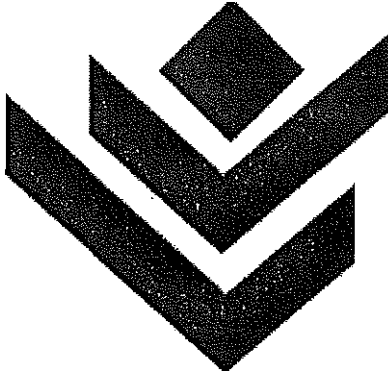




CITY OF
BLOOMINGTON
COMMITTEE OF THE
WHOLE MEETING
JUNE 15, 2015



City Logo Design Rationale

The symbol for the City of Bloomington is multifaceted in its visual and conceptual approach. Visually the symbol and the City's identity represent a modern progressive style which is consistent with the City's government. The symbol is based on three different concepts which combine to represent the City in a contemporary and appropriate way.

First and foremost is the chevron. The City government is a respected agency dedicated to serving the public. In this way, the chevron represents service, rank and authority.

The symbol may also be seen as a three dimensional building. This represents growth and diversity in our community.

Finally, the flower or plant derived from the original name "Blooming Grove," represents a community that is friendly and safe. Progress and growth are also associated with plant life as well as regeneration and renewal.

The symbol's positive upward movement is representative of the City's commitment to excellence!

City of Bloomington – Strategic Plan

Vision 2025

Bloomington 2025 is a beautiful, family friendly city with a downtown – the heart of the community and great neighborhoods. The City has a diverse local economy and convenient connectivity. Residents enjoy quality education for a lifetime and choices for entertainment and recreation. Everyone takes pride in Bloomington.

Jewel of Midwest Cities.

Mission

The Mission of the City of Bloomington is to be financially responsible providing quality, basic municipal services at the best value. The city engages residents and partners with others for community benefit.

Core Beliefs

Enjoy Serving Others

Produce Results

Act with Integrity Take

Responsibility Be

Innovative Practice

Teamwork

Show the **SPIRIT!!**

Goals 2015

Financially Sound City Providing Quality Basic Services

Upgrade City Infrastructure and Facilities

Strong Neighborhoods

Grow the Local Economy

Great Place to Live – A Livable, Sustainable City

Prosperous Downtown Bloomington

12/11/2010



2015 Strategic Plan Goals

Goal	1. Financially Sound City Providing Quality Basic Services
Objective	a. Budget with adequate resources to support defined services and level of services b. Reserves consistent with city policies c. Engaged residents that are well informed and involved in an open governance process d. City services delivered in the most cost-effective, efficient manner e. Partnering with others for the most cost-effective service delivery
Goal	2. Upgrade City Infrastructure and Facilities
Objective	a. Better quality roads and sidewalks b. Quality water for the long term c. Functional, well maintained sewer collection system d. Well-designed, well maintained City facilities emphasizing productivity and customer service e. Investing in the City's future through a realistic, funded capital improvement program
Goal	3. Grow the Local Economy
Objective	a. Retention and growth of current local businesses b. Attraction of new targeted businesses that are the "right" fit for Bloomington c. Revitalization of older commercial homes d. Expanded retail businesses e. Strong working relationship among the City, businesses, economic development organizations
Goal	4. Strong Neighborhoods
Objective	a. Residents feeling safe in their homes and neighborhoods b. Upgraded quality of older housing stock c. Preservation of property/home valuations d. Improved neighborhood infrastructure e. Strong partnership with residents and neighborhood associations f. Residents increasingly sharing/taking responsibility for their homes and neighborhoods
Goal	5. Great Place – Livable, Sustainable City
Objective	a. Well-planned City with necessary services and infrastructure b. City decisions consistent with plans and policies c. Incorporation of "Green Sustainable" concepts into City's development and plans d. Appropriate leisure and recreational opportunities responding to the needs of residents e. More attractive city: commercial areas and neighborhoods
Goal	6. Prosperous Downtown Bloomington
Objective	a. More beautiful, clean Downtown area b. Downtown Vision and Plan used to guide development, redevelopment and investments c. Downtown becoming a community and regional destination d. Healthy adjacent neighborhoods linked to Downtown e. Preservation of historic buildings

CITY OF BLOOMINGTON
CITY COUNCIL COMMITTEE OF THE WHOLE
MEETING AGENDA
CITY HALL COUNCIL CHAMBERS
109 E. OLIVE STREET, BLOOMINGTON, IL 61701
MONDAY, JUNE 15, 2015, 5:30 P.M.

Light dinner available at 5:00 p.m.

- 1. Call to Order**
- 2. Roll Call of Attendance**
- 3. Public Comment (15 minutes)**

(A Public Comment period not to exceed fifteen (15) minutes will be held during each Board and Commission meeting, as well as all regularly scheduled City Council, Committee of the Whole and Special Meetings of the City Council not designated as Work Sessions. Nothing herein shall prohibit the combination of meetings, at which only one public comment period will be allowed.

Anyone desiring to address the Board, Commission or City Council, as applicable, must complete a public comment card available in the meeting location up to fifteen (15) minutes prior to the start of the meeting. The person must include their name, address, and any other desired contact information, although said person shall not be required to publicly state their address information. If more than five (5) individuals desire to make a public comment, the order of the speakers shall be by random draw. (Ordinance No. 2014-82))

- 4. Consideration of approving Committee of the Whole Meeting Minutes from May 18, April 20, and March 16, 2015. (Recommend that the reading of the minutes of Committee of the Whole Proceedings of May 18, April 20, and March 16, 2015 be dispensed with and the minutes approved as printed.) (5 minutes)**
- 5. Executive Session**
Discussion Topic
A. Purchase or Lease of Real Estate – Section 2 (c) (5)
- 6. Adjournment**

Note: No action will be taken on any matters at this meeting beyond approval of the minutes.



FOR COUNCIL: June 15, 2015

SUBJECT: Consideration of approving Committee of the Whole Meeting Minutes from May 18, April 20, and March 16, 2015.

RECOMMENDATION/MOTION: That the reading Recommend that the reading of the minutes of Committee of the Whole Proceedings of May 18, April 20, and March 16, 2015 be dispensed with and the minutes approved as printed.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND: The Joint Work Session Meeting with the Town of Normal, IL occurred on May 18, 2015 at 5:30 PM at the ISU Alumni Center, 1101 N. Main Street, Room 118 Normal, IL at time, no meeting minutes were taken by the Town of Normal. Council of the Whole Proceedings of April 20, and March 16, 2015 have been reviewed and certified as correct and complete by the City Clerk. Due to the Committee of the Whole not having a Regular Session Meeting, an extended workload, and new City Clerk beginning employment, the Council Proceedings of April 20, and March 16, 2015 were delayed in being brought forward for the Council consideration.

In compliance with the Open Meetings Act, Council Proceedings must be approved within thirty (30) days after the meeting or at the Council's second subsequent regular meeting whichever is later.

In accordance with the Open Meetings Act, Council Proceedings are made available for public inspection and posted to the City's web site within ten (10) days after Council approval.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: Not applicable.

Respectfully submitted for Council consideration.

Prepared by: Cherry L. Lawson, City Clerk

Reviewed by:

Recommended by:



David A. Hales
City Manager

Attachments:

Attachment 1. Draft Joint Meeting Council Proceedings for May 18, 2015

Attachment 2. Draft Council Proceedings for April 20, 2015

Attachment 3. Draft Council Proceedings for March 16, 2015

Motion: That the reading Recommend that the reading of the minutes of Committee of the Whole Proceedings of May 18, April 20, and March 16, 2015 be dispensed with and the minutes approved as printed.

JOINT WORK SESSION MEETING MINUTES OF THE COUNCILS
OF THE TOWN OF NORMAL AND CITY OF BLOOMINGTON
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL
OF BLOOMINGTON, ILLINOIS
ISU Alumni Center, 1101 N. Main Street, Room 118 Normal, IL.
MONDAY, MAY 18, 2015; 5:30 P.M.

Council present: Alderman Joni Painter, Mboka Mwilambwe, Jim Fruin, Diana Hauman, Kevin Lower, Scott Black, Karen Schmidt, Amelia Buragas and Mayor Tari Renner

Staff present: City Manager David Hales, City Clerk Cherry Lawson, Human Resource Director Nicole Albertson, Public Services Director Jim Karch, Library Director Georgia Bouda, and other City staff members were in attendance.

Mayor Chris Koos called the meeting to order at 5:30 P.M., and announced that this is Joint Work Session Meeting of the Town of Normal and the City of Bloomington, IL.

MINUTES

Ioanna Morfessis, Ph.D. provided a PowerPoint Presentation on the community economic development strategy she has been developing during the past several months.

Mayor Koos adjourned the Work Session at 6:55 PM.

Respectfully submitted,

Cherry L. Lawson, C.M.C.
City Clerk

COMMITTEE OF THE WHOLE
Osborn Room
305 East St., 2nd Floor
April 20, 2015

Council present: Aldermen Judy Stearns, Mboka Mwilambwe, Diana Hauman, and Scott Black, and Mayor Tari Renner.

Council absent: Aldermen Kevin Lower, David Sage, Joni Painter, Karen Schmidt and Jim Fruin.

Staff present: David Hales, City Manager and Renee Gooderham, Interim City Clerk.

Others Present: Senator Bill Brady, Senator Jason Barickman, Representative Keith Sommers, Jane Chamberlain, District Office Director at Representative Dan Brady's Office and Alex Henderson, Chief of Staff for Senator Brady.

Mayor Renner called the Committee of the Whole meeting to order at 5:31 p.m.

PUBLIC COMMENT

Mayor Renner opened the Public Comment section of the meeting. He added that there would not be a response from the Committee under the Public Comment portion of the meeting.

Patricia Marton, 1114 E. Grove St., addressed the Council. She noted two (2) articles that she had read on American Aging on Society, elder abuse and safety for elders and the younger generation.

Gary Lambert, 3018 E. Oakland Ave., addressed the Council. He questioned if any municipality had expressed admiration for the current Administration in Springfield.

ANNUAL STATE LEGISLATORS

Mayor Renner introduced the topic and recognized Senator Brady, Senator Barickman, Representative Keith Sommers, and Jane Chamberlain, District Office Director at Representative Dan Brady's Office.

Senator Brady addressed the Council. He noted that Gov. Rauner's budget plan was based from approximately \$6.8 billion in unpaid bills. The City was fiscally responsible. The same was not true in Springfield.

Mayor Renner noted that revenue and budget were challenges. He read from Resolution 2015 – 14 adopted April 13, 2015. He cited section 2 of same.

David Hales, City Manager, addressed the Council. The City maintained fiscal responsibility and cooperated with unfunded mandates. He cited pension costs as an unfunded mandate. He noted costs were increasing; there were inflationary pressure and pension funding policy that challenged the budget. He cited City's the Fire and Police Pension Policy. Annual contributions over the next five (5) years would double.

Mr. Hales noted that Fiscal Year (FY) 2016 budget was balanced but was not sustainable. The trend over the next years was expenditure increase and decrease revenue. He requested that the Local Government Distribution Fund (LGDF) remain intact.

Council had requested staff develop a contingency plan for the possible FY 16 \$4 million loss of State shared Income Tax Revenue. He read from Fiscal Contingency Plan. He noted that Fire and Police budget would be reduced by \$1.8 million with a reduction of seventeen public safety personnel. Other Departments budgets would be reduced by \$2.2 million reflecting approximately thirty (30) fulltime employees (FTE). The employee reductions were almost fifty (50) FTE's or seven percent (7%) of the City's workforce.

He believed citizens wanted a balance of revenue increases with budget reductions. It was projected that FY 17 would have a \$7.5 million deficit. Sales tax revenue was on a downward trend. He believed the cause for same the elimination of 3,000 to 5,000 State Farm positions. Hotel Motel Tax had declined fifteen percent (15%). State Farm had conducted training here now same was sending personnel elsewhere. The City had eleven (11) collective bargaining units.

Mr. Hales stated that Illinois (IL) needed to create employer incentives. He believed the Worker's Compensation reform was an essential part of same. He requested support for: Senate Bill (SB) 1283; Worker's Comp – Arm – Shoulder – Comp, SB 1284; Workers Comp – Misconduct and House Bill (HB) 2422; Worker's Comp – Arm – Shoulder – Comp.

Mr. Hales noted that the IL Department of Transportation (IDOT) had proposed reducing spending/funding projects in District 5. District 5 received \$19,820,285 for bridges less than the second (2nd) lowest funded District and \$560,033 less per mile of roads. He believed that less funding resulted higher unemployment.

Jim Karch, Public Works Director, addressed the Council. He cited the following FY 2015 – 2020 IDOT projects: 1.) rerouting US Rt. 150/IL Rt. 9; 2.) Veterans Parkway and IL Rt. 9; 3.) resurfacing US Rt. 150 (Clinton St.) US 51N (Center St.) north of Downtown and elsewhere and 4.) Hamilton Rd: Bunn to Commerce. The City would be applying for the Tiger Grant 6 for the later IDOT project. He believed that the city lacked east/west connectivity.

He noted that the Fox Creek Rd. project was projected to receive Grade Crossing Protections funds in FY 18. The bridge over the Union Pacific Railroad was two (2) lanes with no pedestrian accommodations.

He cited the state roads in the community. June 30, 2015 the IDOT agreement for maintenance of same would expire. The city received \$92,000 to maintain plow, salt and patch state roads.

Chief Brendan Heffner, addressed the Council. He cited the increase in Freedom of Information Requests (FOIA). He believed same were beyond the spirit of the law. He noted that the volume of FOIA's was handled by the City Clerk's Office, Corporation Counsel and the Police Department.

Senator Brady noted the Public Works projects were geographically located. He invited Mr. Karch to Springfield to same. He questioned the Tiger Grant share amount. Mr. Karch stated same was unknown at this time. Senator Brady requested notification of same. He noted that a long term transportation program was being worked on to address the needs of the state over time.

Senator Brady acknowledged FOIA's challenges. He encouraged placing all City matters on the website. He requested assistance with determining the mandate costs. He cited worker's compensation and minimum wage as mandates. He cited his involvement with pension costs reduction.

Senator Brady noted Gov. Rauner's turn around agenda. The Local Distributed Fund (LDF) collected and returned was twenty percent (20%). Same would be reduced fifty percent (50%). The Governor had outlined a balanced budget, the first (1st) in twelve (12) years. He cited the \$8 billion in unpaid bills. He cited internet services/retail sales tax collection as additional revenue.

Representative Sommers, addressed the Council. He acknowledged FOIA challenges. He believed Gov. Rauner's proposed budget plan gained statewide attention. There was a will to change the state finances. He requested recommendations from Municipalities. He encouraged ongoing communication.

Alderman Sage questioned unfunded mandates. He believed same was controlled by the Executive Branch. Senator Brady requested identifying those that require administrative/statutory relief and the importance of same. He noted that prevailing wage was established by County government. Alderman Sage believed the administrative mandates could be fast tracked. Senator Brady requested identification of same.

Alderman Stearns questioned final budget knowledge. Senator Brady believed possibly by July 2015.

Alderman Black requested future legislative meeting be held in the Council Chambers. He believed same should be live streamed. He cited concern for the reduction in social services and childcare. He questioned attracting businesses statewide. He questioned unintended consequences. He believed local governments were the front line for constituent concerns.

Jay Tetzloff, Parks, Recreation & Cultural Arts Director, addressed the Council. He questioned the Public Museum Capital Grant. He stated the DeBrazza Plaza project started and had to stop due to funding. Senator Brady believed as the budget came together some grants would be released. He requested staff informing them of projects funded from grants that were at risk of losing money.

Motion by Alderman Hauman, seconded by Alderman Mwilambwe to adjourn. Time: 6:55 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Renee Gooderham
Interim City Clerk

COMMITTEE OF THE WHOLE
City Hall Council Chambers
March 16, 2015

Council present: Aldermen Judy Stearns, Mboka Mwilambwe, Joni Painter, Jim Fruin, Diana Hauman, Kevin Lower, Scott Black, Karen Schmidt and David Sage, and Mayor Tari Renner.

Staff present: David Hales, City Manager and Renee Gooderham, Interim City Clerk.

Alderman Mwilambwe participated remotely via telephone.

Mayor Renner called the Committee of the Whole meeting to order at 5:38 p.m.

