or after the 1/6th deposited in the Local Government Video Gaming Distributive Fund?"
 - a. **Staff Response:** There are two kinds of fees authorized in the Act, application fees and annual renewal fees. All fees go to the State. Twenty-five percent (25%) of those fees go to programs that help problem gamblers and the remaining seventy-five percent (75%) to pay administrative costs. The funds deposited in the Local Government Video Gaming Distributive Fund come from taxes collected on net terminal income, which is defined as all proceeds paid into a terminal minus credits paid out to players. Thus, the source of fees, which are paid by operator distributors, etc. is different than the source of the revenue for the Local Government Distributive Fund.
2. "What would be the City use of the estimated \$300M to \$600M revenue if opted to allow video gaming?"
 - a. **Staff Response:** Staff has no plans for the video gaming revenue. Unless directed specifically by Council, all funds will be deposited into the General Fund.
3. "How much of the \$300M to \$600M in revenue be absorbed and used by Town of Normal if City of Bloomington decides not to allow video gambling?"
 - a. **Staff Response:** The question as to how much revenue that would have gone to Bloomington would be absorbed by the town of Normal, if Bloomington opts not to allow video gaming, is not one Staff can answer with any degree of certainty at this time. That would require speculation regarding whether, and to what extent, people who would have played in Bloomington instead would go to Normal to play, and also speculation as to whether some people who would spend money in Normal who are bothered by the gaming may come to Bloomington to engage in economic activity here.

Alderman: Robert Fazzini - comments continued: "This reminds me of the opposite situation many years ago when the Town of Normal did not allow liquor and its residents simply bought or consumed liquor in Bloomington, thereby increasing the revenue in Bloomington."

Although gambling will likely occur whether it is legal or not (like alcohol consumption in Prohibition), does not automatically mean that we should make it legal just to collect revenue. Those who have experience with gambling addiction might argue that the increased revenue to the city by legalizing gambling is not worth the human suffering caused by the gambling addiction. To me there is a moral issue involved that needs serious consideration compared to the monetary benefit to the city for encouraging video gambling."

Alderman: Robert Fazzini

Topic "Water Drought Report":

Question/Comment:

1. Should a MANDATORY restriction on water usage like the one in 1988 be considered rather than a VOLUNTARY restriction if high temperatures persist without a decline in water usage?
 - a. **Staff Response:** Since the city has ample water supply in storage in its reservoirs at this time, it would be Staff's recommendation to the City Council that voluntary restrictions be enacted initially to determine if declines in water demand can be achieved by citizen engagement and involvement before the mandatory restrictions would be enacted.

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2. The assumption that we have a one year reserve seems to me to be made using incorrect assumptions that the average daily pumpage will be 11.4 MGD when most recently it has been 30.0 MGD. Using the most recent and in my opinion most relevant MGD, the reserve is more accurately between six to seven months.”
 - a. **Staff Response:** The assumption of what demand figure to use was based upon the 2011 annual average daily pumpage (11.4 MGD) which is the most recent complete year that data was recorded. 2011 was also the highest actual annual average that the City has ever recorded. The highest rate that has been pumped in 2012 has been about 18.0 MGD and historically the highest we have pumped is about 21.0 MGD in June of 2005. The calculated reserve in the two reservoirs is based upon the gross volume of the reservoirs (based upon a 1999 engineering study that calculated the volume figure at various elevations of water level in the reservoirs) and the annual average pumpage of 11.4 MGD as explained above. Currently, the Evergreen Lake Reservoir is about 3 ½ feet below the spillway level and has a remaining capacity of about 4.1 billion gallons. The Lake Bloomington Reservoir, at its current level of about 6 inches below its spillway has a remaining capacity of about 2.1 billion gallons. Therefore, using the total combined volume of approximately 6.2 billion gallons and an average annual pumpage figure of 11.4 MGD, the days of gross storage remaining is about 544 days or about 1 ½ years. However, to be conservative, this was simply stated as “over one year” of storage remaining.

