

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

Council Chambers, Peoria, Illinois, October 19, 2004, a Regular Meeting of the City Council of the City of Peoria was held this date at 6:19 P.M., at City Hall, Council Chambers, 419 Fulton Street, Mayor David P. Ransburg presiding.

ROLL CALL

Roll call showed the following Council Members present: Ardis, Grayeb, Gulley (arrived at 6:22 P.M.), Morris, Nichting, Sandberg, Spears (arrived at 6:22 P.M.), Teplitz, Thetford, Turner, Mayor Ransburg – 11; Absent: None.

INVOCATION & PLEDGE OF ALLEGIANCE

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

PROCLAMATIONS, COMMENDATIONS, ETC.

PROCLAMATION: RICHARD DRIEHAUS AWARD: LESLIE H. KENYON

PROCLAMATION: CHILDHOOD LEAD POISONING PREVENTION WEEK –
OCTOBER 24 – 30, 2004

MINUTES

Council Member Nichting moved to approve the minutes of the Regular City Council Meetings held on October 5 and 12, 2004, the Public Forum Meetings regarding the Civic Center held on October 7 and 8, 2004, and the Executive Sessions held on October 12, 2004, as printed; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford,
Turner, Mayor Ransburg – 11;

Nays: None.

PETITIONS, REMONSTRANCES & COMMUNICATIONS

CONSIDERATION OF CONSENT AGENDA ITEMS BY OMNIBUS VOTE, for the City of Peoria, with Recommendations as Outlined:

**(04-544) Communication from the City Manager and Director of Planning and
* Growth Management with Recommendation from the Heart of Peoria
 Commission to Support the EXPANSION and REINVESTMENT in the CIVIC
 CENTER and to Encourage Continued Interaction with the Heart of Peoria
 Commission and Inclusion of Architectural Elements which Support and
 Complement the Principals of New Urbanism.**

- (04-545) Communication from the City Manager and Finance Director/Comptroller with Recommendation to Adopt ORDINANCE NO. 15,690 Expressing OFFICIAL INTENT Regarding CERTAIN CAPITAL EXPENDITURES to be REIMBURSED from PROCEEDS of an OBLIGATION. (Peoria Civic Center Expansion)
- (04-546) Communication from the City Manager and Finance Director/Comptroller with Recommendation to Adopt ORDINANCE NO. 15,691 Amending the BUDGET for Fiscal Year 2004 of the City of Peoria Relating to the KELLER BRANCH PEORIA PARK DISTRICT DONATION in the Amount of \$175,000, USE OF UNANTICIPATED LOAN REPAYMENTS in the Amount of \$175,000, and STATE FARM FIRE PREVENTION DONATION in the Amount of \$5,000.
- (04-547) Communication from the City Manager and Director of Planning and Growth Management with Recommendation to Adopt ORDINANCE NO. 15,692 Amending the Existing Special Use Ordinance No. 15,495 in a Class R-2 (Single-Family Residential) District for a CHURCH and CHURCH FACILITIES for the Property Located at 3014 W. RICHWOODS BOULEVARD, with Conditions.
- (04-548) Communication from the City Manager and Director of Planning and Growth Management with Recommendation to Adopt an ORDINANCE NO. 15,693 Amending the Existing Special Use Ordinance No. 11,740 in a Class C-2 (Large Scale Commercial) District for a SHOPPING CENTER to Include a New Commercial RETAIL STORE for the Property Located at 3311 N. STERLING AVENUE, with Conditions.
- (04-549)
** Communication from the City Manager and Director of Planning and Growth Management with Recommendation to Adopt an ORDINANCE Rezoning 28.534 Acres of Property Located at the Northeast Corner of WILLOW KNOLLS ROAD and ALLEN ROAD INTERSECTION from the Present Class O-2 (Exclusive Office Park) District to a Class C-2 (Large Scale Commercial) District.
- (04-550) ADOPTION of COMMITTEE REPORT Regarding AFFORDABLE HOUSING and CITY SUBSIDIES.

Council Member Nichting moved to approve the Consent Agenda items as outlined in the Council Communications; seconded by Council Member Turner.

Council Member Nichting requested that Item No. 04-549 be removed from the Consent Agenda for further discussion.

Council Member Thetford requested that Item No. 04-544 be removed from the Consent Agenda for further discussion.

