

ITEM NO. _____

**CITY COUNCIL OF PEORIA, ILLINOIS, IN COUNCIL,
ASSEMBLED YOUR COMMITTEE OF THE WHOLE to Whom
was Referred a POLICY/WORKSHOP SESSION Regarding
ALTERNATIVE and ECONOMIC IMPACT of the CITY OF
PEORIA GROWTH MANAGEMENT STRATEGY (GROWTH
CELLS) and SIDEWALK POLICY SESSION.**

A Policy/Workshop Session was held on Tuesday, August 24, 2004, in the Council Chambers, Room 400, City Hall, 419 Fulton Street, Peoria, Illinois at 6:18 P.M., with Mayor David Ransburg presiding.

ROLL CALL

Roll Call showed the following Council Members Present: Ardis (arrived at 6:20 P.M.), Grayeb, Morris, Nichting, Spears (arrived at 6:20 P.M.), Teplitz, Thetford, Turner, Mayor Ransburg – 9; Absent: Gulley, Sandberg - 2.

Others present: City Manager Randy Oliver, Corporation Counsel Randy Ray, Planning & Growth Management Director Pat Landes, Planning & Growth Management Senior Planner Jim Martin, Public Works Director Steve Van Winkle, City Engineer Gene Hewitt, Public Works Staff Members, Program & Budget Administrator Julie Dewey, Permit Engineer Ken Andrejasich, Engineering Program Administrator Jim Culshaw, Engineering Program Administrator Dennis Bruns, Finance Director Jim Scroggins, City Clerk Mary Haynes, Nancy Schmitt from the City Clerk's Office, interested citizens and members of the media.

**PRESENTATION by the PLANNING & GROWTH MANAGEMENT DEPARTMENT Regarding
ALTERNATIVE and ECONOMIC IMPACT of the CITY OF PEORIA GROWTH
MANAGEMENT STRATEGY (GROWTH CELLS)**

The Economic Analysis of the City of Peoria's Growth Management Strategy Report was submitted by Dr. Robert Scott, Professor and Chairperson of Economics and Dr. Kevin O'Brien, Associate Professor of Economics from Bradley University, and was included with the Council packet and is on file in the City Clerk's office.

Planning and Growth Management Director Pat Landes explained that the Growth Cell Strategy would help the Cities growth sustain ability and competitiveness in a regional and national market. She stated this planning process was designed by the Staff with the Public Works Department, Planning Department and the Staff of the Greater Peoria Sanitary District. She introduced Senior Planner Jim Martin who gave the background of the Growth Management Plan.

Senior Planner Jim Martin explained that the Intergovernmental Partnership was between the City of Peoria, Greater Peoria Sanitary District, Peoria County, Medina Township and Dunlap Fire District. He gave a brief overview of the issues from 1994, and the effects of the declining population. He explained the growth management strategy was to attract growth, retain population and tax base and reduce urban sprawl and loss of farmland. Mr. Martin said that the boundaries in Growth Cells 1, 2 and 3 were growing.

Director Pat Landes introduced Dr. Robert Scott, Professor and Chairperson of Economics at Bradley University and Dr. Kevin O'Brien, Associate Professor of Economics at Bradley University, who presented the Economic Analysis of the City of Peoria's Growth Management Strategy.

Dr. Robert Scott presented a power point (distributed and on file in the City Clerk's Office) regarding the current strategy and the analysis used to arrive at the stated conclusions. Some of his points included the investments known as the "Growth Management Strategy" which, he said would be self-supporting. He said in 2004, the City should realize a \$711,000 surplus and a \$2.5 million surplus by 2014. He explained there was a \$10.5 million debt in 2004, but there would be no debt in 2015, and the surplus would increase dramatically.

Dr. Scott remarked that the Growth Cells made Peoria a growing City and he gave an overview of the City's population with and without the Growth Cells. He said that by 2020, the population would likely increase to 118,265. He stated that we were a City and a region of opportunity, but we needed to increase the population at a faster pace. Dr. Scott explained that in their analysis, they included reasonable capital costs, such as Police and Fire, but did not include other capital expenditures.

Dr. Kevin O'Brien gave an explanation of the revenue types and sources used for their analysis, such as real estate transfer tax, building permit fees, grants, utility taxes, sewer connection fees, sales and property taxes, and other miscellaneous fees.