Alderman: Jim Fruin

Item 7C: Consent Agenda –“Application of Bloomington Normal Jaycees requesting a Limited Liquor License-Beer and wine only, LB, for an event called “Bruegala”, a charitable fundraiser to be held at the Bloomington Center for the Perming Arts, (BCPA), located at 600 N. East St., on Friday and Saturday, August 24 and 25, 2012 from 5:00 p.m. to 11:00 p.m.”

Question/Comment: “I would like to see our Council “man” a station, and we could rotate three people at a time. Team building effort. I had a lot of fun last year.”

Staff Response: City Council decision/discussion.

Alderman: Jim Fruin

Item 7D: Consent Agenda –“Agreement for Professional Design Services, Bid Development and Construction Management for Eagle View South Park between Planning Resources, Inc. and the City of Bloomington”

Question/Comment: “Eagle View South Park. In response to Staff questions. I would like to ask Council/Staff support of the following timetable”:

1. September 2012. Staff requests a second extension to build-out the park by December 2013 (original Grant expired in 2011).
2. December 2012. Staff requests Bids for Park Development.
3. Spring 2013. Construction begins with fall 2013 completion.
4. Fall 2013. Park opens (initial Land donation received in 2005)

Staff Response: As indicated in the staff back up report item 7D, “September 2012... is the earliest that the Illinois Department of Natural Resources (IDNR) would review an extension (i.e. OSLAND Grant) request.” It is the City Managers intention that this grant extension request will be for a multi-year period as we did previously with the Gaelic Park OSLAD grant extensions. Staff has received preliminary indication from IDNR Grant Administrators that a one-year extension would be more likely than a multi-year extension for the Eagle View South OSLAD grant.

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Alderman: David Sage

Item 7D: Consent Agenda- “Agreement for Professional Design Services, Bid Development and Construction Management for Eagle View South Park between Planning Resources, Inc. and the City of Bloomington”

Question/Comment: “To me a pattern is emerging with how we’re now incrementally developing new parks. It generally starts with we’ll just approve the design – it doesn’t mean we have to build the park, let’s just do the design to placate the respective state agency and keep their grant in play. Then once we have the design the conversation swings to we can’t leave these hundreds of thousands of matching grant dollars on the table. And each time we’ve done this I’ve heard how we’re going to have the conversation about spending priorities and subsidy levels. For awareness I’m considering pulling this item so we can again publicly continue the conversation about the need to develop spending priorities. For several years I’ve stressed the need to have this priority conversation. And again I’ll repeat what I’ve said publicly, this conversation must be led by the Mayor. While Staff and the Aldermen will facilitate, this can only be led by Steve. In my opinion this is more pressing than some other activities, like community visioning, we continue to talk about. Without this much needed conversation:

1. The Council will continue to struggle with spending priorities like gateways, Constitution Trail, enterprise fund shortages and so on.
2. Staff will continue to have to try and guess what the Council priorities are. The Council owns giving this guidance to Staff, and owes this to Staff now as the next budget cycle will soon be starting.

While my email is addressed to the entire Council, my question is for Steve. When do you plan to have this spending priority session?”

Staff Response: As indicated in the staff backup report item 7D, “September 2012... is the earliest that IDNR would review an extension (i.e. OSLAD Grant) request.” It is the City Managers intention that this grant extension request will be for a multi-year period as we did previously with the Gaelic Park OSLAND grant extensions. Staff has received preliminary indication from IDNR Grant Administrators that a one-year extension would be more likely than a multi-year extension for the Eagle View South OSLAD grant.

Alderman: Bernie Anderson

Item 7D: Consent Agenda –“Agreement for Professional Design Services, Bid Development and Construction Management for Eagle View South Park between Planning Resources, Inc. and the City of Bloomington”

Question/Comment: “I am hopeful we will include parks as part of new annexations. In addition, the city will not allow advertisement of future parks by developers unless they pay for the build-out which would include both land and equipment.”

