

**MINUTES
NEW COUNCIL CHAMBERS IN THE CIVIC COMPLEX
401 WEST WASHINGTON STREET, EAST PEORIA, ILLINOIS**

AUGUST 7, 2023

The SPECIAL Meeting of the City Council of the City of East Peoria, Illinois was called to order by his Honor Mayor John P. Kahl presiding at 5:00 P.M. with proper notice having been given. The City Clerk certifies that notice of the meeting was duly served upon Council Members via email on Friday, August 4, 2023, at approximately 5:25 p.m.

Upon the roll being called the following answered present: Mayor John P. Kahl, Commissioner Daniel S. Decker, Commissioner Mark E. Hill, Commissioner Seth D. Mingus, and Commissioner Michael L. Sutherland.

Absent: None.

The invocation was given by Commissioner Hill.

Mayor Kahl led the Council and the audience in the pledge of allegiance to the flag.

Mayor Kahl stated if there was anyone in the audience who wanted to speak on any items on the agenda to come to the podium and state the matter or matters to be discussed. There was no response.

Resolution No. 2324-056 by Commissioner Hill, seconded by Commissioner Decker; BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EAST PEORIA, ILLINOIS that Resolution No. 2324-056, hereto attached, a Resolution to Approve Revised Second Amendment to Development Agreement with Flaherty & Collins, Inc. for Downtown Mixed-Use Project, be approved. Mr. Mayor, I move you that this Resolution No. 2324-056 be accepted on its first reading as read by its title, and be laid on the table for no less than one week for public inspection.

Commissioner Hill commented on the development agreement with Flaherty and Collins. It is for a proposed project consisting of 219 market rate units and 10,000 square feet of retail space on the bottom. Due to the pandemic and supply chain issues and costs, the project has been delayed and there was a second amendment to the agreement. The revised second amendment changes the project going back and restructures the development incentive. It is a \$16,000,000 loan with the principal and interest being paid through the increment generated through the property tax. Commissioner Hill explained that the agreement is a good thing for the City and the developer. When the pandemic hit, the City was not in a position to offer a loan. This will further development in and around the area. Director of Planning and Community Development, Ty Livingston, explained that the process was begun in 2018. After evaluating all the options, this option presents the greatest opportunity to benefit the investment that is already in the Levee District. This a loan that is getting repaid through this project. It is the best approach to maximize future development in the area. Director of Finance, Jeff Becker explained that the loan is for \$16,000,000 and the interest is 5%.

Commissioner Decker commented on those individuals living in a unit like this, it is a great place. There is an ease of getting to places in the area. It is going to be a great project. Commissioner Mingus explained that it will be a great development.

Commissioner Sutherland explained that he is one person that does not want to pay a person to come in for a development. He explained that this is a loan. The City will make just short of \$12,500,000 in interest over twenty-five years. With the apartments going up, there will be property taxes with the development.

Mayor Kahl explained that the City put out a Request for Proposal for the City parcels, and there were a number of responses with Flaherty and Collin's proposal standing out. They are a first-class developer that own their properties. This proposal far exceeded the City's expectations at the time. The second reading will be at the August 15, 2023 City Council meeting. The groundbreaking is estimated to be toward the end of August.

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Yeas: Commissioners Decker, Hill, Mingus, Sutherland, and Mayor Kahl.

Nays: None.

Mayor Kahl declared the motion carried.

Mayor Kahl stated if there was anyone in the audience who wanted to speak on any items not on the agenda to come to the podium state the matter or matters to be discussed. There was no response.

Mayor Kahl then asked for comments from Council.

Commissioner Decker commented on the increased sales tax for people living in the area will be notable. If you own a business in the area, this development will benefit the businesses.

Commissioner Hill explained that there are only three farmer's markets left for the season.

Motion by Commissioner Sutherland, seconded by Commissioner Mingus; Mr. Mayor, I move you that we adjourn until Tuesday evening, August 15, 2023 at 6:00 P.M.

Yeas: Commissioners Decker, Hill, Mingus, Sutherland, and Mayor Kahl.

Nays: None

Mayor Kahl declared the motion carried and the meeting adjourned at 5:12 P.M.

/s/ Morgan R. Cadwalader
City Clerk Morgan R. Cadwalader