

**: OFFICIAL PROCEEDINGS :****: OF THE CITY OF PEORIA, ILLINOIS :**

Council Chambers, Peoria, Illinois, June 25, 2001, a Special Meeting of the City Council was held this date at 5:40 P.M., at City Hall, 419 Fulton Street, Mayor David P. Ransburg presiding.

**ROLL CALL**

Roll call showed the following Council Members present: Ardis (arrived at 5:47 p.m.), Gulley, Morris, Nichting, Sandberg, Teplitz, Thetford, Turner, Mayor Ransburg – 9; Absent: Grayeb, Spears – 2.

**INVOCATION & PLEDGE OF ALLEGIANCE**

Mayor Ransburg requested a moment of silent prayer, and then led the Pledge of Allegiance.

**EXECUTIVE SESSION**

**(01-421) Consideration of a Motion for the City Council to go into EXECUTIVE SESSION to Discuss 2(c)(5), The purchase or lease of real property for the use of the public body, and 2(c)(11) Litigation, when an action against, affecting, or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that such an action is probable or imminent.**

Council Member Turner moved to go into Executive Session to Discuss 2(c)(5), The purchase or lease of real property for the use of the public body, and 2(c)(11) Litigation, when an action against, affecting, or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that such an action is probable or imminent, and to return to the Council Chambers; seconded by Council Member Morris.

Approved by roll call vote.

Yeas: Gulley, Morris, Nichting, Sandberg, Teplitz, Thetford, Turner, Mayor Ransburg – 8;

Nays: None.

The City Council moved to Room 404 in City Hall at 5:42 p.m.

**RECONVENING OF THE CITY COUNCIL**

City Clerk Mary Haynes noted the following Council Members present: Ardis, Gulley, Morris, Sandberg, Teplitz, Thetford, Turner, Mayor Ransburg – 8; Absent – Grayeb, Nichting, Spears – 3.

The City Council reconvened at 7:07 p.m.

**PETITIONS, REMONSTRANCES & COMMUNICATIONS**

**(01-422) CONSIDERATION OF SECOND AMENDMENT TO CITY OF PEORIA/DOWNTOWN STADIUM REDEVELOPMENT AGREEMENT.**

Council Member Gulley moved to approve and authorize the City Manager to execute the second amendment with the revised Schedule 3C in Paragraph 8 to eliminate item number (ii), “change orders resulting from field conditions affecting the physical construction of the Project, shall solely and only be responsible to pay for any such increased costs” under the Bourazak Environmental Remediation and in Paragraph 6 to eliminate item number (ii), “change orders resulting from field conditions affecting the physical construction of the Project, shall solely and only be responsible to pay for any such increased

costs.” under the Remainder Site Environmental Remediation, with the stipulation there be a simultaneous closing; seconded by Council Member Morris.

Council Member Sandberg expressed concern under Section 3-C, regarding the Remainder Site Environmental Remediation concerns under Paragraph 4, there was the implication there could be additional monies required by the City of Peoria in the amount of \$12,000 to \$15,000 for transportation costs and as much as \$40,000 to \$50,000 in non-tipping fees to place the soil at the City's landfill. He questioned whether the impact of Paragraph 4 would mean the City would have to expend anywhere from \$50,000 to \$65,000 and if so, whether this money was currently in the budget.

Director of Economic Development David Dobson said this segment of cost was not originally accounted for in the budget, but that he could not indicate to whether the City was over budget at the present time.

Council Member Sandberg stated that when additional funds were needed recently for this project, it was indicated that the first amendment provided that the City would build a drop-off roadway around the northerly end of Born Paint Project. He said he had inquired if those funds were within the budget and was informed there might be some monies saved in the Jefferson Street realignment to cover these costs. He inquired if the \$50,000 to \$65,000 could be identified without a budget amendment.

Director Dobson stated the thoroughfare to be constructed at the north end of the site would be funded from Motor Fuel Tax funds and not the General Fund.

Council Member Sandberg questioned where the City would get the additional \$50,000 to \$65,000.

Director Dobson stated there were ongoing discussions with the environmental firm involved in the project and also with Caterpillar regarding the costs.

In discussion with Council Member Sandberg and Director Dobson, it was determined that based on the most recent information made available to Staff, there would be continued discussions with Caterpillar and the environmental firm regarding the dollar amount to be reimbursed to the City.