Staff Response: Current practice during annexation agreements does include parkland dedication, or a fee in lieu of as part of the process. Staff is not sure how the City could force the developer to not display advertising signs on their property.

Alderwoman: Judy Stearns

Item 7D: Consent Agenda –“Agreement for Professional Design Services, Bid Development and Construction Management for Eagle View South Park between Planning Resources, Inc. and the City of Bloomington”

Question/Comment: “My concern about 7D is not the park as such, but my fiduciary duty to the citizens of Bloomington as I have clearly expressed for some time. My concerns were expressed both publicly and in print about the City’s need to address capital projects and the exploding pension debt before we embark on new projects which will put pressure on the general fund, both now and even more so, in the future. This view is consistent with the opinion of Standard and Poors in their outlook on the City’s

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financial picture. Once again, I will share my position on this in writing with the public, press, and anyone who would like a copy. Current decisions by the State of Illinois Legislature regarding transferring still more still pension obligations to localities adds to my concern about burdening our citizens. While I am in the minority, I do respect the views of other Aldermen and the Staff. My primary duty is to the citizens of Bloomington and to future ones who will suffer the consequences of damaged infrastructure, unsustainable tax and fee increases, or both. I will pull 7D in order to vote No. It is illogical to vote for design services if we cannot afford another major expenditure. This is consistent with my prior votes and comments. Thank you.”

Staff Response: None

Alderman: Jim Fruin

Item 7F: Consent Agenda –“Resolution for Participation the Illinois Department of Housing and Development Authority (IHDA), Single Family Owner Occupied Rehabilitation (SFOOR) Grant program in the amount of \$210,000.”

Question/Comment: “Typo in Agenda description”

Staff Response: Corrected –“Wingover East Zoning” removed from 7D Agenda description

Alderman: Robert Fazzini

Item 7G: Consent Agenda –“Ordinance for a Special Use Permit Requested by Wingover East, LLC, for Multiple-Family Dwellings for Property located at 1028 Ekstam Drive in Bloomington, McLean County, Illinois”

Question/Comment: “The summary indicates a 5-1 vote to approve by the Zoning Board for the Special Use Permit, while the June 20, 2012 minutes of the Zoning Board indicate a 6-0 vote?”

Staff Response: There were two votes related to the Wingover East Project. The Zoning Board of Appeals voted 5-1 to recommend the special use permit be granted for the application. The second vote was to allow a 3% increase in the floor area ratio in conjunction with the project. The vote to allow the variance was 6-0 in favor of the variation.

Alderman: Jim Fruin

Item 9A: Regular Agenda –“Application of Setinthebar, Inc., Gat’s Jazz Café, located at 424 N. Main St., for a TAS liquor license, which will allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week”

Question/Comment: “Staff should not be presenting additional evidence beyond what was presented in the hearing before the Liquor Commission (in fact, receiving comments from persons opposed to the application is problematic). If the Council desires to, they can suspend the rules at the Council meeting to receive more information. As spelled out in Chapter 2: Section 26: Final Action of Matters After Public Hearing-Limitation of Rehearing.

1. (a) Except as otherwise provided by law or ordinance, the City Council shall not rehear matters which matters, which matters have been referred to any body, agency, or person for public hearing. (Ordinance No. 1981-71)
2. (b) The provisions of subsection (a) notwithstanding, the City Council may, upon passage of a proper motion to suspend the rules, permit one spokesman for each side a limited period of time not to exceed five (5) minutes to summarize his or her side’s position to the City Council. (Ordinance No. 1981-71)
3. (c) When, in the judgment of the City Council, unique circumstances require, the Council may upon a proper motion to do so suspend the operation of this Section (Ordinance No. 1981-71)
4. (d) This provision is directory, and the failure of the City Council to follow its provisions in any matter before it shall not be grounds for invalidation of any action taken on such matter. (Ordinance No. 1981-71)

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Item 9B: Regular Agenda –“Application of Blues Blowtorch Society requesting a Limited Liquor License-Beer and wine only, LB, for an event called “Ain’t Nothin But the Blues”, a charitable fundraiser to be held at the General Electric (GE) Employees Club Park, located at 1750 GE Rd., p.m. Friday, July 20, 2012 from 5:00 p.m. to 11:30 p.m. and Saturday, July 21, 2012 from 12 noon to 11:30 p.m.”

