

**TIF Meeting  
Harrisburg City Council  
Council Room, City Hall  
110 E. Locust Street  
Harrisburg, Illinois 62946  
August 06, 2019  
4:00 p.m.**

Mayor John McPeek called the August 06, 2019 TIF meeting to order. Mayor John McPeek presided over the meeting with Commissioners Raymond Gunning, Rupert Johnson and Ron Morse answering roll call. Commissioner Roger Angelly was absent.

Commissioner Rupert Johnson gave an update on the Ameren Street Light Project. He stated about 150 lights have been designated for the replacement with new LED lights. There are some lights that cannot be changed because they are owned by IDOT. The lights in the TIF area and Veterans Drive will be changed. We cannot change the lights in the Movie Theater area as we do not own that property. Commissioner Raymond Gunning asked if we could paint the poles in front of the Point Blank. They are currently blue and the paint is chipping off. Robert Wilson said if those pole are aluminum, they will just continue to peel even if they are repainted. Mayor John McPeek said we would look into putting new decorative lights in the uptown area using TIF money.

Mayor John McPeek made the motion to appoint Ron Morse, Terri Jenkins, Kolby Smithpeters, David Cox and himself to the TIF Committee. Seconded by Commissioner Raymond Gunning. A roll call vote was taken with all present voting yes. Motion carried.

Keith Moran began by discussing the Business District Program. This is an economic tool to generate funds and does not have anything to do with property taxes. It will allow non home-ruled communities to raise the sales tax by up to 1% to fund improvements. This will establish a business district. This program imposes an additional sales tax or hotel tax, designed to fund the development or redevelopment of certain designated blighted areas within a municipality. This is generally done to assist in improvements of public infrastructure necessary for commercial development projects. The money generated in that particular area must be spent in that area.

The area must be blighted and findings must be made similar to a TIF District to support blight analysis. The Business District generally works well along interstate highways and downtown areas. The focus should be on areas where the main shopper/tourist come from areas outside of the community or areas where deterioration in a formerly vibrant retail area and has kept the area from growing. This will double what the City will receive from the sales tax increase of 1%. There will be a separate fund for a Business District. The maximum increase is 1%, but you can do ¼ increments getting up to the 1% increase. Keith Moran said we need to stay in comparison to our neighboring towns.

We need to take our time to develop the Business District. There are several steps in getting this set up and we need to make sure it is done properly in order to implement the Business District. The suggestion is to get this accomplished by April 01, 2020 which is the next realistic deadline. Robert Wilson said the citizens will have input into this program. The citizens are not pleased with taxes and this will generate a lot of debate and discuss. It would be a great economic development tool. The Business District does not hit anything licensed to the State of Illinois, prescription drug related or medical related. It does not impact grocery related. This will help those on a fixed income. Robert Wilson said we need to consider how this will affect Wal-Mart as we do not want Wal-Mart leaving Harrisburg.

Keith Moran listed the Business District Eligible Cost. This will allow us to buy property, demolish property and utility cost. The regular TIF will not allow us to build a new structure. A Business District is done in house. There will Public Hearings to establish a Business District. The blight standard is not hard to meet in a Business District. He presented an exhibit showing how a Business District could benefit the City of Harrisburg. Commissioner Ron Morse suggested our sales tax go no higher than 8.75%. Mayor John McPeek suggested annexing in Muddy and Pankeyville. Keith Moran said most business do not mind the increase of sales tax because the money is going back into the Business District. They are generally in favor of improving their area.

Keith Moran said there has been the occasion where a Business District has been created in a residential area. Robert Wilson said the City of Harrisburg has plenty of fast food and retail except a car dealership. He encourages looking for a manufacturing business. A Business District will entice a manufacturing business. We have several locations within the City of Harrisburg that would be great for a service or manufacturing business because it already has water, sewer, sidewalks, and it's already curbside. We have grown outward, but we need improvements within the heart of the City. The map should be drawn to include inside the City of Harrisburg.

Mayor John McPeek asked about the determination of the flood plain and if we must disclose this information. Robert Wilson said the lending group can figure it out by doing a longitude and latitude and determine the flood plain, but explain our levy situation. They City of Harrisburg adopted the FEMA rules in order to allow people/business to obtain insurance. The FEMA rule states if a business floods twice, the business must move outside of the flood plain.