PUBLIC COMMENT

Mayor Renner opened the Public Comment section of the meeting. He added that there would not be a response from the Committee under the Public Comment portion of the meeting.

Julian Sigler, 904 W. Grove St., addressed the Council. He believed the Solid Waste (SW) Program had a fee associated with same. He stated the SW fee approval would result in citizens stock piling items. This would require more code enforcement. SW should be moved from an Enterprise Fund to General Fund (GF).

Josh Schmidgall, 2212 Beacon Ct., addressed the Council. He believed that a Downtown strategy would be approved. He believed citizens were being forced to live in similar ways as Chicago, IL and St. Louis, MO.

Gary Lambert, 3018 E. Oakland Ave., addressed the Council. He believed purchasing software to report potholes was not required. He stated that road maintenance was not included in the budget.

MINUTES

Motion by Alderman Painter, seconded by Alderman Schmidt that the reading of the minutes of the Committee of the Whole of November 17, 2014 be dispensed with and the minutes approved as printed.

Motion carried, (viva voce).

SOLID WASTE MANAGEMENT PROGRAM – FEES AND SERVICES

Mayor Renner introduced the topic.

David Hales, City Manager, addressed the Council. He requested Council direction on SW changes and fee structure. He recommended the following: 1.) no charge for brush service

removal; 2.) bulk waste fee reduced to \$25 per bucket and 3.) transfer \$1.5 million from the GF to SW. Staff recommendations would avoid same. Mr. Hales explained that SW would have a \$1/2 million projected FY16 deficit. Staff would review efficiencies over the summer to address same. Possible efficiencies: frequency of brush and bulk waste pick up service or modifications to the three (3) crew model. Citizens would change habits with the \$25 fee. Mr. Hales noted labor costs and equipment maintenance associated with SW.

Alderman Fruin concurred with the not charging for brush pick up. He recommended the first (1st) SW bucket not have a fee associated with same. The second (2nd) bucket would be charged \$50. He believed staff should enforce refuse cart lid closure. The refuse fee should be \$25 monthly regardless of size.

Alderman Schmidt believed not charging for brush pick up was best. She questioned SW as an Enterprise Fund (EF). Citizens wanted SW simplified. She appreciated that SW crews would assist with efficiencies.

Alderman Painter believed \$50 for bulk waste would cause dumping in other areas. She stated that previous fee charges were up to crew discretion. Any fees associated with SW should be for everyone and fair. She appreciated removal of the brush pick up fee. She noted that SW assisted with snow removal and alley clean up.

Alderman Stearns appreciated comments from the SW crews and citizens. She believed SW was a core service. It was the heart of what a city does. She questioned EF as a proper place for SW. She questioned what made up a bucket load. She echoed Alderman Fruin's comments on BW. Enforcing dumping rules was impossible. Entertainment venues should be reprioritized.

Alderman Sage concurred with Mr. Hales' \$25 fee recommendation. Increased efficiencies was the priority. He suggested citizen's call for BW and brush pick up bi weekly.

Alderman Lower stated support for the SW crews. He believed current rules be enforced. He was not in favor of any changes. He believed that SW be subsidized through the GF and property tax. Reduction in pick up frequency could affect property values. He believed there were city services that were not core that could be reduced. The following departments were core to the city: Police, Fire, Public Works, and Water. Private tree removal could have a cost associated with same.

Alderman Black noted that a Ward meeting with Aldermen Sage and Schmidt was held on March 10, 2015. Citizens wanted to pay for services utilized. Apartment turnover and bulk from same should be addressed. He questioned what constituted a bucket load. He requested specific BW pick up scenarios. He echoed Alderman Stearns reference dumping enforcement. He suggested increased fines. SW should not be an EF. Raising property taxes should be reviewed. He requested feedback from BW crews.

Mayor Renner suggested the \$25 fee and providing free stickers for certain times of the year.

Alderman Hauman stated that the city's purpose was to provide citizens with services they were unable to obtain on their own. She believed that refuse pick up assisted with maintaining a clean city. Dumping was a concern. She suggested a refuse fee increase. To move away from charging for SW bucket loads. The program should be simpler. The goal should be to close the deficit.

Alderman Mwilambwe stated his appreciation for the compromise to remove brush pick up charges. He noted that citizens go out of their way to not pay for additional refuse bags. Staff efficiency was the solution before fee increases.

Mayor Renner requested Council specifics and/or ideas emailed to Mr. Hales by Friday, March 20, 2015.

PUBLIC PROTECTION CLASSIFICATION

David Hales, City Manager, addressed the Council. He cited the milestone achieved. He noted the Fire and Water Department collaboration to increase the Insurance Services Office (ISO) rating.

Brian Mohr, Fire Chief, addressed the Council. He provided a brief history of ISO. ISO was widely used by insurance companies to reduce premiums. There was the potential of an eight percent (8%) reduction in same. ISO collected data analyzing same using the Fire Suppression Rating Schedule.

The highest rating was one (1); the City received a two (2) rating. The rating was achieved by working the Water Department and establishment of the fire hydrant testing program. Other factors involved were: building the all hazards training facility, development of the command training center, development of the probationary firefighter task manual and the fire priority dispatch system.

According to the National Fire Protection Association (NFPA) 1710, to maintain ISO rating #2 the following was required: 1.) continue to improve six (6) minute response times; 2.) supporting current Fire Department deployment model; 3.) maintaining minimum staffing requirements; 4.) maintaining current training hours and 5.) continued fire hydrant inspection program.

Alderman Sage acknowledged collaboration across departments.

Alderman Black noted the response time challenges for Fiscal Year 2016. He requested strategies and costs associated to increase ISO rating.

TRANSPORTATION NETWORK COMPANIES

George Boyle, Corporation Counsel, addressed the Council. He provided Council copies of Public Act 098-1173, Transportation Network Providers Act. He explained that the State had passed same requiring Municipalities to allow Transportation Network Companies (TNC) to

operate beginning June 1, 2015. He was currently working with the City Clerk's office and Police Department to draft an ordinance.

The City and Town of Normal (TON) had an Intergovernmental Agreement allowing Taxi Cabs and Vehicle for Hire (VFH) companies to operate in both jurisdictions. The goal was to provide safe, reliable, affordable and accessible transportation. Responsibility/accountability of companies and drivers insures same. He explained the company and driver licensing process. He noted that there were fifty – six (56) vehicles which were inspected twice a year by a state approved mechanic and the Police Department. Insurance was required for same. Taxicab companies were required to operate seven (7) days a week, twenty – four (24) hours a day. Rates for same were fixed. Enforcement was through sanctions for noncompliance.

Alderman Sage left the dais at 6:41 p.m.

The TNC ordinance would be incorporated into Chapter 40 Taxicabs. TNC was defined as entity which operates using a digital network or software application to connect passengers to services. The Act states that a TNC does not own, control, operate, or manage the vehicles used by its drivers. Nor is same considered a taxicab company or VFH owner. A TNC driver was defined as an individual who operates a vehicle that is: 1) owned, leased, or otherwise authorized for use by the individual; 2.) not a taxicab or VFH and 3.) used to provide TNC services. Mr. Boyle explained that the Act requires TNC to maintain insurance should the driver not, drivers to submit an application relating driving history and criminal background, and drivers provide insurance to same. The Act does not monitor same was completed/maintained.

Alderman Sage returned at 6:42 p.m.

Mr. Boyle cited concerns that the City would be monitoring various business entities with various backgrounds. The goal was to ensure public safety. He explained that staff would use home rule authority to provide monitoring. Mr. Boyle acknowledged that Wayne Karplus, Deputy Corporation Counsel for the TON was attending tonight's meeting. He cited the following concerns: no consequences for companies and/or drivers who fail to follow the act, possible insurance gaps and current staffing resources.

Alderman Lower left the dais at 6:48 p.m.

Staff was working to ensure public safety, affordability reliability and fairness to operating taxicab and VFH companies. Staff would continue to work with the TON, reach out to taxicab and VFH companies. He requested Council direction and type of regulation. The plan was to present an ordinance on the April 13, 2015 Council meeting. He noted that this was uncharted territory.

Mayor Renner believed TNC was the future. Current transportation providers would converge with TNC.

Alderman Black questioned not having a TNC ordinance. Mr. Boyle believed in the absence of ordinance state law was the defacto.

Alderman Black questioned TNC drivers operating. Mayor Renner stated that the Act takes effect June 1, 2015. Drivers operating as a TNC were doing so illegally.

Mayor Renner requested Council specifics/ideas emailed to Mr. Boyle by Friday, March 20, 2015.

FORMATION OF DOWNTOWN SIGNAGE

Alderman Fruin left the dais at 6:57 p.m.

David Hales, City Manager, addressed the Council. He requested conceptual consent from Council for the formation of the Downtown Signage Committee (DTC). A Resolution would be brought before Council at future meeting. Same would provide DTC direction and length.

Jim Karch, Public Works Director, addressed the Council. He read the city's Vision Statement. The DTC would focus on assisting visitors find their way to various places in the downtown. DTC would determine location of signs, design/style and costs/funding.

Alderman Hauman suggested not limiting signs to the Downtown area. Mr. Karch noted that same could be researched. Mr. Hales explained that signage on the Interstate would require working with the Illinois Department of Transportation and the Bloomington Normal Visitors and Convention Center.

Alderman Sage questioned costs. Mr. Karch noted that in November 2103 the Downtown Strategy listed signage as a recommendation. City staff could make the signs to reduce costs.

Alderman Schmidt recognized the Downtown Business Association's assistance with same. Mr. Karch stated same was a key stakeholder.

Alderman Stearns questioned DTC member selection. Mr. Hales stated that the Mayor would appointment same, which would be incorporated into the Resolution.

MY BLOOMINGTON REQUEST MANAGEMENT SYSTEM

Scott Sprouls, Information Services Director, addressed the Council. He explained that My Bloomington was a mobile application. Same was integrated with Munis. A pilot program was underway in the Public Works Department.

Mayor Renner and Alderman Stearns left the dais at 7:07 p.m.

Craig McBeath, Webmaster, addressed the Council. He explained that the application would create a knowledge base allowing citizens to upload pictures. After submittal the work flow process would begin. Citizens were able to look up the status of their request. The software system tracks duplicate requests, notifies citizens on status and delegates workflow and staff tasks. The program was currently in the Beta testing period.

Mayor Renner returned at 7:11 p.m.

Alderman Stearns returned at 7:12 p.m.

Mr. McBeath noted that the program allowed citizens to be a part of the conversation and kept same informed on polices. Reporting issues currently being accepted were: potholes, garbage issues, street light outage and clogged inlets. The program offers instant translation utilizing Google Translate. There was a data analytics feature providing custom reporting tools, resident engagement levels or staff response time. Aldermen would have the ability to access items within the Wards. ESRI (Environmental Systems Research Institute) integration allows GIS mapping system. Service requests would be viewed in real time. Same allowed work order requests for bulk waste pick up.

Swiping up on the application will provide widgets. These link to the city's website, calendar, news, nearby requests and contact information. Widgets can be customized. Service requests were categorized.

Alderman Painter questioned using the software for snow plowing. Mr. McBeath explained My Bloomington was a service request application.

Alderman Sage questioned cost benefits on personnel time versus traditional report requests. Mr. McBeath stated that reports were customized. Calculated costs could be used.

Alderman Schmidt believed the application empowered citizens. She noted the ability to address resource needs and balance of same.

Alderman Mwilambwe cited concerns with requests being received faster than the ability to handle same. Mr. McBeath noted that current requests were received via telephone or email. The application provided customers a tracking mechanism.

Motion by Alderman Schmidt, seconded by Alderman Painter to adjourn. Time: 7:28 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Renee Gooderham
Interim City Clerk



Office of the City Manager

June 12, 2015

Mayor and Council,

To follow up from Jeffery Giebelhausen's May 4, 2015 presentation to the Bloomington City Council and his May 22nd written proposal and June 10th update, please find attached the initial findings of staff's review of Mr. Giebelhausen's proposal.

Staff and I are strongly committed to the continued revitalization of the Downtown Bloomington area and are excited about the opportunities being presented and publicly discussed. Per the direction of the City Council to review Mr. Giebelhausen's proposal, we have completed that initial review and have identified some key issues that we believe should be considered by the Council. At the end of the day, the issues are not insurmountable, but will require the Council to make policy decisions relating to risk tolerance and to weigh any risks and the costs with the potential benefits from the revitalization of the property. To address these issues, we believe it is in the best interest of the City for the Council to devote the June 15 Committee of the Whole meeting, in closed session, to hear from outside experts and staff regarding the proposal and to discuss it further.

In order to help you prepare for the June 15 meeting, I have asked staff to compile a packet of information for your review (attached). Included in this packet is the schedule for the closed session portion of the meeting. Also included is a copy of Mr. Giebelhausen's June 10th update.

It is my hope that we can take much of the vital information gleaned from the research of this proposal to set forth a strategic plan and clear policy for sustainable economic development in the Downtown going forward.

Please feel free to call or e-mail me if you have any questions or concerns prior to the meeting.

Sincerely,

David A. Hales
City Manager

CC:

Jeffrey Jurgens, Corporation Counsel
Kathleen Field Orr, Special Counsel
Patti-Lynn Silva, Finance Director
Tom Dabareiner, Community Development Director
Austin Grammer, Economic Development Coordinator
Elizabeth Au, Director, National Development Council

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109 East Olive Street
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Phone: (309) 434-2210
Fax: (309) 434-2802
TTY (309) 829-5115

"Jewel of Midwest Cities."

**Bloomington City Council
June 15, 2015 Committee of the Whole Meeting**

Closed Session Schedule

**Acquisition Considerations on
Giebelhausen Group, LLC Proposal for Property Purchase**

- 1) Review of Closed Session Legal Requirements – Jeff Jurgens
- 2) Opening remarks and introductions – City Manager David Hales
- 3) Feedback from subject matter experts:
 - a. Kathleen Field Orr, Special Counsel
 - b. Libbie Au, National Development Council
 - c. Todd S. Krzyskowski, Managing Director, Public Finance Department, Mesirow Financial, Inc.
 - d. Patti-Lynn Silva, Finance Director
- 4) Summary and options for moving forward – David Hales
- 5) Council questions and discussion regarding next steps.
- 6) Council direction to City Manager and staff regarding property purchase.

Property Tax Increment Analysis

As of 6-11-15

	City Revenue Need for Debt Service	Downtown Development Proposal				Downtown Development Proposal			
		Option 1A	Option 1B	Option 2A	Option 2B	Option 3A	Option 3B	Option 3A	Option 3B
Annual Property Tax Increment	\$800,000	\$374,716	\$331,805	\$491,236	\$503,623	\$493,886	\$523,179	\$493,886	\$523,179
2014 Overlapping Tax Rate	8.1142	8.1142	8.1142	8.1142	8.1142	8.1142	8.1142	8.1142	8.1142
Equalized Assessed Valuation (EAV)	\$9,859,259	\$4,618,028	\$4,089,189	\$6,054,029	\$6,206,687	\$6,086,688	\$6,447,697	\$6,086,688	\$6,447,697
Total Market Value	\$29,577,777	\$13,854,083	\$12,267,568	\$18,162,086	\$18,620,061	\$18,260,063	\$19,343,090	\$18,260,063	\$19,343,090

Note 1. Giebelhausan Downtown Development has proposed addition revenue earnings not depicted above which include: creation of a special business district tax and a special service area sales tax of 1.0% each, also increased earnings in both state and home rule sales tax, and food & beverage tax.

Note2. The city needs to achieve approximately \$800,000 per year in revenue to cover the annual debt service on the Downtown Development Proposal. Based on property tax only the market value of real estate needed after phase II would be nearly \$30,000,000. Debt service as projected by the City's financial advisor includes three year's of capitalized interest and capitalized issuance costs. In addition, the costof the project proposal has been increased by \$500,000 in recommended infrastructure as advised by city engineers.

**These numbers are intended to provide estimates used to aid in quantifying future development and should not be considered final.