Dr. Scott continued by saying the cost per person was lower in growing cities and higher in declining cities. He advocated marketing the area as a region and utilizing a variety of measures to retain high quality students in the area and to attract others to come. He remarked that Peoria had a great quality of life, affordable housing, short commutes, and a variety of amenities that should be marketed. He said workers of today were mobile and we needed to keep that in mind.

Council Member Turner questioned if the Growth Cells were once again making the City a growing City, and he inquired if Dr. Scott had any suggestions about how to enhance marketing growth to generate the projected \$9.8 million in revenue by 2014. Dr. Scott said the City needed to market itself as a region by letting people know Peoria had opportunities, which would enhance growth.

Council Member Spears inquired if costs for roads, wear and tear on snowplows, police and fire vehicles were included in the study. Dr. Kevin O'Brien explained the operating capital expenses by the City, which included wear and tear on police and fire vehicles, was figured into the on-going cost on a yearly basis. He said they separated the capital investments, such as, sewers, roads, etc., so both kinds of capital or infrastructure capital were built into the analysis.

Council Member Teplitz questioned if the fiscal surplus would be available to the City of Peoria or would the surplus benefit the Park District and Dunlap Schools. Dr. Scott stated the surplus listed was the surplus for the City of Peoria, and he said the surplus for the others would be much larger because they did not have to make the capital expenditures that the City had to make.

Council Member Teplitz also inquired what part of the cost of Debt Service, had fallen on the City in order to achieve growth in the growth cells. Dr. Scott said this was based on revenues being received for the entire City and the cost incurred by the entire City, but with the differential between the growing and the traditional part of the City.

Council Member Morris questioned what assumption had been made regarding the population of the current non-growth cells area, such as in Districts 1, 2, 3 and 4. Dr. Scott stated they took the trend, which was about a 2 ½ % decline in population.

Council Member Nichting's inquired who paid the per capita cost. Dr. Scott said the City was responsible and he said the costs were higher when there was a declining City and lower with a growing City.

Council Member Nichting also inquired about jobs and what employment meant to the Tri-County Area. Dr. Scott stated there were fewer people for each job, and it was becoming more difficult to place people in jobs. He said there were better and higher paying jobs. He said Peoria was a City of opportunity and well paying jobs were being generated faster than the growing population allowed.

Council Member Nichting asked what kind of policy should the Council consider in attracting, retaining and expanding that type of workforce that would allow this kind of development to continue. Dr. O'Brien stated policies were needed to increase with educational opportunities, job opportunities, recreational activities, such as bike paths, running paths, cultural activities, items of interest to young adults that would depict a high quality of life in Peoria.

Council Member Grayeb questioned the projections of Year 2015, and what types of things might happen in this City to change the projection and the positive direction of that and what might throw the numbers off. Dr. Scott said the major driver of this was growth, so the question would be what could stop growth. He said it could be a major shift in industry and the City needed to ensure the right kind of industries so jobs would continue to be generated. He said this would be an investment for the future.

Council Member Turner asked if the City needed to provide incentives in order to attract and create commercial and industrial jobs, or was that a cost the City did not need? He questioned whether the growth cell strategy, as developed, would take care of that need. Dr. Scott stated it was a delicate balancing act. He said the City must provide opportunities and let the market guide the City to the right places, and the City needed to create environments that would be conducive to business.

Council Member Ardis stated that the growth cell strategies worked and suggested looking at a growth strategy verses a re-growth strategy to encourage re-growth in the older neighborhoods. He also agreed that the marketing aspect was very important.

Council Member Spears gave the history of the growth cell strategy and stated he was on the Council at the time. He explained that in 1991-1992 former Council Member Lester Bergsten and that Council, along with Mayor James Maloof, wanted to purchase the Water Company, to grow the City. Council Member Spears explained, he had questioned why the City would need the Water Company to do this; and he made a statement that the City could expand the sewer lines and put more houses on smaller lots so that development would come quicker. Council Member Spears commended Mayor Ransburg for coming up with the new taxes when he came on the Council, so that the City could build the infrastructure for the new area.