Keith Moran gave an overview on the Façade Improvement Program. This program is to preserve historic facades and to improve the façade quality. This is specifically designated for downtown with a \$2,500.00 matching program. There is an application/agreement which needs to be completed by the business. There are several renovations that it will cover. This program will encourage the business to maintain their business look. The hope is that it will encourage surrounding businesses to also improve/update their look. Several businesses have taken advantage of the Façade Program. We can change how much we allocate into this program. Mayor John McPeek suggest we allocate \$25,000 for this program. Typically a business can only utilize this program every other year rather than every year, but this can be at our discretion. Keith Moran suggest we do not allow tax exempt facilities unless they are tourism based to

utilize this program. We will get back to Keith Moran with the terms of the Façade Improvement Program.

Keith Moran talked about our current TIF Projects which we currently have obligations with. Mayor McPeck said the proposed hotel in the Veterans TIF area is currently at a stand still. He would like to see a great name brand hotel in the Veterans TIF area. Mayor John McPeck would like to get aggressive with the shopping center at the Movie Theater and Rural King. The current owner would like us to give him money; however, we cannot. We can pressure him to clean the location. Keith Moran suggest offering money for certain appropriate things such as for the parking lot if he agrees to work with the City in getting businesses to move into the center. There is a lot of potential with this particular shopping center. We need to start talking to developers. The City could possibly purchase this property and lease out the spaces. This would need further discussion. If the property was given to the City, there is major improvements that will need to be done just to get it ready for rentable space. TIF is designed to help rectify these issues. Commissioner Ron Morse is in favor to help keep the Movie Theater and Rural King; however, he is not in favor of helping the owner of the property. He suggest we have our Code Enforcer work on this property in getting cleaned up or begin fining the property owner. This will result in placing a lien against the property.

Commissioner Raymond Gunning said we need to consider addressing the pumping level. If we could lower the level of pump to 3-4 foot instead of 6 foot water level, it will help with the flooding issues. Keith Moran said this would be considered a public improvement.

Robert Wilson asked for consideration when drawing the TIF map. There could be long term implications which will help determine where we can build for the future. David Cox asked if there was a location for a new business name WPS could use in order to bring roughly 100 jobs to our city. This call center business is looking to buy a building in Harrisburg. Commissioner Raymond Gunning said the White Oak Banquet Center is for sale which could be a great place for a new business; however, there is not much parking in that area.

Keith Moran stated we need to start organizing and identify properties within the City for potential investors. This will help market Harrisburg to the outside world. We need to get things on the website to promote TIF. Keith Moran will bring material to present showing how this has helped other cities.

Keith Moran gave an overview for the Opportunity Zone. He said this is a Federal Government program. This is the latest program being offered. This is a Tax Cut and Jobs Act to encourage investment in low-income urban and rural communities. It starts with a census tract which the City of Harrisburg already has, and it provides tax incentives for investing capital gains. The census is being tracked for higher poverty levels. The money goes into certain projects within the census tract. Keith Moran would like to get with lenders to see how this program will help Harrisburg. This will defer tax and helps pay down debt. This is driven through accountants and lenders. There is complexity and value in the program. This program is only going through 2026. This is investing in poverty areas and is census tract based. Robert Wilson said no one knows

how to draft these documents for this program and Keith Moran agreed. This is from the National Development Council Economic Specialist. Robert Wilson suggest we do not count on this program for our area.

Keith Moran said he has been hired by the Saline County Industrial Company. The Enterprise Zone for Saline County is expiring. They are reapplying and putting the Enterprise Zone in effect for 25 years. He asked for help from the City of Harrisburg and their support. This allows a sales tax exemption on building material. This is a powerful economic tool. The bulk of the City is in the Enterprise Zone. There is also utility tax extensions and tax credits for larger companies in the Enterprise Zone. This has been successful for the City of Harrisburg. An ordinance will need to be passed.

Robert Wilson suggested large maps be place on the walls of the Council Room. This will be a great tool for the citizens and will help them understand what is being discussed. This is an opportunity to redraw the map on the Enterprise Zone. Keith Moran said it was the time to redraw the map. Robert Wilson said we need to redraw the map to include areas within the City of Harrisburg which will help improve different areas of town. There are places out of the flood plain which are blighted that could be used for development.

Mayor John McPeek made the motion to adjourn. Seconded by Commissioner Ron Morse. A roll call vote was taken with all present voting yes. Motion carried.

Adjourn: 5:24 p.m.