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CONFIDENTIAL LANGUAGE

MEMORANDUM

To: David Hales, City Manager for the City of Bloomington, Illinois
From: Kathleen Field Orr, Special Counsel
Date: June 12, 2015
Subject: Proposal of Bloomington Downtown Redevelopment Partners, LLC

As you requested, I have reviewed the information provided by Jeff Giebelhausen dated May 22, 2015 and again on June 4, 2015, regarding Downtown Bloomington Development and have numerous legal concerns about the potential liability of the City. These involve certain provisions in the contracts for the purchase and sale of the properties; the services to be provided by various contractors; the eligibility under the TIF Act for numerous items listed in the "Bloomington Cost Summary"; and the liability of the City for any bonds issued to finance the Project. Let us review each category separately:

1. Purchase and Sale of the Property:

- (a) The Purchaser not only takes the Property "as is" but indemnifies the Sellers against any liability of prior owners for environmental issues, hazardous solid wastes, hazardous materials, *etc.*, known or unknown by the Seller. The potential liability for these types of conditions is without limitation. This indemnification of the Seller by the Purchaser has been included notwithstanding the fact that NO environmental studies have been undertaken of the property.
- (b) Section 8.1 requires the Purchaser to be liable to pay all unconfirmed assessment for improvements to the Property whether completed before or after September 14, 2014. What are these costs and who is liable?

- (c) Purchaser is required to pay ALL closing costs which is contrary to industry standards.

While the City is a home-rule municipality and, therefore, obtaining an appraisal is not mandatory, it is not recommended the acquisition of any property ever be made without a full appraisal.

2. TIF Eligible Redevelopment Project Costs.

In reviewing the list of "Bloomington Cost Summary" the following items are NOT TIF eligible and, therefore, must be paid from the City's General Fund:

(i) DUI Countermeasures Cash Payment of:	\$ 295,000
(ii) Reimburse expenses unless actually related to the contract	\$ 26,000
(iii) Interim Closing Costs	\$ 25,000
(iv) Interim Financing Costs	\$ 115,000 ¹
(v) Contingency amounts unless attributable to acquisition or Rehabilitation	\$ 100,000
(vi) Any contractor's performance bond	
(vii) <u>Giebelhausen Group Development</u>	<u>\$ 120,000</u>
TOTAL:	\$ 681,000

3. TIF Bonds.

Under the current proposal, there is no doubt that the City shall be required to pledge its full faith and credit behind any debt required to pursue this proposal as there does not exist any ascertainable revenue stream. The proposal contains wonderful concepts with generous numbers but reality demands a review of the facts:

- (a) If tax-exempt bonds are used to pay the costs of acquisition, the property cannot be sold but must be given away;
- (b) Tax-exempt bonds may only include a maximum of three (3) years of "capitalized interest" based upon the ordinary course that a project would be built in year one, completed and taxed in year two and taxes collected in year three, if at all. So, in the event a project is not underway when the bonds are issued thereby producing some tax revenue by the end of year three, the City shall be required to pay all debt service payments until revenues are available. The City would be required to have a reserve fund or an actual tax levy in place to guarantee debt service payments for at least three years.

¹ A maximum of thirty percent (30%) of interest and financing costs are TIF eligible unless directly incurred by the City. But in no event can financing costs be a part of a bond issue.

- (c) Projections in the proposal show a revenue stream in year two, which would require a development to be underway at least a full year before the Bonds are issued.
- (d) The projections included in the proposal suggest a total bond of \$8,472,750 but this same pro forma shows a revenue stream available to pay \$105,909 in year two and \$302,091 in year three from a revenue stream of retail and hotel taxes of \$657,839 in year one and \$670,996 in year two. I would be very interested to understand how these revenues can be generated from a project not yet constructed.
- (e) Unless the City had its own funds to pay debt service on the bonds for a minimum of three years, the bond amount would have to be increased to include such debt service and a debt service reserve to cover all contingencies. This would require the City to borrow an additional \$1,000,000 at a minimum.
- (f) The TIF Act does not permit any obligation to mature at any time exceeding twenty (20) years from the date of issue – the proposal contemplates bonds to be issued for a term of 23 years. The annual debt service payments shall be increased by limiting the term to 20 years.

The strength of any Agreement, no matter how well written, is only as good as the credit worthiness of the parties. According to the proposal, Bloomington Downtown Redevelopment Partners, LLC “has had no business activity since its inception and thus has no financing statements to report”.

MEMORANDUM

TO: DAVID HALES & AUSTIN GRAMMER
FROM: ELIZABETH AU
SUBJECT: DOWNTOWN BLOOMINGTON REDEVELOPMENT
DATE: 6/12/2015
CC:

**LAND SALE ANALYSIS- DOWNTOWN BLOOMINGTON
REDEVELOPMENT PROPOSAL**

The City of Bloomington Economic Development Department requested the National Development Council (NDC) conduct a review of a proposed redevelopment plan submitted by Mr. Jeffery Giebelhausen (developer) located for the properties commonly known as the "Front N Center" building, "DUI Countermeasures" building, "Elks Lodge" building, and the "Commerce Bank" building. This memo reviews the key development information provided by the developer and objectively outlines potential risks associated with undertaking the proposed development.

- 1) Budget: Analyzing the budget is a key component to understanding the risk of cost overruns to the City and to ensure there is enough money to complete all phases of the project. The primary concern with the budget submitted is that the project does not appear to be in a stage where firm cost estimates are available. The areas of concern with regard to the cost estimates outlined in the development budget are as follows:
 - a. Acquisition and Relocation Expenses: At present, there is not a signed purchase agreement with the owners of the "DUI Countermeasures" property. There could be additional funds needed if the proposed purchase price increases during negotiation.
 - b. Abatement, Demolition Expenses: The developer has advised that there has not been a Phase I and/or Phase II environmental report conducted for the proposed properties. These reports are important because it aids in understanding the level of environmental contamination, including asbestos, which reside on the properties. Any environmental contamination would need to be fully abated in order for the property to be redeveloped, and therefore understanding the scope and nature of any and all contamination is an important factor with regard to overall cost analysis. Further, it is also important to understand the type of demolition and abatement contracts that are being agreed upon, because it will be important to enumerate which party

will bear the burden or cost should additional funds be necessary to complete the abatement and demolition.

- c. Legal and Professional Service Expenses: The budget included costs for professional service providers such as, environmental consultants, attorneys, an architect, and an engineer for the project; yet information was not submitted regarding how the developer arrived at the proposed estimates. The City has requested copies of proposed contracts and written quotes for the professional services, and is waiting for the developer to release these documents. Without this information, there is no way to substantiate the figures in the budget.
 - d. Interest, Finance, Closing Expenses: The budget outlines interim interest and financing costs, however documentation was not submitted regarding the amount and terms of the conventional financing that the developer has offered to secure. Without a better understanding of the amounts and terms of the conventional financing, the City does not have a way to sanction the amounts allocated for financing, and also to understand if said costs are reasonable.
- 2) Proof of financing: Documentation demonstrating proof of financing for each phase of the project helps determine that there are enough funds available to complete the project. Proof of financing also outlines the terms of the debt including the amortization schedule, interest rate and term of the loan which helps determine if financing costs are reasonable. The developer has advised that the majority of costs will be paid from the closing proceeds from the city, except for the following items:
- a. Part of the purchase price for the Huff properties
 - b. The purchase and renovation of the Catalyst Construction property
 - c. Costs associated with moving and relocation expenses for DUI Countermeasures
 - d. Other direct costs that arise that cannot be positioned to be paid from the proceeds of the City closing

The developer advises that the part of the purchase price for the property acquisition will be financed by the seller (the Huffs) and the remaining items will be conventionally financed or paid by the developer in cash. At this point, no documentation has been submitted demonstrating the amount of committed conventional financing and the terms associated with the financing. Additionally, the developer has not submitted personal or company financial information to confirm the ability to cover costs that arise that cannot be paid for from the City's proceeds.

- 3) Purchase Agreements: The purchase agreement between the Front N Center Inc and Consolidated Properties LLC 120 Center Series (the seller) and Peoria Coffee Stop #3 (purchaser) contain provisions in which the purchaser agrees to purchase the property "As is" and agrees to indemnify the seller with respect to environmental contamination and other conditions. The concern is that the purchaser is entering into an agreement in which they become responsible for all environmental liabilities without undertaking a Phase I and/or Phase II environmental report, an engineering study, and soil borings to understand the current state of the properties and what would be necessary to remove environmental contamination in order to redevelop the property and the City would ultimately be responsible for all known and unknown contamination. Additionally, the amendment to the purchase and sale agreement contains a provision in which the purchaser agrees to reimburse at 150% any additional expenses incurred by the seller after the date of the amendment including but not limited to: legal fees, fines, penalties, registration fees, building repairs etc. This provision could increase the purchase price and add to the development cost.
- 4) Property Appraisals: The property appraisal helps verify the market value of a property and assists in understanding how much a City should pay for a piece of property. Additionally, it also measures the collateral value of the asset. This is important because if the second phase of the project does not commence, it would be important to understand how much value the properties have as is that could be used to repay the debt issued for the first phase of the project. The developer advised that an appraisal has not been conducted for the properties. Without this piece of due diligence, the City does not have an understanding of the market value of the property and what the collateral coverage associated with the debt issued.
- 5) Developer Financial Strength: Financial statements from the organization undertaking the project and personal financial statements of all principal members of that organization are analyzed to determine the financial capacity to complete the project. The financial capacity of the organization and the principals is important to ensure they have the financial resources or sufficient liquidity to cover any unforeseen costs. The developer has not submitted personal financial statements and has also advised that the organization undertaking the development has had no business activity in the last three years and therefore does not have any financial statements to report. Without this information, the City would need to assume the financial risk of any cost overruns.
- 6) Phase II Development Options: The developer has outlined two development options including a mixed use development with commercial and residential components and a second option that includes mixed use space and a hotel. The developer proposes that the revenue generated from these two projects would be sufficient to repay the \$8 million investment from the City for Phase I. In order to verify the revenue information, the Phase II project would also need to be underwritten to assess the financial viability. The underwriting would include analyzing the following: sources of funding including the amount of debt and equity

attracted, development budget outlining the uses of funding, and a projected pro forma and/or profit and loss statement. This information evaluates the viability of a Phase II project and also gauges if additional funds from the City are need to fill a financial gap. In the absence of this information on Phase II of the project, the City would need to be prepared to commit a revenue source outside of the proposed Phase II development for the repayment of the bond debt service.

The above components outline the risks associated with the current proposal. All information and risk analysis are subject to the information and due diligence provided by the City and the developer. Please let me know if there are additional questions or concerns.

Respectfully Submitted,

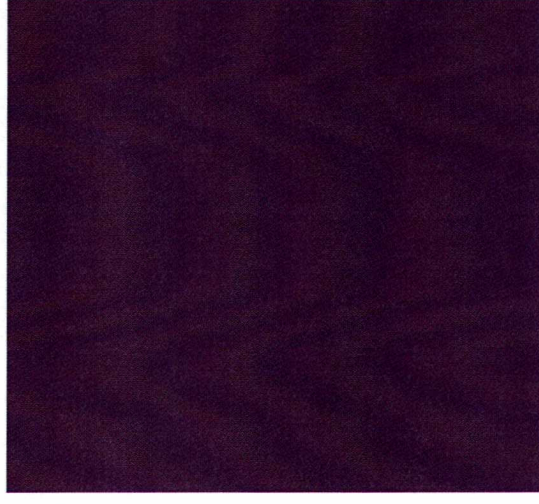
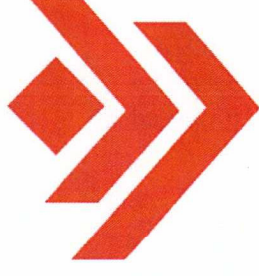
Elizabeth Au, Director

National Development Council

Draft of 6-11-2015; for discussion and review only

City of Bloomington, Illinois

Downtown Development – The Giebelhausen Project
Financing Alternatives and Credit Rating Considerations



June 15, 2015

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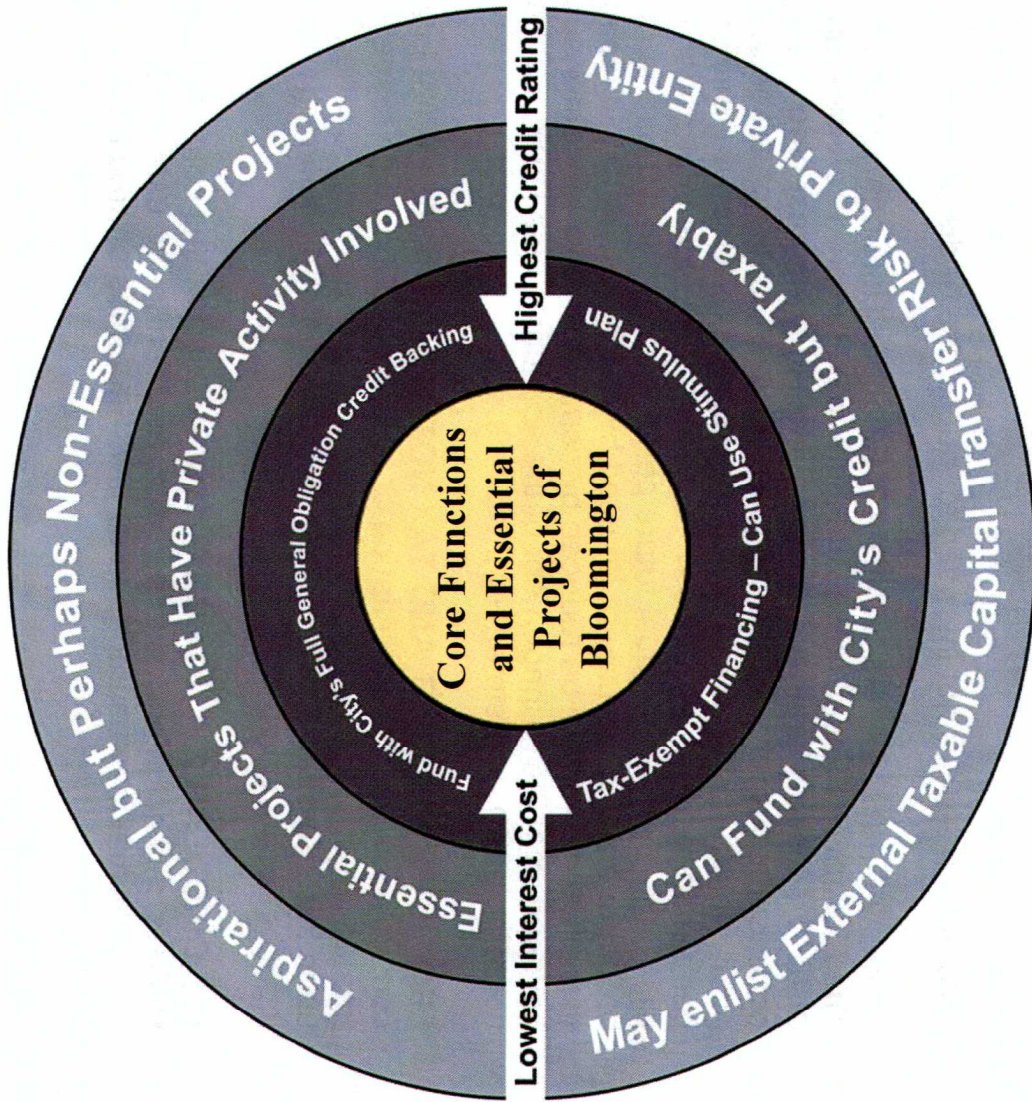
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As the Giebelhausen Project is Considered, Bloomington Should Consider the Project's Impact on the Its General Obligation (GO) Credit Rating Given a Wide Range of Other Core Infrastructure Needs of that May Need to be Financed