Question/Comment: “I would like some specifics on the “Charitable Fundraiser beyond the gifting of Harmonica’s and history less of the Blues. I need to better understand the “charitable” nature of this event. Is there a financial report available from last year’s event? With the GE/Police Park now owned by city employees, does this bring some added City Liability issues to hosting this and future events in the Park? While this event may well go on at this location on July 20/21, I suggest that in future years it be moved to a non-residential neighborhood. The issues presented by the Spring Ridge neighbors are the same issues that would be raised if the event was at Franklin, O’Neil, Ewing, Miller Parks, etc. Let’s get it relocated to an outlying area, perhaps outside the City/Town limits.”

Staff Response: The ownership of GE Park belongs to the PBPA-Unit 21 and it does not create any liability to the City. The Police Union is a legally separate entity from the City of Bloomington. Requests of staff to provide more information regarding this event should not be presenting additional evidence beyond what was presented in the hearing before the Liquor commission (in fact, receiving comments from persons opposed to the event is problematic). If the Council desires to suspend the rules at the Council meeting to receive more information, that is within the Council’s discretion:

Chapter 2: Section 26: Final Action of Matters After Public Hearing-Limitation of Rehearing.

1. (a) Except as otherwise provided by law or ordinance, the City Council shall not rehear matters which matters which has been referred to any body, agency, or person for public hearing (Ordinance No. 1981-71)
2. (b) The provisions of subsection (2) notwithstanding, the City Council may, upon passage of a proper motion to suspend the rules, permit one spokesman for each side a limited period of time not to exceed five (5) minutes to summarize his or her side’s position to the City Council. (Ordinance No. 1981-71)
3. (c) When, in the judgment of the City Council, unique circumstances require, the Council may upon a proper motion to do so suspend the operation of this Section. (Ordinance No. 1981-71)
4. (d) This provision is directory, and the failure of the city Council to follow its provisions in any matter before it shall not be grounds for invalidation of any action taken on such matter. (Ordinance No. 1981-71)

Alderman: Robert Fazzini

Item 9C: Regular Agenda –“Miller Park Zoo Draft Master Plan Presentation on July 9, 2012”

Question/Comment: “Although containing large animals in small, confined spaces in zoos is abhorrent to me, I recognize the long history of the Bloomington Zoo and the lack of funding required from the city. I do, however, want to keep the concept previously proposed by Alderman Fruin and agreed to by the rest of the council. His concept was to have material to council members in advance review; so much less time could be spent at the council meetings. I believe that 40 minutes to listen to a presentation that requires no city funding to be 30 minutes to long, and I would be making this observation even if I supported the concept of small zoos.”

Staff Response: The presentation is 20 minutes and includes a 5 minute video. The remaining time includes remarks from the City Manager/ Staff, a question and answer session, and Council discussion.

Alderwoman: Judy Stearns

Item 9D: Regular Agenda –“Downtown Enterprise Zone Approved to allow Staff to work collaboratively with the Economic Development Council of Bloomington-Normal to initiate the formal process for an extension of the Enterprise Zone to include Downtown Bloomington”

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Question/Comment: “Is it possible to give us some projection of Staff time involved in this process? The first sentence under Financial Impact states that projects “will” result in property value increases. My first question is, might these projects not go forward with or without the EZ? Secondly, how can we objectively gauge the success of the Enterprise Zone? What impact, if any, will the proposed legislation at the state level have on the local enterprise zone? The packet states that the purpose of the Enterprise Zone is to stimulate growth in an economically depressed area. How have we made the determination that Downtown is an economically depressed area? What criteria are used? Finally, the statement under Financial Impact that “these development opportunities will help to accomplish the goals of the Strategic Plan,” is a matter of opinion to be decided after the success of the EZ is actually determined objectively. I believe that the EZ can also result in revenue loss if projections are not realized. Have we looked objectively at the success of the existing EZ in west Bloomington? “

