

**MINUTES OF THE MEETING OF THE MAYOR  
AND THE COMMITTEE-OF-THE-WHOLE OF  
THE CITY OF EAST MOLINE, ILLINOIS  
MONDAY, APRIL 4, 2016**

**ROLL CALL**

Mayor Thodos called the meeting to order and directed City Clerk Arletta D. Holmes to call the roll. The following Aldermen were present: Helen Heiland, Gary Almblade, Nancy Mulcahey, Ed DeJaynes, Humberto Aguilar, Gary Westbrook, and Mayor John Thodos. Absent: Robert Cheffer.  
**6::p.m.**

**ADDITIONS/CORRECTIONS TO AGENDA**

None

**Mayor Thodos** – Mr. Kammler said the River Eagle Project is progressing, therefore there is something we need to do, which is to create a Business District, and collect additional taxes.

**BUSINESS DISTRICT IMPLENTATION SERVICES (Ms. Petersen, Finance Director)**

Per the Redevelopment Agreement between the City and River Eagle Investments, LLC, the City is to establish a business district at the property owned by River Eagle Investments. The City is to impose an additional 1% sales tax and 1% hotel tax within the business district to pay for the City's anticipated debt service obligations issued as part of the Infrastructure Project at the site. The first step in creating the business district is to make a formal finding that the area is blighted and a Business District Plan document must be prepared. Ehlers, Inc has submitted a proposal to prepare the Business District Plan document. Ehlers, Inc is the firm that completed the TIF study for this same property and can use much of that information in preparing the Business District Plan. The proposal from Ehlers is attached.

**FINANCIAL:**

This is not a budgeted item

**Line Item#:** 166-4600-300.2      **Title:** Professional Services      **Amount Budgeted:** \$0

**Actual Cost:** \$15,500      **Under/ (over):** (\$15,500)      **Funding Sources:** Working Cash Reserves

**RECOMMENDATION:**

Approve proposal as submitted by Ehlers, Inc

**ADDITIONAL RECOMMENDATION:**

Working cash reserves will be used to pay for this service; however it will be reimbursed with Business District tax proceeds when received.

Mayor Thodos made additional comments regarding this item.

A motion was made by Alderman Westbrook, seconded by Alderman Mulcahey, to concur with the recommendation.

**Discussion:**

**Alderman Westbrook** – Will that plan be completed by the next meeting? Ms. Petersen replied No, this is just to approve the proposal with Ehlers & Associates, Inc. to begin the process.

**Alderman Almlade** – the last he heard, all of the financing was not in place for the Hotel, but not for the Apartments. Mayor Thodos replied that the financing for the Hotel is 100% in place. The Apartments, actually there is an offer on the table from Triumphs Bank to do the entire project. Alderman replied right, but there are stipulations on it. Mayor Thodos noted that all of them have stipulations; the question is to what degree does Mr. Murphy wants to agree too. Our preference would be that we stay with Triumph for us it makes the financing easier and cleaner for the City.

**Alderman Almlade** – can there be tiers? It's broken down into two sections, can the first section be done first, and after that section is completed, we can find out where we stand with our financing, and if everything is a go start the second section. Ms. Petersen said that she believes so, because the first section is just coming up with a determination that it is a blighted area. The second section is actually passing the Business District and getting it into effect. The only thing we have to watch for is there are deadlines that we have to have it passed and submitted to the state in order to start collecting it. Granted we are probably a year out before we have to worry about it, but if we want it in place by January 1, 2017 we have to have it to the state by October 1, 2016, if we want it by July 1, 2016 it has to be there by April 1, 2017.

**Alderman Mulcahey** – When we had our meeting, there were questions and discussion about time lines and refreshing things, going along with this has anything been done to respond to these questions, any work being done to refresh information. Timelines, this is an example where we have key dates to hit, and does that roll back into all of the other things that are required by all of the parties. Mayor Thodos replied that he knows Tim Knanishu of REEDEM is our economic development arm and is the one primarily tasked to do that.

**Mr. Banaszek** – stated that the one percent seems to be really a low item as far as what other hotels give to the cities. Ms. Petersen stated that the one percent (1%) is the maximum that we can get under the Business District tax. Ms. Petersen noted that the first \$4,000 is whether they consider it a blighted area or not, we need to get going, it is easier to show that before construction starts. Additional discussion comments and questions were had regarding various aspects of this project.

Upon roll call the following voted in favor: Westbrook, Heiland, Almlade, Mulcahey, DeJaynes, and Aguilar. Motion carried.

**ADJOURMENT**

A motion was made by Alderman Westbrook, seconded by Alderman DeJaynes, to adjourn the Committee-of-the-Whole meeting. Upon roll call the following voted in favor: Westbrook, Heiland, Almblade, Mulcahey, DeJaynes, and Aguilar. Motion carried **7:28p.m.**

**Minutes taken and submitted**

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**Arletta D. Holmes, City Clerk**