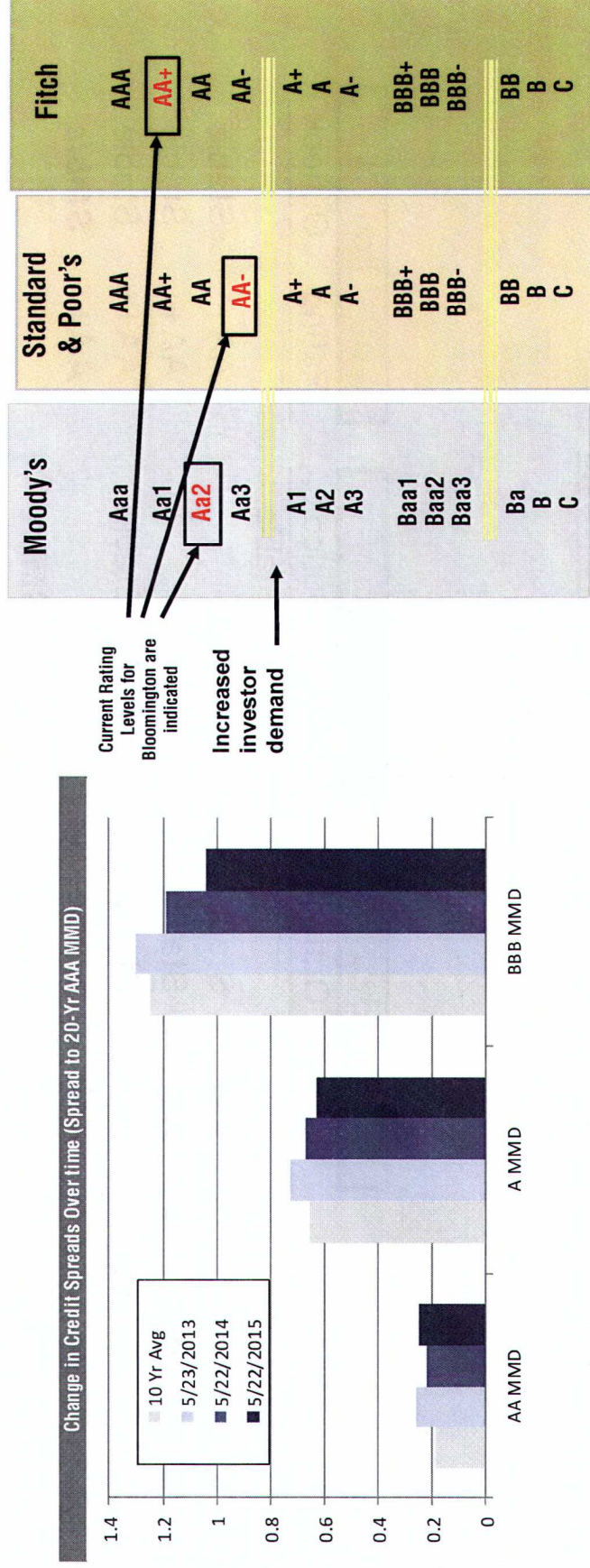
Core Functions of most creditworthy governmental bodies should be financed with most cost effective borrowing vehicle (i.e. its full General Obligation-backing). This commits the City to the Project/Function (e.g. water-sewer/roads) and keeps taxpayer cost as low as possible. ***You wouldn't finance your house with a credit card because a mortgage is far more cost effective.***

Essential Projects that have some private activity involved can be partly funded with government money and part private (e.g. hotel). ***Think risk sharing.***

Truly aspirational and non-core projects should seek participation of external and private risk capital so that they do not begin to inhibit the City's ability to provide the essential municipal services that are expected by the general public. **Know when to say when.**

CREDIT RATINGS MATTER: Investors Are Particularly Sensitive to Credit Ratings in the Current Credit Environment. Maintaining the Bloomington's Solid Credit Ratings While Undertaking the Giebelhausen Project Will Require Discipline.

- Issuers with strong independent credit ratings enter the market from a position of strength. With all of the much discussed credit market dislocation, investors have truly been rewarding those issuers that have "kept their house in order". Economic Development Projects like the Giebelhausen Project
- A strong credit rating will continue to provide the City with ongoing ready access to the debt capital markets for any refunding or new money financings that is being considered.
- Credit ratings directly impact financing costs. An issuer's borrowing rates (generally expressed as a "spread" off the "AAA" index) are largely determined by an issuer's credit rating, although other factors are involved. Investor demand is significantly greater for "AA" rated debt as opposed to single "A" rated debt.



Historical Snapshot of Bloomington Credit Ratings

	Moody's		S&P		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
2015 May			AA-	Stable		
2014 August	Aa2	Stable			AA+	Stable
2013 October	Aa2	Stable			AA+	Stable
2012 September	Aa2	Stable	AA-	Stable	AA+	Stable
2011 April	Aa2	Stable			AA+	Stable
2010 October	Aa2	Stable	AA-	Stable		
2010 February					AA	Negative
2009 December	Aa3	Stable	AA-	Negative		
2007 August	Aa2	N/A	AA	Stable	AA	Stable
2005 October	Aa2	N/A	AA	Stable	AA	Stable
2004 October					AA	Stable
2003 June	Aa2	Negative	AA	Negative		

**Bold and italicized denotes a change in either the rating or the outlook*

Recent Reports on Bloomington from Moody's, Standard & Poor's and Fitch List Factors that are Positive and Negative Impacts on the City's Credit Rating

■ Recent Positive Rating Comments include:

- Standard and Poor's (S&P) believes that Bloomington has strong budgetary flexibility with the available fund balance of \$17.3 million in 2014.
- Fitch gives Bloomington an AA+ rating, crediting the city's diverse revenue stream, strong management and stable economy.
- Moody's notes the economic stability brought about by the presence of major employers such as State Farm and Mitsubishi, as well as by a significant institutional presence from two major universities as well as St. Joseph and BroMenn Health Systems.
- All agencies commended General Fund surplus in FY 2013 but noted FY 2014 decline because of economically sensitive taxes and growing infrastructure maintenance.

■ Recent Negative Rating Comments include:

- S&P feels that the budgetary performance for 2014 was weak. This is due to the operating deficits in the general fund and at the total governmental fund level. Revenue was stagnant in FY2015 which could mean further liquidity drawdown in 2016 without budget cuts or revenue increases. S&P could lower rating if significant deficits materialize.
- All rating agencies note risks of declining reserves and structural imbalance
- Fitch, Moody's and S&P note the challenge of funding the local pension plans as a point where continued improvement and progress is necessary. City's 40-year plan is good if adhered to.
- Moody's notes General Fund contingent liability related to US Cellular Coliseum

Comparing Bloomington to Other Illinois Municipalities Helps Gauge Current Status of Credit Rating and Financial Wherewithal

Municipality	County	Population	Moody's Rating	S&P Rating	Overlapping & Direct Debt as a Percent of EAV	Fund Balance	Fiscal Year
Bloomington	McLean	82,575	Aa2	AA-	13.6% (5.76% Direct)	\$19.9 million (23% of revenues)	2013
Normal	McLean	54,664	Aa1	AA+	21.02% (9.5% Direct)	\$26.6 million (48.9% of revenues)	2013
Peoria	Peoria	116,513	Aa3	AA-	23.79% (9.52% Direct)	\$42.6 million (46.3% of revenues)	2013
Moline	Rock Island	43,116	Aa2	N/A	16.92% (10.25% Direct)	\$15.0 million (39% of revenues)	2011
Champaign	Champaign	125,176	Aaa	N/A	8.07% (4.72% Direct)	\$22.9 million (35.4% of revenues)	2013
Springfield	Sangamon	117,006	A1	AA	9.3% (1.8% Direct)	\$19 million (16% of revenues)	2014

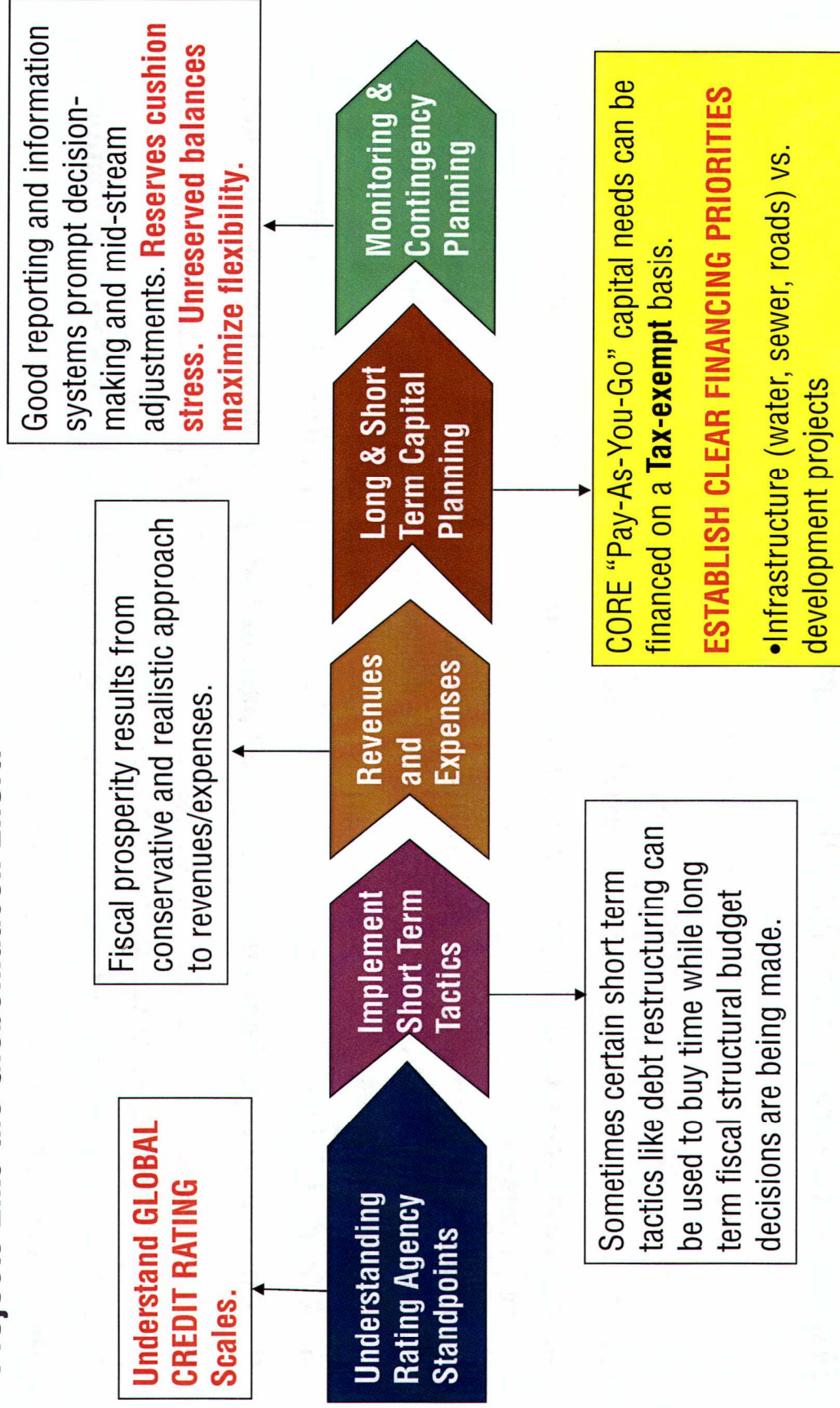
Data for each of the municipalities listed above was obtained from publicly available bond offering documents.

Numerous Factors Contribute to the Creditworthiness of an Issuer – Below Are the Top 10 Management Characteristics According to Standard & Poor’s Rating Agency

1. **An established rainy day/budget stabilization reserve**
2. **Regular economic and revenue reviews to identify shortfalls early**
3. **Prioritized spending plans and established contingency plans for operating budgets**
4. **A formalized capital improvement plan in order to assess future infrastructure requirements**
5. **Long-term planning for all liabilities of a government, including pension obligations would be optimal and allow for comprehensive assessment of future budgetary risks**
6. **A formal debt management policy in place to evaluate future debt profile**
7. **A pay-as-you-go financing strategy as part of the operating and capital budget**
8. **A multiyear financial plan in place that considers the affordability of actions or plans before they are part of the annual budget**
9. **Effective management and information systems - Enterprise Resource Planning**
10. **A well-defined and coordinated economic development strategy**

Source: “Top 10 Management Characteristics of Highly Rated Credits in U.S. Public Finance.” Published 7/26/10 by Standard & Poor’s

Bloomington's Fiscal and Project Action Plans Should be Comprehensive, Detailed and Disciplined – Especially When Considering More Aggressive Projects Like the Giebelhausen Effort.



Estimated Annual Debt Service and Financing Costs for the Downtown Development Project – Options A & B

- Scenarios are all-inclusive of estimated financing costs including:
 - Capitalized interest payments for 3 years (through 6/1/2018)
 - Bond issuance costs estimated at 2.0% of total principal
- Interest rate estimates are based on market conditions as of June 10, 2015, and on the City's current credit ratings of: AA+/Aa2/AA-. Debt service estimates also build in a .25% cushion, in case interest rates rise before a financing is completed.
- The City of Bloomington can adjust the size of the financing, or repayment term so that annual debt service payments conform to budgetary needs

Option A (\$8.553 Million) 20-Year Level Debt Service

Economic Development Proj:	
Add'l Infrastructure Needs:	
Capitalized Interest:	
Bond Issuance Costs:	
Total Bond Proceeds:	
Final Maturity Date:	6/1/2035
Estimated Bond Yield:	3.52%
Average Annual Payment:	\$811,000
Tax-Exempt	Taxable
\$8,553,000	\$8,553,000
500,000	500,000
1,030,081	1,340,775
200,604	216,225
\$10,283,685	\$10,610,000

Option B (\$8.282 Million) 20-Year Level Debt Service

Economic Development Proj:	
Add'l Infrastructure Needs:	
Capitalized Interest:	
Bond Issuance Costs:	
Total Bond Proceeds:	
Final Maturity Date:	6/1/2035
Estimated Bond Yield:	3.52%
Average Annual Payment:	\$787,000
Tax-Exempt	Taxable
\$8,282,700	\$8,282,700
500,000	500,000
999,694	1,300,531
198,957	206,769
\$9,981,351	\$10,290,000

Fiscal Year	Lew Year	Estimated Net Annual Debt Service	Estimated Net Annual Debt Service
		Estimated Net Annual Debt Service	Estimated Net Annual Debt Service
2014	2014	-	-
2015	2015	-	-
2016	2016	-	-
2017	2017	187,288	243,777
2018	2018	807,975	921,615
2019	2019	809,550	918,475
2020	2020	810,675	918,207
2021	2021	811,350	920,876
2022	2022	811,575	921,386
2023	2023	810,063	920,135
2024	2024	811,688	917,256
2025	2025	812,613	917,577
2026	2026	807,925	920,652
2027	2027	811,050	921,432
2028	2028	811,750	920,142
2029	2029	811,450	916,653
2030	2030	810,150	920,829
2031	2031	812,750	917,739
2032	2032	809,250	917,346
2033	2033	812,650	919,352
2034	2034	807,775	918,583
Total Debt Service:		13,967,525	15,872,029

Fiscal Year	Lew Year	Estimated Net Annual Debt Service	Estimated Net Annual Debt Service
		Estimated Net Annual Debt Service	Estimated Net Annual Debt Service
2014	2014	-	-
2015	2015	-	-
2016	2016	-	-
2017	2017	181,763	236,460
2018	2018	787,075	892,183
2019	2019	788,950	889,486
2020	2020	785,450	889,718
2021	2021	786,575	892,934
2022	2022	787,250	894,034
2023	2023	786,225	893,402
2024	2024	788,375	891,164
2025	2025	784,913	892,149
2026	2026	785,838	891,032
2027	2027	789,525	892,762
2028	2028	785,925	892,442
2029	2029	786,425	889,945
2030	2030	785,925	890,256
2031	2031	784,425	893,312
2032	2032	786,825	889,077
2033	2033	786,188	892,382
2034	2034	787,325	892,925
Total Debt Service:		13,554,975	15,395,659

Giebelhausen Project Financing Considerations

All Economic Development Initiatives Involve a Constant Assessment of “Risk Transfer” as Opportunities and Partners are Chosen to Move Projects from “Concept” to “Reality”

Which Party Assumes Risk?

City of Bloomington

Developer

Some Considerations for an Economic Development Project

- Is project a core and essential objective of the City
- Assess project priority in the context of other essential infrastructure needs
 - Has adequate project due diligence been done?
 - What is financial wherewithal of Developer?
- What if land acquisition is financed and project is delayed or unsuccessful?
 - Is project likely to enhance or detract from City’s credit rating?
- Will dependable revenue sources be available to service any debt incurred?



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June 12, 2015

Planning, Zoning, Enforcement and History in the Downtown Development Area

Community Development prepared a summary of the downtown development area as it relates to plans, actions and procedures within its purview. Economic development related discussions are handled under separate cover.