Item Nos. 04-544 through 04-550 (excluding Item Nos. 04-544 and 04-549, which were removed from the Consent Agenda for further discussion) were approved by roll call vote under the Omnibus Vote Designation.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

**(04-544) Communication from the City Manager and Director of Planning and
* Growth Management with Recommendation from the Heart of Peoria
 Commission to Support the EXPANSION and REINVESTMENT in the CIVIC
 CENTER and to Encourage Continued Interaction with the Heart of Peoria
 Commission and Inclusion of Architectural Elements which Support and
 Complement the Principals of New Urbanism.**

Council Member Thetford requested information regarding what role the Heart of Peoria would be playing in the expansion of the Civic Center.

Director of Planning and Growth Management Pat Landes said the Heart of Peoria Commission held lengthy discussions on this topic. She stated the Commission had been charged by the Council to implement a plan for the Heart of Peoria area, and that plan included the Civic Center. She said the Design Committee was in the process of putting together framework for designs on downtown development. She said the Commission felt it was important to talk about the principles of new urbanism and about having a location downtown that would promote pedestrian traffic and encourage people to be downtown 24/7. She said the Commission felt it was their responsibility to weigh in on this project because it was a part of their plan. She said the Commission had heard a detailed proposal about the design concepts and they were in favor of the parking being located to the rear of the facility, and they liked that the multiple entry points into the Civic Center were pedestrian friendly. She added the Commission took their responsibility seriously and they did not feel it was appropriate for a project this significant to come before the Council and them not weigh in on it.

Council Member Thetford said she supported the Commission's motion that was made at their meeting to remain involved and work with the Civic Center Authority as the project unfolded. She said this was exactly what she felt the Heart of Peoria Commission should be doing.

Council Member Thetford moved to receive and file the communication from the City Manager and Director of Planning and Growth Management with recommendation from the Heart of Peoria Commission to support the expansion and reinvestment in the Civic Center and to encourage continued interaction with the Heart of Peoria Commission and inclusion of architectural elements which support and complement the principals of new urbanism; seconded by Council Member Morris.

In discussion with Council Member Morris, Director Landes said the Commission was generally pleased with the concepts they were provided. She said there was a very strong realization by the Commission that this region and the downtown area needed to remain competitive with the entire area. She said there were concerns that the City of Peoria would not remain competitive if the expansion was not done.

Council Member Morris said he would encourage dialogue between the Heart of Peoria Commission and the Civic Center Authority to continue.

In discussion with Council Member Sandberg regarding if there was any discussion about the conversion of one-way streets to two-way streets, Director Landes said the focus of the discussion was the Civic Center and the appearance and design. She stated there was no discussion on streets, but this was a topic that the Transportation Committee would be reviewing.

In discussion with Council Member Teplitz whether or not there would be subsequent opportunities for the Heart of Peoria Commission to review and to comment on the alternative designs that would be coming forward, Director Landes said there was no indication from the Civic Center or their representatives that they were not willing to continue working with them.

She said there was a Design Committee who was eager to work on this. She added they understood so far this was only a concept, but there was enough credibility with the concept for them to move forward with their favorable motion.

Council Member Ardis said he would encourage the continued dialogue between the two entities, but he did not support another level of bureaucracy or another entity that would need to approve the project that could cause further delays to the project.

Director Landes said the Commission was a dedicated group of people and they understood there were many projects which had already progressed and it was too late to enter at a specific point. She stated the Commission would do whatever the Council felt was appropriate.

Motion to receive and file the communication from the City Manager and Director of Planning and Growth Management with recommendation from the Heart of Peoria Commission to support the expansion and reinvestment in the Civic Center and to encourage continued interaction with the Heart of Peoria Commission and inclusion of architectural elements which support and complement the principals of new urbanism was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 11;

Nays: None.

Clerk's Note: The motion was only to receive and file and a motion was not made to concur with the recommendation from the Heart of Peoria Commission.

**(04-549) Communication from the City Manager and Director of Planning and
** Growth Management with Recommendation to Adopt an ORDINANCE
Rezoning 28.534 Acres of Property Located at the Northeast Corner of
WILLOW KNOLLS ROAD and ALLEN ROAD INTERSECTION from the
Present Class O-2 (Exclusive Office Park) District to a Class C-2 (Large
Scale Commercial) District.**

Council Member Nichting moved to adopt the Ordinance rezoning 28.534 acres of property located at the Northeast Corner of Willow Knolls Road and Allen Road Intersection from the present Class O-2 (Exclusive Office Park) District to a Class C-2 (Large Scale Commercial) District, but excluding Attachment A; seconded by Council Member Grayeb.

ORDINANCE NO. 15,694, excluding Attachment A, was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 11;

Nays: None.