Staff Response: See attachment

Additional Comments

Alderman: Jim Fruin

Item 7D: Consent Agenda –“Eagle View South Park”

Comment: “With respect. I have to share my extreme disappointment with any actions that would not finish this Park in the 2013 calendar year. I have exhausted all my efforts to bring some closure to this project that began in 2005. Everyone has the documentation of the Action Steps that have been taken by the Developer, prior City Council actions and those of City Staff. Since 2005, many new items have been presented to the City Council, that have received my support. In the meantime, a 7 year project continues to get delayed. Simply look at recent months to see what new items came to use, for which I added my approval. Two quick examples would be the \$1m Gateway beautification project and the Morris Avenue road work being pushed up the timetable, both of which I voted for, and agreed with Staff and interested Aldermen. A retrospective review and listing of new/escalated projects pushed ahead of this Park would be numerous. I can’t express my disappointment to the way this delay has occurred over a seven year period. Perhaps in part it is the result of changes that have occurred with Mayors, City Managers, Park Directors, Aldermen, etc. and it has not had any unified ownership or sponsorship. Much damage has already been done to the creditability of individuals and our City. This is a huge disappointment to me personally, and a tremendous frustration to the Neighborhood.”

Aldermen Discussion

Alderman: Jim Fruin

Question/Comment: “Kudos to Staff for all the fine work to make the July 4 celebration a huge success. This would include from 7:30 a.m. 5 mile run from Miller Park to the Corn Crib. Special Events of all kinds define our City as a great place to work, live and play.”

Prepared by: Barbara J. Adkins, Deputy City Manager

Please explain what the "formal process" for extending the enterprise zone involves?

The formal process to amend the boundaries of the Enterprise Zone (hereafter "EZ") includes holding a public hearing, amending the designating ordinances and an intergovernmental agreement between the municipalities in the zone's governing coalition and then preparing/sending an application for the zone amendment to the Illinois Department of Commerce and Economic Opportunity (DCEO). DCEO must ultimately approve of any zone amendment. Once approved, DCEO sends a written confirmation of the acceptance of the amendment to the local zone administrator, in this case the EDC.

Please find below a breakdown of the formal EZ process, as provided from the Economic Development Council of the Bloomington-Normal Area (EDC).

Task	Responsible Party
Prepare project summary, send to company for review	EDC
Deliver legal description and site plan to EDC	City
City reviews and okays project summary	City
Submit agricultural site review paperwork to Illinois Dept. of Ag	EDC
Deliver Ordinances, Legal description and Project Summary to municipalities	EDC
Hold meeting for Downtown property owners to explain / answer questions	EDC & City
Packet published for Bloomington City Council	City
Bloomington City Council Meeting - Pre-approval of project	EDC & City
McLean County Executive Committee meeting – Pre-approval of project	EDC & City
Hold/attend public hearing	EDC & City
Normal Town Council Meeting	EDC & City
Bloomington City Council Meeting	EDC & City
McLean County Executive Committee meeting	EDC & City
McLean County Board Meeting	EDC & City
Town, City, and County Clerk deliver signed & executed ordinances to EDC	Municipal Staff (Clerk's offices)
E-zone Application Completed and Delivered to DCEO	EDC
Application approved by DCEO**	DCEO officials in Springfield
Local Certification issued by EDC (certification fee required)	EDC

Is it possible to give us some projection of staff time involved in this process? Staff time for this proposal will be split between the City of Bloomington and the EDC. The EDC will handle the preparation of materials (ordinances, IGA, application, getting all of the necessary signatures etc.). From past EZ amendments, EDC estimates the preparation of materials can range from 25 to 35 EDC staff hours.