Zoning District, Uses and Comprehensive Plan

The properties under consideration are all zoned B-3 Central Business District. This District allows the same wide range of primary uses found in most downtowns. Only a handful carry restrictions such as a Special Use, a designation that requires a hearing to assure it first meets certain conditions.

The current Comprehensive Plan broadly supports the same categories of uses. With few exceptions this is likely true of the upcoming comprehensive plan also.

All of the uses called out in the City's zoning ordinance under B-3 would be allowed by right or with minor conditions to assure compatibility, from retail, entertainment and restaurants to government, museums and professional services.

While residential, especially in a mixed use setting, is allowed and may be a desirable use in this location, the purchase contract may seek to prevent any residential during the project's first three years, which given the cost of renovation after that for any residential lengthens that restriction considerably.

Downtown Bloomington Strategy

The Downtown Bloomington Strategy is also called the downtown master plan. The Plan was not formally adopted by the City Council but remains a reliable vision for the renewal of downtown Bloomington. The strategies offered are the same approaches found in successful and emerging downtowns today.

Plans are sometimes imprecise predictors of market feasibility. That is, when one block of a downtown is earmarked in the Plan for a new catalytic project to serve as one of the anchors of the downtown, the marketplace may offer up the next block instead. Flexibility is the key. This is the case for the properties under consideration, with the Strategy calling for an anchor use somewhere in the vicinity and praising the rare opportunity for making a block or two of downtown land available for redevelopment.

Neighborhood Preservation Ordinance Status and Code Violations

The property located at the northwest corner of Front Street and Center Street participates in the City's Neighborhood Preservation Ordinance program. Earlier this year, owners provided a plan and timeframe for certain repairs and the eventual disposition of the property. However, to date, no corrective or larger scale work has commenced.

An inspection of the building was conducted in January 2015 with staff from the Fire Department, the Community Development Department, and representatives from the property ownership.

While the exterior walls appeared to be sound, concern was expressed over the interior, which consists primarily of wood construction. Without a working alarm system and sprinkler system, a fire would spread quickly before anyone became aware of a problem. Because the structure is not in any kind of active use, and in balancing risks, little could be saved internally. The Fire Department would instead focus its defense on preventing the spread of fire to neighboring structures.

The roof in the building's northwest corner suffered a major leak at some point, with only a modest attempt to seal it since. There is water damage and mold extending from the top floor to the basement in that quadrant. There is also water damage from a broken pipe. Much of the electrical conduit has been ripped out. All elements of a working building, from the elevators to electrical systems to plumbing, would need to be replaced if remodeling was attempted. Staff's assessment is that the cost to reconstruct the interior of the building would exceed that of demolition for the entire building.

There is at least a modest asbestos problem that would need to be addressed. Based on conversations the day of the inspection, asbestos can be found in the floor tiles. No known environmental report is prepared to inform us as to the true extent of the asbestos concern. The presence of asbestos will complicate any demolition or remodeling efforts.

Staff recently issued tickets for the failure to address the broken windows around the building's exterior, as a public safety concern. In Administrative Court, a representative for the property manager produced evidence that repair of the broken windows was imminent and the case was extended for two weeks. Under the purchase contract, assuming it reflects the Geibelhausen contract, it is possible that the City would be forced to reimburse the costs of any recent enforcement or improvements done to the property.

Commerce Bank and Historical Significance

The eastern properties that are under consideration along Front and Center Streets—which includes the Front and Center building and Commerce Bank—are in the Downtown Bloomington Historic District, which is in the National Registry for historic districts. Historic districts such as this one contain landmarked properties of historic and architectural import, other buildings not worthy of landmark status but considered “contributing” and some properties with no significance. Only landmark buildings and properties receive protection.

Landmark-designated properties within Districts and in the City are given an S-4 designation, intended to provide added protection. To demolish an S-4 property demands a rather extensive rescission process, starting with the Historic Preservation Commission and continuing through the Planning Commission and City Council. Neither the Front and Center building nor Commerce Bank hold the S-4 designation.

Commerce Bank is considered “contributing” to the District due to its original architect and the design elements that remain on the building’s exterior. While not offered the protection of a landmarked building, many believe its loss through demolition would impact the innate value of the downtown historic district given its spatial relationship to the downtown museum and old courthouse. Any of the rumored attempts to landmark the Commerce Bank property would require a multi-month process that begins with the Historic Preservation Commission and ends locally with the City Council, in effect preventing demolition and possibly stalling its purchase for that period.

Infrastructure in the proposed Downtown development area

June 8, 2015

Public Works has compiled an inventory of infrastructure affecting two blocks in Downtown that have been discussed as potential sites for redevelopment. Because the redevelopment could take various forms, efforts were made to divide costs by portions of the potential redevelopment area. The blocks examined were:

- The block occupied by Commerce Bank, the vacant Front & Center building and DUI Countermeasures. The report refers to the block and sections of it by its main occupants: Commerce and Front & Center. The bordering streets are Madison (west) Front (south), Center (east) and Washington (north).
- The block occupied by the former Elks Lodge and the City-owned Butler surface parking lot. An office building also is located within the block, at the northwest corner, but has not been mentioned as part of redevelopment plans. Bordering streets are Roosevelt (west) Front (south), Madison (east) and Washington (north).

SEWERS

The development area is served by some of the City's oldest sewers. Three of these sewers should be rehabilitated and a fourth may have to be relocated. The combined cost is estimated at \$215,000 to \$360,000.

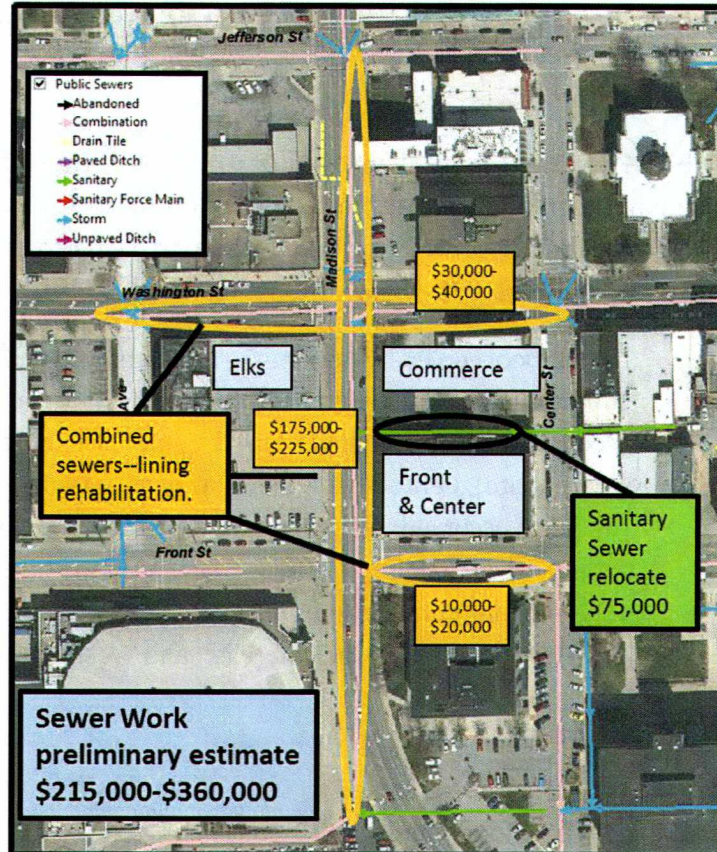
The proposed redevelopment area is served primarily by a 24-inch-diameter brick combination sewer running south-north underneath Madison Street. The sewer was constructed in the 1880s. Additionally, a 12-inch/18-inch combined sewers runs west-east underneath Washington Street and a 12-inch combined sewer runs underneath Front Street. Two west-east sanitary sewers run under an alley separating the Commerce Bank property and the Front & Center property.

(In the accompanying map, combined sewers are shown in pink, sanitary sewers are green and storm sewers are blue.)

Madison Street

CCTV inspection of the Madison Street sewer began early June 2, 2015, but was blocked by a hole in the bottom of the sewer north of Front Street. The hole was repaired, but another cavity was detected in the process. Given what the Public Works Department is learning about the sewer, extensive rehabilitation of the Madison Street sewer main is now a high priority. Tentatively, a lining project will rehabilitate the Madison Street sewer along three blocks – from the U.S. Cellular Coliseum north to Jefferson Street. At the south, the sewer main connects to a 36-inch combined sewer installed as part of the U.S. Cellular Coliseum and Pepsi Ice Center development. At the north, Jefferson Street marks the top of the hill for the gravity sewer.

Figure 1: Sewers



Cost to rehabilitate and line the 24" brick sewer is estimated at \$175,000 to \$225,000. Construction is tentatively scheduled for 2016.

Sewers under alley

The proposed redevelopment area also has two sanitary sewers running under the alley that separates the Commerce Bank property and the Front & Center property. (Public Works does not know the reasoning behind building two sewers, one above the other, at this location.)

Depending on the extent and configuration of redevelopment, the west-east sanitary sewers may have to be removed. The most likely scenario is to install new sewer south-north from Front Street to midblock of Center Street to replace the sanitary sewer. An early rough estimate is \$75,000.



Public Works Department

115 E. Washington St., PO BOX 3157
Bloomington, IL 61702-3157
Phone: 309-434-2225
Fax: 309-434-2201

Front Street sewer

The circa 1888 sewer (12" diameter) from Madison to Center should be lined and connections not in use taken out of service. This is preventative maintenance. Sewer failures most often occur at the point of aging tap-ons. The preliminary estimated cost to line this sewer is \$10,000 to \$20,000.

Washington Street sewer

The circa 1887 sewers (12" and 18" diameters) from Roosevelt to Center should be lined and connections not in use taken out of service. This too is preventative maintenance. The preliminary estimate is \$30,000 to \$40,000.

WATER

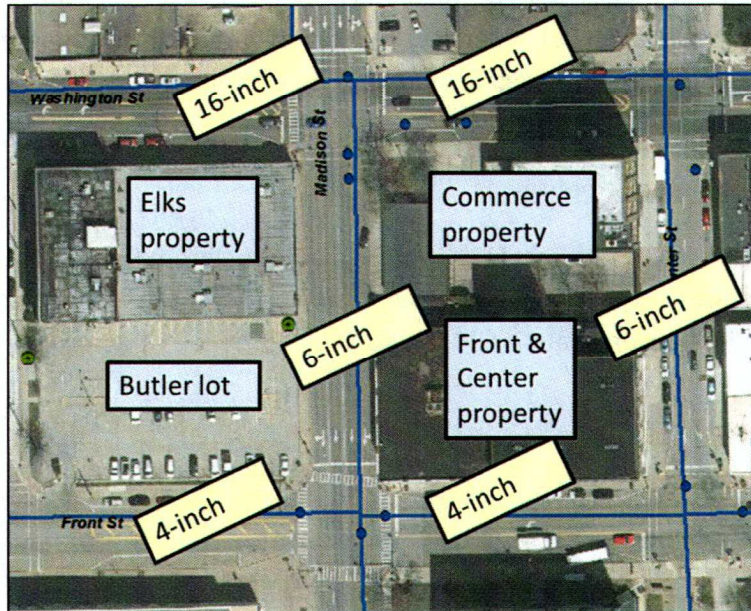
Washington Street is the optimal tap-on location if the Front & Center location and the Commerce Bank location are redeveloped together. Washington has a 16-inch water main, providing the best pressure and flow rate in the proposed development area.

If the Commerce property is for some reason removed from the project, Washington Street becomes an impractical tie-in for water

service for the redeveloped Front & Center property. Under this scenario, 6-inch water lines either on Madison Street or Center Street would likely be the mains to tap onto. Another water main runs west-east along Front. The City's GIS data shows it as a 2-inch line, but there has been no visual inspection by Public Works to confirm the size of the line; it most likely is a 4-inch line.

The Bloomington Water Department reports few problems with the water mains despite their age; construction dates to the first half of the 19th Century. No replacements are planned in the near future.

Figure 2: Water mains



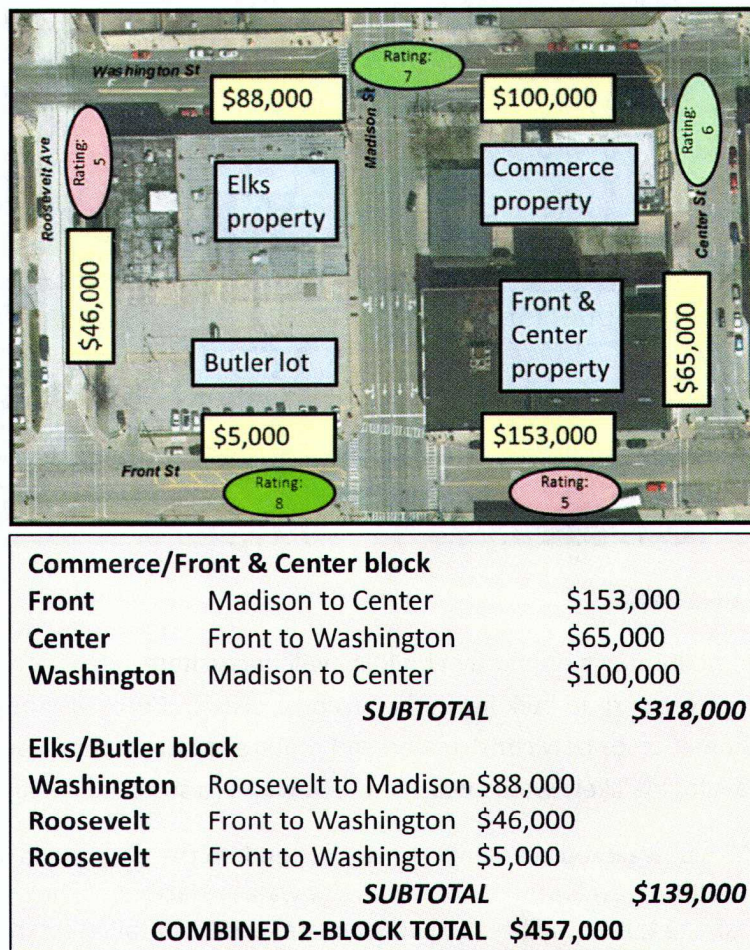
STREETS

The streets through the proposed development area are rated as follows, with 10 being best and 1 being worst under the PASER rating system:

	Washington Street	7
	Center Street	6
	Front Street	8, 5
	Roosevelt	5
	Madison Street	N/A

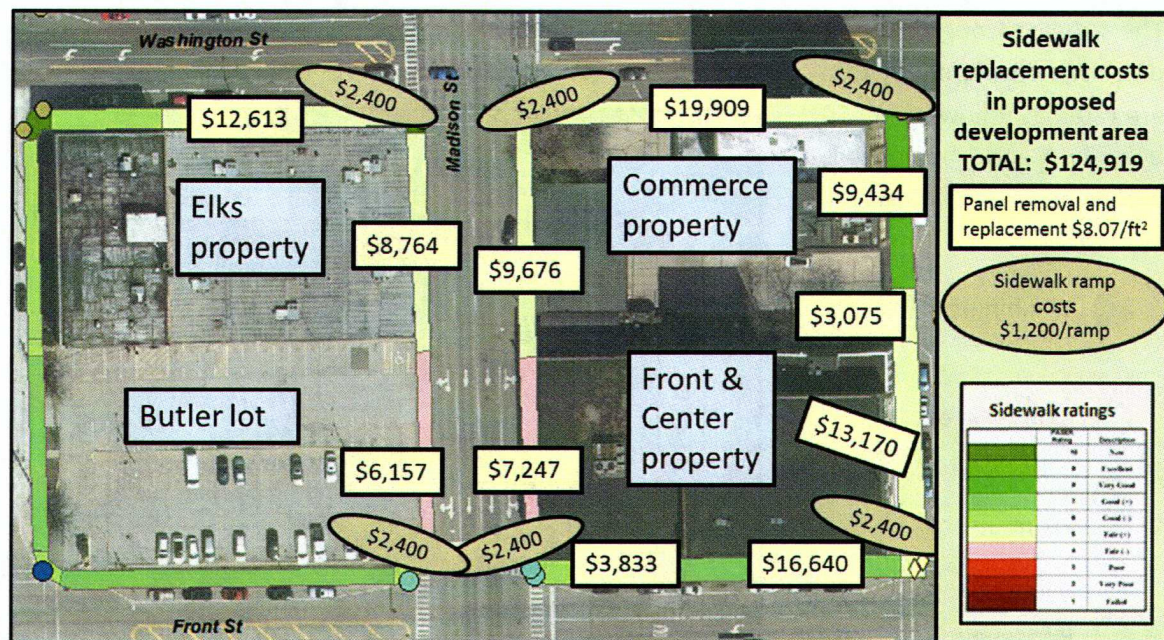
No resurfacing work is planned in the near future for streets along the proposed redevelopment area. However, the City and/or developer may desire to have new streets surrounding a major, new complex. For this reason, Public Works produced estimates based on the pavement resurfacing contract for the 2015 construction year.