Council Member Sandberg inquired why this action would not require a super majority vote recognizing the budget amendment implications. He further questioned why the budget was increased earlier by \$500,000 if the City had excess money to absorb \$50,000 to \$65,000. He expressed concern that if Council approved this by simple majority tonight, the City could enter into a second amendment to a redevelopment agreement less than six weeks old and then be faced with a budget amendment in future weeks that would require a super majority.

Director Dobson stated the presently approved agreement required the City to remediate these issues and that the City was already obligated for those costs whether funds were budgeted or not.

In discussion with Council Member Sandberg, Director Dobson said Staff had provided to Council the best information they had available regarding certain scenarios, but that this was one of those changes that often occurred in development deals. It was further determined that the environmental conditions on the Brass Foundry site had not changed, but that Caterpillar had made available certain environmental information.

Council Member Morris stated it was the goal of the Council to encourage redevelopment efforts in the downtown and surrounding area.

Council Member Ardis questioned what the City's liability would be if a future budget amendment was brought forth that required a super majority and was defeated.

Corporation Counsel Randy Ray said Council could enter the issue into the next budget cycle instead of as an amendment. He said the environmental liabilities relating to this issue were already present and were not created by this second amendment.

Council Member Sandberg said Council assumed the liability for the cleaning of the proposed site based on there not being an issue on the remainder of the site and this was different information. He said the other component to this amendment would be the use of G.O. Bonding and sharing the interest savings with the ball club instead of the City capturing and utilizing those entire savings. He said the City had additional exposure if the revenue real estate taxes did not provide the debt service and to deem this area a special service district would require the taxpayers of the City to pay for it.

Council Member Morris questioned if the City would have more exposure with the G.O. Bond versus the exposure that could result from the ball club being unable to get financing versus the exposure that could result if the City went back to Court and the project became null. He added the risks regarding the financing of the private club, returning to court with the Bourazaks and losing the entire TIF, would be definite downside exposure.

Council Member Ardis stated if the Stadium Project was voted down, the City would have a fully developable site for a project with a faster return to the City and less exposure.

Motion to approve and authorize the City Manager to execute the second amendment with the revised Schedule 3C in Paragraph 8 to eliminate item number (ii), "change orders resulting from field conditions affecting the physical construction of the Project, shall solely and only be responsible to pay for any such increased costs" under the Bourazak Environmental Remediation and in Paragraph 6 to eliminate item number (ii), "change orders resulting from field conditions affecting the physical construction of the Project, shall solely and only be responsible to pay for any such increased costs." under the Remainder Site Environmental Remediation, with the stipulation there be a simultaneous closing, was approved by roll call vote.

Yeas: Gulley, Morris, Teplitz, Thetford, Turner, Mayor Ransburg – 6;

Nays: Ardis, Sandberg – 2.

**(01-423) CONSIDERATION OF A PROPOSED CONTRACT FOR SERVICES WITH ELM CONSULTING.**

Council Member Gulley moved to approve consideration of a proposed contract for services with ELM Consulting, with the stipulation there be a simultaneous closing; seconded by Council Member Turner.

City Manager Michael McKnight said, on behalf of Staff, this whole deal had been very complicated. He said he believed the best information available to Staff at that time was conveyed to Council. He acknowledged there might be questions regarding whether some information had been disclosed properly, as in the case of Caterpillar's willingness to give the City land to enhance this deal. He said regarding this project, the City had remediation at a cost of \$2 million and the land Caterpillar was willing to convey would have been at no cost to the City. He said the City was trying to move this deal forward to the best of their ability and provide the site, which was the City's main interest.

In discussion with Attorney Jack Teplitz, Council Member Sandberg determined the chief executive officer and principal consultant for ELM Consulting was Mr. Lee Graves.

Motion to approve consideration of a proposed contract for services with ELM Consulting, with the stipulation there be a simultaneous closing was approved by roll call vote.

Yeas: Ardis, Gulley, Morris, Sandberg, Teplitz, Thetford, Turner, Mayor Ransburg – 8;

Nays: None.

**ADJOURNMENT**

Council Member Morris moved to adjourn the City Council Meeting; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Gulley, Morris, Sandberg, Teplitz, Thetford, Turner, Mayor Ransburg – 8;

Nays: None.

The meeting adjourned at 7:32 P.M.

---

Mary L. Haynes, MMC  
City Clerk  
City of Peoria, Illinois

/js