City staff will be working to answer questions from residents, property owners and City Council members. It is not possible to predict how much time will be spent on answering questions, since it is impossible to predict how many questions will be received in relation to this project. Given the process outlined above, it is estimated that the City's Economic Development Coordinator will spend approximately six (6) hours attending public hearings and various City, Town and County meetings.

The first sentence under Financial Impact states that projects "will" result in property value increases. My first question is, might these projects not go forward with or without the EZ? Secondly, how can we objectively gauge the success of the enterprise zone? Downtown Bloomington property owners have requested the City's assistance in order to prompt redevelopment efforts. The EZ has been identified as one such form of support that, if implemented, will serve to aid property owners in their efforts.

By design, the EZ program is a geographic-focused incentive that is open to all businesses within that geographic area on an equal basis. Access to EZ benefits does not require developers to sign a "but-for" statement as the requirement would conflict with the equal-access intent of the program.

Because of this approach, EZ success is measured in aggregate, based on the reported amount of capital investment and jobs created/retained within the boundaries of the entire zone. Each year, DCEO compiles an annual report on the number of jobs and capital investment taking place in each EZ around the state. These annual reports can be found at http://www.ildceo.net/dceo/Bureaus/Business_Development/Tax+Assistance/Enterprise-Zone.htm

From a local level, property values can be evaluated by City Staff on an on-going basis. The example contained in the staff backup report for the property at 115 E Monroe was provided by Assessor Michael Ireland of the Town of the City of Bloomington and demonstrates that this particular project will result in a \$377,780 increase in property values if completed as described. As such, the City can track property values for this and any other project that occurs within the EZ boundaries for the purpose of gauging the success of this economic development tool.

What impact, if any, will the proposed legislation at the state level have on the local enterprise zone? It is still unclear what the final impact of SB 3616 (if signed into law) will be on the local zone. The law itself is 216 pages in length and a full analysis has not yet been completed. EDC staff members and others around the state are presently investigating the changes to the law and how it will affect us locally.

The packet states that the purpose of the Enterprise Zone is to stimulate growth in an economically depressed area. How have we made the determination that Downtown is an economically depressed area? What criteria are used? The term "economically depressed" comes from DCEO and is used in DCEO's [description of the Enterprise Zone program](#). The inclusion of this language in the supporting materials for this Enterprise Zone amendment is incidental and not reflective of any local assessment or opinion on the Downtown area.

Finally, the statement under Financial Impact that "these development opportunities will help to accomplish the goals of the Strategic Plan," is a matter of opinion to be decided after the success of the EZ is actually determined objectively. The values and objectives as described in reference to the Strategic Plan include retention and growth of current local businesses, attraction of new targeted businesses, revitalization of older commercial areas, expanded retail businesses and strong working relationships among City, businesses and economic development organizations. Most of these items can be tracked in accordance with statistical data such as sales tax receipts, business licenses, permit requests,

and property values. When analyzed for a particular geographic area such as the Downtown, this data can be used to more objectively gauge the success of this economic development tool.

I believe that the EZ can also result in revenue loss if projections are not realized. Unlike many other EZs around the state, the Bloomington/Normal/McLean County Enterprise Zone had its local incentives component stripped-out via ordinance in 1998. For clarification, please see Bloomington Ordinance 1998-118, section two. Thus, EZ benefits in our zone exclusively originate at the state level and do not impact local revenues. The only exception is that for technical reasons, local sales taxes cannot be levied against purchases that the state determines are exempt from taxation via the building materials tax exemption. Because of this, those exempt building materials purchased in Bloomington cannot have local sales taxes levied against them. This is the only potential loss of revenue associated with the EZ.

Have we looked objectively at the success of the existing EZ in west Bloomington? To date, there has not been any request to evaluate any single portion of the Bloomington/Normal/McLean County Enterprise Zone. As stated above, all zones report results in aggregate.