Figure 3: Street resurfacing



Costs for design and project oversight and inspection are excluded. Madison Street was omitted because the City has no jurisdiction over the Madison Street portion of the redevelopment area. The Illinois Department of Transportation controls the road and undertakes resurfacing and other major construction.

Figure 4: Sidewalks



SIDEWALKS

Demolition of a downtown building will necessitate sidewalk replacement because sidewalks run from curb to building in the business district. Curbs also might be damaged during demolition or new construction and require replacement. Also to consider: The City and developers likely would want new sidewalks to surround a major new development.

The sidewalk replacement cost will depend on the nature and scope of the plan enacted in the proposed development area. Full sidewalk replacement through the development area would cost \$124,919. The breakdown by parcel-area is detailed on the accompanying graphic. By development area, the costs are as follows:

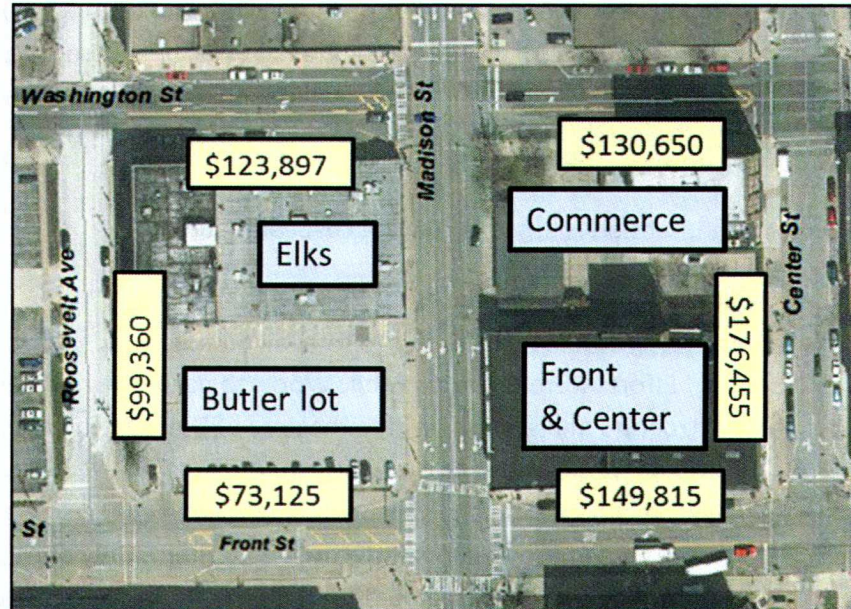
- Front & Center property: \$45,690
- Commerce property: \$46,894
- Elks and Butler lot: \$32,334

Vaults under sidewalks: Downtown has numerous vaults underneath the sidewalks. Some are in use by utilities. Most are remnants of bygone times in which businesses made use of the vaults for storage and deliveries. The City considers these vaults to be the responsibility of the adjacent property owners. Cost of filling these vaults and permanently taking them out of service is included in the Downtown streetscape plan, which is described in the next section.

STREETSCAPE

Figure 5: Streetscape

A uniform streetscape plan is in place for Downtown. The most prevalent item is decorative lamp lights. The plan has come to fruition only in portions of Downtown; the proposed redevelopment area is not among them. The comprehensive streetscape plan recommends phasing in of additional blocks.



However, there is no funding in the FY 2016 budget for the project to do so.

Any major development likely would be accompanied by streetscape of some kind. If the development followed the Downtown Streetscape Lighting Master Plan exactly, the following costs would result, according to 2014 estimates prepared by Farnsworth Group.

Streetscape in the redevelopment area		
North Center Street	Front to Washington	\$176,455
West Front Street	Madison to Center	\$149,815
W. Washington Street	Madison to Center	\$130,650
	Commerce/Front & Center SUBTOTAL	\$456,920
W Washington Street	Madison to Roosevelt	\$123,897
North Roosevelt Avenue	Front to Washington	\$99,360
West Front Street	Roosevelt to Madison	\$73,125
	Elks/Butler block SUBTOTAL	\$296,382
	COMBINED TOTAL	\$753,302

The Downtown Streetscape Lighting Plan includes some cost of sidewalk and curb & gutter replacement, which is included elsewhere in this report. However, the Plan excludes expenses for design and project oversight and inspection. While the decorative lights are emphasized, streetscape in the plan also includes amenities such as metal benches, new trash containers, precast planters and bicycle racks. It also includes cost of electrical infrastructure.

Cautionary note on dollar figures

In conclusion, caution is urged in reading cost estimates.

- First, they are only estimates.
- Secondly, it would be incorrect to total all numbers and assign that total as “project costs.” Efforts were taken by Public Works to parse the numbers by type of infrastructure and sections within the area of Downtown under discussion for redevelopment. For this reason, the report does not give a “grand total” cost.
- Finally, development plans may be fluid at this time, and so are specific needs for infrastructure improvements that come with them. Only one spending item is noted as being both essential and planned for the near future: Rehabilitation of the combined sewer running south-north underneath Madison Street.



Office of the City Manager

June 4, 2015

Jeffery Giebelhausen
Giebelhausen Group, LLC
1201 Oakwood Road
East Peoria, IL 61611

Dear Mr. Giebelhausen:

Thank you for the packet of information that you delivered to my office on May 22, 2015, regarding your proposal for the City to purchase multiple properties that you are brokering in Downtown Bloomington (see Appendix X for a detailed listing of the subject properties). After reviewing the packet, City staff has requests for additional documentation (Appendix Y) and a few follow-up questions (Appendix Z).

In order to keep the momentum on this project, please submit the requested documentation and your typed answers to the staff questions in paper format to my office on or before 4:00 p.m. on Wednesday, June 10, 2015. If you do not have all of the requested documentation or information, please include notes as to why and as to when you could provide it to staff. City staff will perform a prompt review and provide recommendations to the City Council at the June 15, 2015, Committee of the Whole meeting.

If you need clarification on any of these requests, please feel free to call or e-mail Austin Grammer or me at any time.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Hales".

David A. Hales
City Manager

cc: Jeffrey Jurgens, Corporation Counsel
Kathleen Field Orr, Special Counsel
Patti-Lynn Silva, Finance Director
Tom Dabareiner, Community Development Director
Austin Grammer, Economic Development Coordinator
Elizabeth Au, Director, National Development Council

Mr. Hales,

Thank you for the above letter and questions which follow. The responses herein should be considered Developer Work Product and are therefore requested to be exempt from the Illinois Freedom of Information Act. To facilitate a review of our responses, where possible we have incorporated the response in red-line mark-up format immediately after the question. As a follow-up to our telephone

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conversation, I appreciate you recognizing that some of these questions do not appear germane to the nature of the transaction that is being explored. The

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proposed transaction is a land sale. Many of the questions are more typically associated with a redevelopment or development deal. For example, what is critical in this transaction is the Purchase Price the City is offered, and the condition the land/buildings will be left in at time of transfer to the City. Given that there is a bond requirement for the demolition, that greatly addresses the issue of financial capacity to complete the demolition. The extent of adjacent demolition (such as the tunnel) or offsite improvements (infrastructure, sidewalks, etc) are items which can certainly be added to the scope, but they obviously affect the purchase price as well. We have sought to do the least amount of work necessary to prepare the site to the maximum extent possible for redevelopment. The prices for the acquisitions and work performed are our negotiated prices. In essence, the City is being offered a lump sum contract purchase price for its consideration. Given the nature of this agreement, we do not feel it relevant what individual components (such as, for example, the Catalyst Construction previous sale amount) are, as they are immaterial to the price we are offering as they are they price I have to pay to assemble the block and move the "pieces" around to accommodate the redevelopment potential. Further, given the propensity in Bloomington for every document to be subject to FOIA, even those that are quite arguably not subject to FOIA, we are taking the position that items that are irrelevant to the final determination and may be of a sensitive nature to either the land seller or its affiliates or the service providers need not be provided. The bottom line is we are offering to sell land/building to the City for a lump sum cost, in an agreed upon condition, with the demolition work being bonded. Thank you for your consideration of such.

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Appendix X - List of Proprieties

Property "A" - Commonly known as the "Front N Center" Building

21-04-372-001	102 N CENTER UNIT 1	21-04-372-026	102 N CENTER UNIT 204
21-04-372-002	102 N CENTER UNIT 2	21-04-372-027	102 N CENTER UNIT 205
21-04-372-003	102 N CENTER UNIT 3	21-04-372-028	102 N CENTER UNIT 206
21-04-372-004	102 N CENTER UNIT 4	21-04-372-029	102 N CENTER UNIT 207
21-04-372-005	102 N CENTER UNIT 101	21-04-372-030	102 N CENTER UNIT 301
21-04-372-006	102 N CENTER UNIT 102	21-04-372-031	102 N CENTER UNIT 302
21-04-372-007	102 N CENTER UNIT 103	21-04-372-032	102 N CENTER UNIT 303
21-04-372-008	102 N CENTER UNIT 104	21-04-372-033	102 N CENTER UNIT 304
21-04-372-009	102 N CENTER UNIT 105	21-04-372-034	102 N CENTER UNIT 305
21-04-372-010	102 N CENTER UNIT 106	21-04-372-035	102 N CENTER UNIT 306
21-04-372-011	102 N CENTER UNIT 107	21-04-372-036	102 N CENTER UNIT 307
21-04-372-012	102 N CENTER UNIT 108	21-04-372-037	102 N CENTER UNIT 308
21-04-372-013	102 N CENTER UNIT 109	21-04-372-038	102 N CENTER UNIT 309
21-04-372-014	102 N CENTER UNIT 110	21-04-372-039	102 N CENTER UNIT 310
21-04-372-015	102 N CENTER UNIT 111	21-04-372-040	102 N CENTER UNIT 401

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21-04-372-016	102 N CENTER UNIT 112	21-04-372-041	102 N CENTER UNIT 402
21-04-372-017	102 N CENTER UNIT 113	21-04-372-042	102 N CENTER UNIT 403
21-04-372-018	102 N CENTER UNIT 114	21-04-372-043	102 N CENTER UNIT 404
21-04-372-019	102 N CENTER UNIT 115	21-04-372-044	102 N CENTER UNIT 405
21-04-372-020	102 N CENTER UNIT 116	21-04-372-045	102 N CENTER UNIT 406
21-04-372-021	102 N CENTER UNIT 117	21-04-372-046	102 N CENTER UNIT 407
21-04-372-022	102 N CENTER UNIT 118	21-04-372-047	102 N CENTER UNIT 408
21-04-372-023	102 N CENTER UNIT 201	21-04-372-048	102 N CENTER UNIT 409
21-04-372-024	102 N CENTER UNIT 202	21-04-372-049	102 N CENTER UNIT 410
21-04-372-025	102 N CENTER UNIT 203		

Property "B" - Commonly known as the "DUI Countermeasures" Building

21-04-337-007	110 N CENTER
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Property "C" - Commonly known as the "Commerce Bank" Building

21-04-337-001	210 W WASHINGTON
21-04-337-002	120 N CENTER
21-04-337-003	120 N CENTER, ADJ
21-04-337-004	116 N CENTER
21-04-337-005	114 N CENTER
21-04-337-006	112 N CENTER

Property "D" - Commonly known as the "Elk's Lodge" Building

21-04-336-002	110 N MADISON
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Appendix Y – Requested Documentation

1. Financial statements for the past three years for Bloomington Downtown Redevelopment Partners, LLC.*

May 22, 2015 Response from JG: "This entity has had no business activity since its inception and thus has no financial statements to report."

City Staff Response: Please provide statements which indicate the amount of cash on hand and / or assets of Bloomington Downtown Redevelopment Partners, LLC.* A separate confidential response to this question will be provided.

2. In reference to Appendix B – Item 3: The Articles of Organization for Bloomington Downtown Redevelopment Partners LLC / Peoria Coffee Stop #3 have not been submitted. Please provide a copy of this document.* A copy has been requested from legal and will be forwarded. This is also available through the ILSOS.
3. A copy of the proposal issued by Stark Excavating, Inc. on March 30th, 2015 (This proposal is referenced in the packet provided to the City on May 22, however the proposal was not included in the packet. Two letters from Stark Excavation, Inc. dated May 21, 2015 were included in the packet). The letters from Stark dated May 21, 2015 and included in the packet are the extent of the information at this time. Should the City elect to proceed, a more detailed contract with Stark, mirroring the terms as provided for in the letters, will be prepared by Miller Hall and Triggs as counsel to Peoria Coffee Stop #3/Bloomington Downtown Redevelopment Partners, LLC
4. In reference to Appendix B – Item 13: Please provide copies of signed contracts or contract templates / drafts for the services to be provided by Stark Excavating, Inc. Please see response 3 above. There is in our opinion no reason to go beyond the letter proposal stage with Stark until such time as the City indicates a desire to move forward and the scope of demolition the City desires to occur. Stark will be required to post a bond in accordance with City Ordinance.
5. An engineering report detailing the size, shape, condition, and original purpose for the "tunnel between the Commerce and Pantagraph buildings" mentioned in the May 21, 2015 letter from Stark Excavating, Inc.
The concrete tunnel is approximately 3.5' wide x 4.5' high x 72' long and appears to end at the southeast corner of Madison and Washington. The reason for leaving this tunnel in place is for the same reason we are leaving the foundation walls in place, to prevent collapse of the adjacent sidewalks and streets. To remove this tunnel is certainly possible, but the additive cost could be substantial and would be a cost added to the costs of the project thereby increasing the final cost to the City without any beneficial reason.
6. The most recent appraisal for the Catalyst Construction building (210 S. East Street). Giebelhausen has not received an appraisal, nor do we feel it is relevant in the course of this potential Agreement. The price set forth by Catalyst is the price they are willing to sell their building for, complete with improvements required by DUI Countermeasures.
7. Documentation indicating the most recent sale price of the Catalyst Construction building (210 S. East Street). This is a matter of public record, but similar to #6 above the information is simply not relevant to the proposal being offered the City.

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8. A letter from the owners of properties A and D indicating their willingness to donate Property D and the "Excluded Property" in Property A to the City and the value placed on these properties for tax donation purposes. The letter should detail the basis for the value assigned to these properties for tax donation purposes. Only item D (Elks) is to be included in the donation (see 5e). Huffs have been in contact with their accountant to determine an allowable donation amount. Information will be updated when available.

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9. An engineering report estimating the number of tons of material (debris, fill, basement walls, foundations, etc.) that will be left on site when the City takes possession of the subject properties in "shovel ready" condition. Please also provide a cost estimate for the removal and disposal of the foundation and basement walls and any and all debris and fill material that will be left on site in order to support the foundation and basement walls after the demolition project is complete until such a time as when a new construction project can begin-

Approximately 1,400 tons of foundation walls & footings will be left on site when the City takes possession (excluding any vaults under the sidewalk). If we backfill those walls with debris at a 1:1 slope for stabilization, there will be an additional 2,320 tons of material onsite. The intent is to leave the foundation walls and footings in place to prevent collapse of the surrounding streets. A future cost of \$97,000 could be estimated to remove this material, but that would exclude any necessary shoring. This cost would most anticipatedly be born by the future development.

10. Warranty Deeds (if available) for any of the subject properties. There are none available at this time.

11. The section of the Commerce Bank lease agreement that details legal restrictions including the exclusive rights of the tenant (Commerce Bank) as it pertains to warrants made by the landlord regarding uses of the landlord's property or adjacent property owned by the landlord (i.e. restrictions on other types of tenants).

Since these lease restrictions will be released as part of any sale of the property to the City, this is not something ownership of the Commerce Bank building is willing to release.