Mayor David Ransburg suggested the Council request a report back to formalize a plan for options to finish Growth Cell 1, bringing the Economic Development Department, the EDC, perhaps Council Member Nichting and the two professors; further clarify plans for Growth Cell 2, which was designed to be more industrial, than housing; a comprehensive strategy for Growth Cell 3, which was ripe for development. He questioned what could be done to encourage investment in the older parts of the City, in addition to the Medical and Technology (MedTech) District and Heart of Peoria Plan. He said he thought some policy decisions should come as a result of this discussion.

City Manager Randy Oliver stated some reports would be coming back regarding the MedTech District and Heart of Peoria Plan, which would encompass some ideas, which could be used in other parts of the City. He said he could bring back a Plan for Growth Cells 2 and 3, but that would take some reprioritizing because that was not on the priority list.

Council Member Nichting reminded the Council that some plans were in the works, such as the Buffering Ordinance and Storm Water Management, which was part of the growth plans that the staff was working on. He reminded the Council that a property owner in Growth Cell 2 had put in roads and infrastructure and paid for them at no taxpayer expense. He said the City did provide the trunkline for the sewer. He said that marketing had to be done in connection with the property owners, who were already working on some marketing strategies for the area, and dialogue should be held with them. He said it was important that the Council discuss how the City could facilitate and speed up those growth transitions.

Council Member Nichting moved to direct Staff to bring back a plan for options to finish Growth Cell 1, (bringing in the Economic Development Department, the EDC, perhaps Council Member Nichting and the two professors); further clarify and develop a Plan for Growth Cell 2, which was designed to be more industrial, than housing; develop a comprehensive strategy for Growth Cell 3, which was ripe for development; develop ideas to encourage investment in the older parts of the City, in addition to the MedTech District and Heart of Peoria Plan; and have dialogue with developers in the area regarding how the City could facilitate and assist in their marketing areas and speed up those growth transitions; seconded by Council Member Turner.

Council Member Ardis reminded the Council of several Policy Sessions that were scheduled and the Budgeting Workshops, and he said he didn't know how all this information could be compiled and brought back in such a short time. He said he favored additional budget hearings.

Council Member Thetford expressed her concern for the timing of these added Policy Sessions. She said she would support the development of a more specific plan for Growth Cells 2 and 3, but didn't want it to be a rushed process.

Motion to direct Staff to bring back a plan for options to finish Growth Cell 1, (bringing in the Economic Development Department, the EDC, perhaps Council Member Nichting and the two professors); further clarify and develop a Plan for Growth Cell 2, which was designed to be more industrial, than housing; develop a comprehensive strategy for Growth Cell 3, which was ripe for development; develop ideas to encourage investment in the older parts of the City, in addition to the MedTech District and Heart of Peoria Plan; and have dialogue with developers in the area regarding how the City can facilitate and assist in their marketing areas and speed up those growth transitions, was approved by roll call vote:

Yeas: Ardis, Grayeb, Morris, Nichting, Spears, Teplitz, Thetford, Turner, Mayor
Ransburg – 9;

Nays: None.

PRESENTATION by PUBLIC WORKS DEPARTMENT – SIDEWALK POLICY SESSION

Council Member Spears expressed concern that the distributed material did not fully express his concerns and he moved that the Sidewalk Policy Session be tabled; seconded by Council Member Teplitz.

Council Member Spears stated he requested specific policy changes be brought for discussion to make the Program better for the citizens. He requested at least three issues be addressed; 1) how much money could be taken out of MFT Funds for sidewalks; 2) another issue to address was when someone sells a home, the seller must pay off the sidewalk expenses, and he stated discussions should be held regarding these potential changes; and 3) issues on how many more sidewalks could be completed for less money if changes were made to existing policies. He requested each Council Member have the current sidewalk policies to work from and that the Administration provide options on ways to change some policies, to include how any proposed changes could result in more sidewalk installations.

Motion to Table the Sidewalk Policy Session was approved by roll call vote.

Yeas: Ardis, Grayeb, Morris, Nichting, Spears, Teplitz, Thetford, Turner, Mayor
Ransburg – 9;

Nays: None.

ADJOURNMENT

Council Member Turner moved to adjourn the Policy/Workshop Session; seconded by Council Member Morris.

Approved by viva voce vote.

The Policy/Workshop session adjourned at 8:30 P.M.

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

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