Appendix Y – Requested Documentation (continued)

12. Multiple references were made in the May 22, 2015 packet regarding a potential sale of the subject properties as the reason the Huffs have resisted the leasing/reuse or remodeling the subject properties. Please provide copies of any available real estate listing sheets, real estate marketing materials, or MLS listings indicating that the Huffs made efforts to market one or more of the subject properties to parties other than the City of Bloomington in the last five years.

It is fair to say that the Huffs regularly review opportunities not just for these assets but for other assets they own. Release of such information could potentially harm the value of the real estate and is not to be provided.

Prior to entering into this agreement, Huffs were actively planning remodeling or re-use of the subject properties. Huffs engaged the services of an architect, received drawings and estimates and paid for consultants. Huffs received inquiries from businesses and realtors regarding office space and were formulating concrete plans to provide the same.

When this development offer began to take shape, those efforts were placed on hold.

* Financial statements may be sent to
Libbie Au
EAu@nationaldevelopmentcouncil.org
927 Dudley Road
Edgewood KY 41017

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Appendix Z – Staff Questions

1. Please provide clarification to the narrative supplied on May 22, 2015 in response to Appendix B Question 4. Is Peoria Coffee Stop 3 or Bloomington Downtown Redevelopment Partners LLC taking title of the subject properties and then transferring title to the City after the demolition is complete? Or is the City to take title of the subject properties before the start of the demolition project? The City would take title AFTER demolition is complete. It is suggested that date be 10 days after completion of the demolition and acceptance of the condition of the site by the City. When Peoria Coffee Stop #3/Bloomington Downtown Redevelopment Partners takes title and of which properties will be determined as part of the final financing strategy of the overall buy/sell process.
2. Will the development entity or a member of the development entity be submitting a personal guarantee for the project? The development entity will be guaranteeing completion, and Stark will be posting a performance bond for the abatement and demolition. In that the "project" is a land sale, the type of guarantee sometimes seen in redevelopment or development projects is not relevant, as the City's recourse is simply "not to take title" if the work is not completed in accordance with the Agreement PLUS the City would, through the posting of the demolition bond, be able to take action to enforce the completion of the abatement and demolition work.
3. In reference to Appendix B – Item 7:
 - a. Please advise as to when a formal contract will be ready for the acquisition of the Property B. This document is under review by the attorneys involved and a matter of regular discussion. It clearly has to be completed prior to any official City action, and it is hoped this contract can be completed within the next 10 days.
 - b. What is the purchase price of Property B? This is an exchange of properties. The owners of Property B will be receiving ownership of the "Catalyst Construction" building as a trade consideration. Documentation has been provided as to the cost of the Catalyst Construction building as renovated to the DUI required condition.
 - c. Why is DUI Countermeasures receiving a cash payment of \$295,000? This amount is the result of negotiations with DUI Countermeasures and takes into consideration the compensation they required for being willing to make the move including but not limited to the time the principals spent reviewing the proposal including multiple potential relocation sites; the disruption to their business resulting from a move; the substantial increase in real estate taxes in the new location; direct costs DUI expects to incur for their non-reimbursed expenses such as decorating, etc.
 - d. How was the purchase price of the Catalyst building determined? Catalyst came up with this price based on their cost basis in the property (initial purchase price plus improvements), disruption in business resulting from a relocation; temporary operating expenses associated with an interim move which is likely given the timeframe involved, tax ramifications as determined by Catalyst and compensation to the company for lost business opportunity as they have dealt with this issue.
 - e. Who currently owns the Catalyst building? Andy Kaufmann and Mike Carrithers are the principal owners through a limited liability company known as 210 S. East, LLC at 42% each, and David Bentley is a minority owner at 16%.



Office of the City Manager

f. How were the relocation costs of \$25,000 determined? These are estimated received from a national, insured mover to "box up" DUIs files, furniture, personal property, etc and relocate them beginning at 5 pm on a Friday and having them fully operational for business by 8 am Monday morning. The requirement for DUI given the nature of their class schedules is they cannot lose business even for a single day. All files must be dealt with in full confidentiality.

g. Why are the closing costs for DUI Countermeasures separated out? In an effort to track the DUI related costs as its own line item, these were broken out separately.

h. How was the abatement and demolition amount determined if there was no Phase I or II Environmental report or engineering report? Was an architect involved in the scope of work that was submitted?

A highly invasive and thorough examination of all of the buildings was conducted by the demolition team. (In addition, see Z-6-A response).

Phase 1 and Phase 2 reports are not necessary for asbestos; we typically see these in relation to discovery of unknown petroleum or previous environmental issues. In this case, the asbestos contractor performed extensive review of the site, as well as non-destructive testing, the report they prepared at their cost in order to provide a price for the project is their property and not available. The asbestos contractor will provide all documentation legally necessary to certify any necessary asbestos has been removed prior to building demolition progressing.

i. Please advise how the legal costs of \$82,500, the Farnsworth Group costs of \$95,000, and the environmental consultant of \$80,000 determined? Please provide contracts or written quotes for the services of the Farnsworth Group and the environmental consultant? These costs are lump sum fees paid to third party advisers and are developer work product. Any release of these Service Agreements shall be subject to confidentiality requirements as developer work product.

j. What costs of \$26,000 are being reimbursed? These are expenses incurred by Giebelhausen Group, including travel, part-time staffing assistance, office supply costs, etc.

k. How were the "financing costs" determined? This is an estimate based on probable timing of interim payments, initial closing timing for Catalvst, interest payments to all affected parties, points or other financing fees for conventional lenders.

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Appendix Z – Staff Questions (continued)

4. In reference to Appendix B – Item 8:

a. Why is there a need for seller financing for the Huff purchase? The answer to this question is considered developer work product and is considered confidential. This is an effort to decrease the interest carry substantially, as well as the other financing related costs. By "taking Huff's out" early in the process and financing all conventionally the financing related expenses will increase dramatically. While an interest payment to Huff's will still be required, it is projected to be substantially below that of a traditional third party lender and also comes without the additive fees associated with a third party lender. Seller financing is a well recognized "tool" to minimize traditional financing costs, as it seeks to take advantage of the "motivation" of the seller in the financing process.

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b. Interim financing costs have been estimated and it has been stated that the service providers will finance the majority of costs. Please provide information on the amount and terms of the interim financing in order to determine savings. This is developer work product and we do not understand the City's need for this information.

c. Have the service providers agreed to finance their costs? Are their premiums being included in the amounts because they are carrying the costs? The costs associated are fixed costs. Obviously, any service provider factors into their costs issues such as timing of payment, risk, expectations of unforeseen issues arising and the such. If we were to pay all contractors "up front", then perhaps we could get a pricing discount, only to show an increased cost on the financing end. We also do not believe this is a good strategy because we feel to the extent possible sellers, contractors and service providers need to be fully engaged throughout the duration of the project.

5. In reference to Appendix B – Item 9 (the purchase agreements for property A, and C)

a. In reference to Article 2, Section 2.1.3. "Restrictive Covenant": Is the seller willing to remove this restriction in its entirety? Yes we have confirmed

b. In reference to Article 2, Section 2.1.5. Parking Spaces: What is the plan for replacing the 10 parking spaces leased for Commerce Bank at 202 N Center Street? The 10 parking spaces will not be replaced, but utilized for an adjacent condominium development. The original plan was to use the Elks lot for parking after demolition.

c. In reference to Article 8, Section 8.2 "Closing Costs": Is there a seller's broker? What is the commission and why is the buyer paying the commission? Any seller broker is engaged by the Seller and not the buyer and is a separate agreement between those parties. The buyer is not paying a commission and is not being paid a commission.

d. In reference to Article 9, Section 9.1 "Property Conveyed As Is": Provide justification as to why Bloomington Downtown Redevelopment Partners LLC / Peoria Coffee Stop #3 / the City should accept the properties "with all faults and defects." At what point will environmental assessments and reports be completed? Stark and their consultants/sub-contractors have completed their analysis and the result is the contract that is proposed through the letters offered. There is not anticipated to be any other reports other than required by the State for permitting. This is a "design-build" demolition if you would like to



Office of the City Manager

consider it such. The intent is "single source accountability" to eliminate the vast potential for lack of accountability, "gaps" between engineering reports and contractor bids or change orders.

- e. In reference to Exhibit B, "Excluded Property": Please provide background as to why the third and fourth floors of property A are deemed "excluded." Initially, due to the condominium relationship of the Front and Center building, there initially was the idea by Huff as reflected in the original agreement to donate those floors. Since there is instead a demolition of the property prior to the City receiving ownership, this needs to be stricken and, instead, the Huffs will be donating the Elks property to the City after demolition at a price determined by their accountant.

6. In reference to Appendix B – Item 13:

- a. The letters submitted from Stark Excavating, Inc. are not contracts but basic scopes of work. How were the scopes of work for demolition and abatement developed?

Our team consists of an experienced asbestos abatement company and an experienced demolition contractor. The scopes of work for demolition and abatement were developed throughout multiple days of investigating all of the buildings.

- b. Please address the issue regarding the potential for "damaged sidewalks" noted in the May 21, 2015 letter from Stark Excavating, Inc. Have funds been budgeted to replace sidewalks or other municipal infrastructure that may be damaged during the course of the demolition project? If so, how much? Please describe a plan / steps that will be taken post demolition to ensure that that pedestrians and nearby businesses are not negativity impacted in the event a new construction project does not commence on the site immediately following the conclusion of the proposed demolition project.

Z-6-B

If any streets are damaged from falling debris or equipment, Stark Excavating will repair the damage. However, we have accounted for street protection therefore we don't feel any repairs will be necessary and no funds have been budgeted for street repair. Sidewalk replacement has not been accounted for because they will likely be damaged during construction of the new development and would need to be replaced again. Final appearance could be below normal standards when sidewalks are re-opened until construction begins, but sidewalks would remain in a safe condition for pedestrian travel.

Any additive costs for interim sidewalk replacement are certainly possible, but only increase the ultimate purchase price proposed to the City.

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Appendix Z – Staff Questions (continued)

7. Has Jeffery Giebelhausen, The Giebelhausen Group, LLC, Bloomington Downtown Redevelopment Partners LLC, or Peoria Coffee Stop #3 ever been party to a lawsuit arising from a business transaction or property development project? If so, please provide dates, names of plaintiffs and defendants, the names and locations of courts hearing each case, and a brief summary of the case(s). None that we can recall, other than Giebelhausen acting in official municipal capacity associated with East Peoria. Again, as a seller of land for a fixed cost, this question would seem to be obtrusive and inappropriate.
8. What is the approximate date the "brew pub" business tenant ceased operations in Property A? 3rd quarter 2014
9. It is common for commercial / industrial property owners to conduct environmental testing for hazards including (but not limited to) asbestos containing building materials (ACBM), lead-based paint, and hazardous substances stored or used on site in order to expedite the sale of commercial / industrial properties. Please provide reasoning as to why no environmental studies have been completed by the property owners if the owners intend to sell the subject properties. It is equally common that property owners who may seek to redevelop (as opposed to sell) their properties do not engage in such studies. That has been the strategy employed to date on this property. Environmental testing most often is completed at the time of sale by the purchaser, especially if there is a lender involved
10. Have environmental contaminants been identified in any of the subject properties in the past 10 years? If so, have remediation efforts been taken to remove the contaminants? Please provide any and all reports or documentation related to any remediation efforts. Bloomington Downtown Redevelopment Partners, LLC and Giebelhausen are aware of none. Huff indicates a 2006 asbestos abatement report for floor tile removal at Front N Center is available upon request. However, since the City will be acquiring the building post demolition, this report would not seem to be of any benefit for review.

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**CITY OF BLOOMINGTON
CITY COUNCIL COMMITTEE OF THE WHOLE
MEETING AGENDA ADDENDUM I
CITY HALL COUNCIL CHAMBERS
109 E. OLIVE STREET, BLOOMINGTON, IL 61701
MONDAY, JUNE 15, 2015, 5:30 P.M.**

CORRECTION TO THE MINUTES

4. Consideration of approving Committee of the Whole Meeting Minutes from May 18, April 20, and March 16, 2015. (Recommend that the reading of the minutes of Committee of the Whole Proceedings of May 18, April 20, and March 16, 2015 be dispensed with and the minutes approved as printed.)

Note: No action will be taken on any matters at this meeting beyond approval of the minutes.

COMMITTEE OF THE WHOLE
City Hall Council Chambers
March 16, 2015

Council present: Aldermen Judy Stearns, Mboka Mwilambwe, Joni Painter, Jim Fruin, Diana Hauman, Kevin Lower, Scott Black, Karen Schmidt and David Sage, and Mayor Tari Renner.

Staff present: David Hales, City Manager and Renee Gooderham, Interim City Clerk.

Alderman Mwilambwe participated remotely via telephone.

Mayor Renner called the Committee of the Whole meeting to order at 5:38 p.m.

PUBLIC COMMENT

Mayor Renner opened the Public Comment section of the meeting. He added that there would not be a response from the Committee under the Public Comment portion of the meeting.

Julian Sigler, 904 W. Grove St., addressed the Council. He believed the Solid Waste (SW) Program had a fee associated with same. He stated the SW fee approval would result in citizens stock piling items. This would require more code enforcement. SW should be moved from an Enterprise Fund to General Fund (GF).

Josh Schmidgall, 2212 Beacon Ct., addressed the Council. He believed that a Downtown strategy would be approved. He believed citizens were being forced to live in similar ways as Chicago, IL and St. Louis, MO.

Gary Lambert, 3018 E. Oakland Ave., addressed the Council. He believed purchasing software to report potholes was not required. He stated that road maintenance was not included in the budget.

MINUTES

Motion by Alderman Painter, seconded by Alderman Schmidt that the reading of the minutes of the Committee of the Whole of November 17, 2014 be dispensed with and the minutes approved as printed.

Motion carried, (viva voce).

SOLID WASTE MANAGEMENT PROGRAM – FEES AND SERVICES

Mayor Renner introduced the topic.

David Hales, City Manager, addressed the Council. He requested Council direction on SW changes and fee structure. He recommended the following: 1.) no charge for brush service

removal; 2.) bulk waste fee reduced to \$25 per bucket and 3.) transfer \$1.5 million from the GF to SW. Staff recommendations would avoid same. Mr. Hales explained that SW would have a \$1/2 million projected FY16 deficit. Staff would review efficiencies over the summer to address same. Possible efficiencies: frequency of brush and bulk waste pick up service or modifications to the three (3) crew model. Citizens would change habits with the \$25 fee. Mr. Hales noted labor costs and equipment maintenance associated with SW.

Alderman Fruin concurred with the not charging for brush pick up. He recommended the first (1st) SW bucket not have a fee associated with same. The second (2nd) bucket would be charged \$50. He believed staff should enforce refuse cart lid closure. The refuse fee should be \$25 monthly regardless of size.

Alderman Schmidt believed not charging for brush pick up was best. She questioned SW as an Enterprise Fund (EF). Citizens wanted SW simplified. She appreciated that SW crews would assist with efficiencies.

Alderman Painter believed \$50 for bulk waste would cause dumping in other areas. She stated that previous fee charges were up to crew discretion. Any fees associated with SW should be for everyone and fair. She appreciated removal of the brush pick up fee. She noted that SW assisted with snow removal and alley clean up.

Alderman Stearns appreciated comments from the SW crews and citizens. She believed SW was a core service. It was the heart of what a city does. She questioned EF as a proper place for SW. She questioned what made up a bucket load. She echoed Alderman Fruin's comments on BW. Enforcing dumping rules was impossible. Entertainment venues should be reprioritized.

Alderman Sage concurred with Mr. Hales' \$25 fee recommendation. Increased efficiencies was the priority. He suggested citizen's call for BW and brush pick up bi weekly.

Alderman Lower stated support for the SW crews. He believed current rules be enforced. He was not in favor of any changes. He believed that SW be subsidized through the GF and property tax. Reduction in pick up frequency could affect property values. He believed there were city services that were not core that could be reduced. The following departments were core to the city: Police, Fire, Public Works, and Water. Private tree removal could have a cost associated with same.

Alderman Black noted that a Ward meeting with Aldermen Sage and Schmidt was held on March 10, 2015. Citizens wanted to pay for services utilized. Apartment turnover and bulk from same should be addressed. He questioned what constituted a bucket load. He requested specific BW pick up scenarios. He echoed Alderman Stearns reference dumping enforcement. He suggested increased fines. SW should not be an EF. Raising property taxes should be reviewed. He requested feedback from BW crews.

Mayor Renner suggested the \$25 fee and providing free stickers for certain times of the year.

Alderman Hauman stated that the city's purpose was to provide citizens with services they were unable to obtain on their own. She believed that refuse pick up assisted with maintaining a clean city. Dumping was a concern. She suggested a refuse fee increase. To move away from charging for SW bucket loads. The program should be simpler. The goal should be to close the deficit.

Alderman Mwilambwe stated his appreciation for the compromise to remove brush pick up charges. He noted that citizens go out of their way to not pay for additional refuse bags. Staff efficiency was the solution before fee increases.

Mayor Renner requested Council specifics and/or ideas emailed to Mr. Hales by Friday, March 20, 2015.

PUBLIC PROTECTION CLASSIFICATION

David Hales, City Manager, addressed the Council. He cited the milestone achieved. He noted the Fire and Water Department collaboration to increase the Insurance Services Office (ISO) rating.

Brian Mohr, Fire Chief, addressed the Council. He provided a brief history of ISO. ISO was widely used by insurance companies to reduce premiums. There was the potential of an eight percent (8%) reduction in same. ISO collected data analyzing same using the Fire Suppression Rating Schedule.

The highest rating was one (1); the City received a two (2) rating. The rating was achieved by working the Water Department and establishment of the fire hydrant testing program. Other factors involved were: building the all hazards training facility, development of the command training center, development of the probationary firefighter task manual and the fire priority dispatch system.

According to the National Fire Protection Association (NFPA) 1710, to maintain ISO rating #2 the following was required: 1.) continue to improve six (6) minute response times; 2.) supporting current Fire Department deployment model; 3.) maintaining minimum staffing requirements; 4.) maintaining current training hours and 5.) continued fire hydrant inspection program.

Alderman Sage acknowledged collaboration across departments.

Alderman Black noted the response time challenges for Fiscal Year 2016. He requested strategies and costs associated to increase ISO rating.

TRANSPORTATION NETWORK COMPANIES

George Boyle, Corporation Counsel, addressed the Council. He provided Council copies of Public Act 098-1173, Transportation Network Providers Act. He explained that the State had passed same requiring Municipalities to allow Transportation Network Companies (TNC) to

operate beginning June 1, 2015. He was currently working with the City Clerk's office and Police Department to draft an ordinance.

The City and Town of Normal (TON) had an Intergovernmental Agreement allowing Taxi Cabs and Vehicle for Hire (VFH) companies to operate in both jurisdictions. The goal was to provide safe, reliable, affordable and accessible transportation. Responsibility/accountability of companies and drivers insures same. He explained the company and driver licensing process. He noted that there were fifty – six (56) vehicles which were inspected twice a year by a state approved mechanic and the Police Department. Insurance was required for same. Taxicab companies were required to operate seven (7) days a week, twenty – four (24) hours a day. Rates for same were fixed. Enforcement was through sanctions for noncompliance.

Alderman Sage left the dais at 6:41 p.m.

The TNC ordinance would be incorporated into Chapter 40 Taxicabs. TNC was defined as entity which operates using a digital network or software application to connect passengers to services. The Act states that a TNC does not own, control, operate, or manage the vehicles used by its drivers. Nor is same considered a taxicab company or VFH owner. A TNC driver was defined as an individual who operates a vehicle that is: 1) owned, leased, or otherwise authorized for use by the individual; 2.) not a taxicab or VFH and 3.) used to provide TNC services. Mr. Boyle explained that the Act requires TNC to maintain insurance should the driver not, drivers to submit an application relating driving history and criminal background, and drivers provide insurance to same. The Act does not monitor same was completed/maintained.

Alderman Sage returned at 6:42 p.m.

Mr. Boyle cited concerns that the City would be monitoring various business entities with various backgrounds. The goal was to ensure public safety. He explained that staff would use home rule authority to provide monitoring. Mr. Boyle acknowledged that Wayne Karplus, Deputy Corporation Counsel for the TON was attending tonight's meeting. He cited the following concerns: no consequences for companies and/or drivers who fail to follow the act, possible insurance gaps and current staffing resources.

Alderman Lower left the dais at 6:48 p.m.

Staff was working to ensure public safety, affordability reliability and fairness to operating taxicab and VFH companies. Staff would continue to work with the TON, reach out to taxicab and VFH companies. He requested Council direction and type of regulation. The plan was to present an ordinance on the April 13, 2015 Council meeting. He noted that this was uncharted territory.

Mayor Renner believed TNC was the future. Current transportation providers would converge with TNC.

Alderman Black questioned not having a TNC ordinance. Mr. Boyle believed in the absence of ordinance state law was the defacto.

Alderman Black questioned TNC drivers operating. Mayor Renner stated that the Act takes effect June 1, 2015. Drivers operating as a TNC were doing so illegally.

Mayor Renner requested Council specifics/ideas emailed to Mr. Boyle by Friday, March 20, 2015.

FORMATION OF DOWNTOWN SIGNAGE

Alderman Fruin left the dais at 6:57 p.m.

David Hales, City Manager, addressed the Council. He requested conceptual consent from Council for the formation of the Downtown Signage Committee (DTC). A Resolution would be brought before Council at future meeting. Same would provide DTC direction and length.

Jim Karch, Public Works Director, addressed the Council. He read the city's Vision Statement. The DTC would focus on assisting visitors find their way to various places in the downtown. DTC would determine location of signs, design/style and costs/funding.

Alderman Hauman suggested not limiting signs to the Downtown area. Mr. Karch noted that same could be researched. Mr. Hales explained that signage on the Interstate would require working with the Illinois Department of Transportation and the Bloomington Normal Visitors and Convention Center.

Alderman Sage questioned costs. Mr. Karch noted that in November 2103 the Downtown Strategy listed signage as a recommendation. City staff could make the signs to reduce costs.

Alderman Schmidt recognized the Downtown Business Association's assistance with same. Mr. Karch stated same was a key stakeholder.

Alderman Stearns questioned DTC member selection. Mr. Hales stated that the Mayor would appointment same, which would be incorporated into the Resolution.

MY BLOOMINGTON REQUEST MANAGEMENT SYSTEM

Scott Sprouls, Information Services Director, addressed the Council. He explained that My Bloomington was a mobile application. Same was integrated with Munis. A pilot program was underway in the Public Works Department.

Mayor Renner and Alderman Stearns left the dais at 7:07 p.m.

Craig McBeath, Webmaster, addressed the Council. He explained that the application would create a knowledge base allowing citizens to upload pictures. After submittal the work flow process would begin. Citizens were able to look up the status of their request. The software system tracks duplicate requests, notifies citizens on status and delegates workflow and staff tasks. The program was currently in the Beta testing period.

Mayor Renner returned at 7:11 p.m.

Alderman Stearns returned at 7:12 p.m.

Mr. McBeath noted that the program allowed citizens to be a part of the conversation and kept same informed on polices. Reporting issues currently being accepted were: potholes, garbage issues, street light outage and clogged inlets. The program offers instant translation utilizing Google Translate. There was a data analytics feature providing custom reporting tools, resident engagement levels or staff response time. Aldermen would have the ability to access items within the Wards. ESRI (Environmental Systems Research Institute) integration allows GIS mapping system. Service requests would be viewed in real time. Same allowed work order requests for bulk waste pick up.

Swiping up on the application will provide widgets. These link to the city's website, calendar, news, nearby requests and contact information. Widgets can be customized. Service requests were categorized.

Alderman Painter questioned using the software for snow plowing. Mr. McBeath explained My Bloomington was a service request application.

Alderman Sage questioned cost benefits on personnel time versus traditional report requests. Mr. McBeath stated that reports were customized. Calculated costs could be used.

Alderman Schmidt believed the application empowered citizens. She noted the ability to address resource needs and balance of same.

Alderman Mwilambwe cited concerns with requests being received faster than the ability to handle same. Mr. McBeath noted that current requests were received via telephone or email. The application provided customers a tracking mechanism.

Motion by Alderman Schmidt, seconded by Alderman Painter to adjourn. Time: 7:28 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Renee Gooderham
Interim City Clerk

COMMITTEE OF THE WHOLE
Osborn Room
305 East St., 2nd Floor
April 20, 2015

Council present: Aldermen Judy Stearns, Mboka Mwilambwe, Diana Hauman, and Scott Black, and Mayor Tari Renner.

Council absent: Aldermen Kevin Lower, David Sage, Joni Painter, Karen Schmidt and Jim Fruin.

Staff present: David Hales, City Manager and Renee Gooderham, Interim City Clerk.

Others Present: Senator Bill Brady, Senator Jason Barickman, Representative Keith Sommers, Jane Chamberlain, District Office Director at Representative Dan Brady's Office and Alex Henderson, Chief of Staff for Senator Brady.

Mayor Renner called the Committee of the Whole meeting to order at 5:31 p.m.

PUBLIC COMMENT

Mayor Renner opened the Public Comment section of the meeting. He added that there would not be a response from the Committee under the Public Comment portion of the meeting.

Patricia Marton, 1114 E. Grove St., addressed the Council. She noted two (2) articles that she had read on American Aging on Society, elder abuse and safety for elders and the younger generation.

Gary Lambert, 3018 E. Oakland Ave., addressed the Council. He questioned if any municipality had expressed admiration for the current Administration in Springfield.

ANNUAL STATE LEGISLATORS

Mayor Renner introduced the topic and recognized Senator Brady, Senator Barickman, Representative Keith Sommers, and Jane Chamberlain, District Office Director at Representative Dan Brady's Office.

Senator Brady addressed the Council. He noted that Gov. Rauner's budget plan was based from approximately \$6.8 billion in unpaid bills. The City was fiscally responsible. The same was not true in Springfield.

Mayor Renner noted that revenue and budget were challenges. He read from Resolution 2015 – 14 adopted April 13, 2015. He cited section 2 of same.

David Hales, City Manager, addressed the Council. The City maintained fiscal responsibility and cooperated with unfunded mandates. He cited pension costs as an unfunded mandate. He noted costs were increasing; there were inflationary pressure and pension funding policy that challenged the budget. He cited City's the Fire and Police Pension Policy. Annual contributions over the next five (5) years would double.

Mr. Hales noted that Fiscal Year (FY) 2016 budget was balanced but was not sustainable. The trend over the next years was expenditure increase and decrease revenue. He requested that the Local Government Distribution Fund (LGDF) remain intact.

Council had requested staff develop a contingency plan for the possible FY 16 \$4 million loss of State shared Income Tax Revenue. He read from Fiscal Contingency Plan. He noted that Fire and Police budget would be reduced by \$1.8 million with a reduction of seventeen public safety personnel. Other Departments budgets would be reduced by \$2.2 million reflecting approximately thirty (30) fulltime employees (FTE). The employee reductions were almost fifty (50) FTE's or seven percent (7%) of the City's workforce.

He believed citizens wanted a balance of revenue increases with budget reductions. It was projected that FY 17 would have a \$7.5 million deficit. Sales tax revenue was on a downward trend. He believed the cause for same the elimination of 3,000 to 5,000 State Farm positions. Hotel Motel Tax had declined fifteen percent (15%). State Farm had conducted training here now same was sending personnel elsewhere. The City had eleven (11) collective bargaining units.

Mr. Hales stated that Illinois (IL) needed to create employer incentives. He believed the Worker's Compensation reform was an essential part of same. He requested support for: Senate Bill (SB) 1283; Worker's Comp – Arm – Shoulder – Comp, SB 1284; Workers Comp – Misconduct and House Bill (HB) 2422; Worker's Comp – Arm – Shoulder – Comp.

Mr. Hales noted that the IL Department of Transportation (IDOT) had proposed reducing spending/funding projects in District 5. District 5 received \$19,820,285 for bridges less than the second (2nd) lowest funded District and \$560,033 less per mile of roads. He believed that less funding resulted higher unemployment.

Jim Karch, Public Works Director, addressed the Council. He cited the following FY 2015 – 2020 IDOT projects: 1.) rerouting US Rt. 150/IL Rt. 9; 2.) Veterans Parkway and IL Rt. 9; 3.) resurfacing US Rt. 150 (Clinton St.) US 51N (Center St.) north of Downtown and elsewhere and 4.) Hamilton Rd: Bunn to Commerce. The City would be applying for the Tiger Grant 6 for the later IDOT project. He believed that the city lacked east/west connectivity.

He noted that the Fox Creek Rd. project was projected to receive Grade Crossing Protections funds in FY 18. The bridge over the Union Pacific Railroad was two (2) lanes with no pedestrian accommodations.

He cited the state roads in the community. June 30, 2015 the IDOT agreement for maintenance of same would expire. The city received \$92,000 to maintain plow, salt and patch state roads.

Chief Brendan Heffner, addressed the Council. He cited the increase in Freedom of Information Requests (FOIA). He believed same were beyond the spirit of the law. He noted that the volume of FOIA's was handled by the City Clerk's Office, Corporation Counsel and the Police Department.

Senator Brady noted the Public Works projects were geographically located. He invited Mr. Karch to Springfield to same. He questioned the Tiger Grant share amount. Mr. Karch stated same was unknown at this time. Senator Brady requested notification of same. He noted that a long term transportation program was being worked on to address the needs of the state over time.

Senator Brady acknowledged FOIA's challenges. He encouraged placing all City matters on the website. He requested assistance with determining the mandate costs. He cited worker's compensation and minimum wage as mandates. He cited his involvement with pension costs reduction.

Senator Brady noted Gov. Rauner's turn around agenda. The Local Distributed Fund (LDF) collected and returned was twenty percent (20%). Same would be reduced fifty percent (50%). The Governor had outlined a balanced budget, the first (1st) in twelve (12) years. He cited the \$8 billion in unpaid bills. He cited internet services/retail sales tax collection as additional revenue.

Representative Sommers, addressed the Council. He acknowledged FOIA challenges. He believed Gov. Rauner's proposed budget plan gained statewide attention. There was a will to change the state finances. He requested recommendations from Municipalities. He encouraged ongoing communication.

Alderman Sage questioned unfunded mandates. He believed same was controlled by the Executive Branch. Senator Brady requested identifying those that require administrative/statutory relief and the importance of same. He noted that prevailing wage was established by County government. Alderman Sage believed the administrative mandates could be fast tracked. Senator Brady requested identification of same.

Alderman Stearns questioned final budget knowledge. Senator Brady believed possibly by July 2015.

Alderman Black requested future legislative meeting be held in the Council Chambers. He believed same should be live streamed. He cited concern for the reduction in social services and childcare. He questioned attracting businesses statewide. He questioned unintended consequences. He believed local governments were the front line for constituent concerns.

Jay Tetzloff, Parks, Recreation & Cultural Arts Director, addressed the Council. He questioned the Public Museum Capital Grant. He stated the DeBrazza Plaza project started and had to stop due to funding. Senator Brady believed as the budget came together some grants would be released. He requested staff informing them of projects funded from grants that were at risk of losing money.

Motion by Alderman Hauman, seconded by Alderman Mwilambwe to adjourn. Time: 6:55 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Renee Gooderham
Interim City Clerk

JOINT WORK SESSION MEETING MINUTES OF THE COUNCILS
OF THE TOWN OF NORMAL AND CITY OF BLOOMINGTON
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL
OF BLOOMINGTON, ILLINOIS
ISU Alumni Center, 1101 N. Main Street, Room 118 Normal, IL.
MONDAY, MAY 18, 2015; 5:30 P.M.

Council present: Alderman Joni Painter, Mboka Mwilambwe, Jim Fruin, Diana Hauman, Kevin Lower, Scott Black, Karen Schmidt, Amelia Buragas and Mayor Tari Renner

Staff present: City Manager David Hales, City Clerk Cherry Lawson, Human Resource Director Nicole Albertson, Public Services Director Jim Karch, Library Director Georgia Bouda, and other City staff members were in attendance.

Mayor Chris Koos called the meeting to order at 5:30 P.M., and announced that this is Joint Work Session Meeting of the Town of Normal and the City of Bloomington, IL.

MINUTES

Ioanna Morfessis, Ph.D. provided a PowerPoint Presentation on the community economic development strategy she has been developing during the past several months.

Mayor Koos adjourned the Work Session at 6:55 PM.

Respectfully submitted,

Cherry L. Lawson, C.M.C.
City Clerk