**(04-551) Communication from the City Manager and Human Resources Director with
Recommendation to Authorize the City Manager to Enter into an
AGREEMENT with RESOURCE MANAGEMENT ASSOCIATES to Perform
the Administration of the Fire Captain Promotional Examination for the City
of Peoria, at a Cost Not to Exceed \$49,050.**

Council Member Turner moved to authorize the City Manager to enter into an agreement with Resource Management Associates to perform the administration of the Fire Captain Promotional Examination for the City of Peoria, at a cost not to exceed \$49,050.00; seconded by Council Member Sandberg.

In discussion with Council Member Gulley regarding a possible extension of the previous promotion list and how long the new promotion list would be in effect, City Manager Randy Oliver explained the new list would be in effect for two years from the date the list was adopted and could be extended for an additional year according to State law, with the approval of the bargaining unit and the City. He said it would take six months for the list to be compiled.

Council Member Gulley questioned if promotions would be made in the near future.

Fire Chief Roy Modglin said it was unknown at the present time. He said there were two extra Captains due to the closure of Station #11 last January. He added there were several Captains off on extended injury leave that may or may not be able to come back to work. He said it was difficult to determine if they would be doing any promotions in the next six months, which would depend on injuries and retirements. He added whenever the new list was developed, it would be back-dated to October, 2004, due to the bargaining contract with Local #50. He explained that October, 2004, was the date the City was to have had a valid Captain's list ready, but it was delayed due to the Fire Promotional Act, which was just passed this year and which caused some negotiations between the City and Local #50 regarding the testing process.

Motion to authorize the City Manager to enter into an agreement with Resource Management Associates to perform the administration of the Fire Captain Promotional Examination for the City of Peoria, at a cost not to exceed \$49,050.00, was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

(04-552) Communication from the City Manager and Human Resources Director with Recommendation to Approve a ONE-YEAR EXTENSION to the LABOR AGREEMENT Between the City of Peoria and the Peoria Police Benevolent Association from January 1, 2005 to December 31, 2005, as Outlined.

Council Member Teplitz moved to approve a one-year extension to the Labor Agreement between the City of Peoria and the Peoria Police Benevolent Association from January 1, 2005, to December 31, 2005, as outlined; seconded by Council Member Turner.

Council Member Grayeb said he viewed this as a much overdue step to move this City in the direction of labor peace and reconciliation. He said he felt this was a step in the right direction.

Approved by roll call vote.

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

Nays: Sandberg, Spears - 2.

(04-553) Communication from the City Manager and ESDA Director with Recommendation to Approve a RESOLUTION ADOPTING the NATURAL HAZARDS MITIGATION PLAN for the City of Peoria and Direct ESDA to begin the Implementation. (On File in the Office of the City Clerk)

Corporation Counsel Randy Ray distributed a copy of a Resolution adopting a Natural Hazards Mitigation Plan for the County of Peoria, County of Woodford, County of Tazewell, City of Peoria, and City of Pekin to all members of the Council.

Council Member Thetford moved to approve the Resolution adopting the Natural Hazards Mitigation Plan for the County of Peoria, County of Woodford, County of Tazewell, City of Peoria, and City of Pekin; seconded by Council Member Teplitz.

In discussion with Council Member Sandberg regarding who would pay for the consultant, Mr. Matt Wahl of the Peoria County Planning and Zoning Department stated that federal funds would be used.

Motion to approve RESOLUTION NO. 04-553 adopting the Natural Hazards Mitigation Plan for the County of Peoria, County of Woodford, County of Tazewell, City of Peoria, and City of Pekin was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 11;

Nays: None.

(04-554) Communication from the City Manager and Corporation Counsel with Recommendation to ADOPT an ORDINANCE Amending CHAPTER 20 of the Code of the City of Peoria Relating to NUISANCES Changing the Offenses Occurred within a 60-day Period to a 365-day Period.

Council Member Nichting moved to adopt the Ordinance amending Chapter 20 of the Code of the City of Peoria relating to nuisances changing the offenses occurred within a 60-day period to a 365-day period; seconded by Council Member Turner.

Council Member Grayeb said this Ordinance would apply to all properties and did not target rental properties. He said the proposed Ordinance would make it easier to shut down nuisance properties in the City.

In discussion with Council Member Sandberg, Corporation Counsel Randy Ray said this Ordinance was not intended to be used against victims of crimes. He said it was intended for those who committed crime or took some affirmative step or complete acquiescence to allow their property to be used for criminal purposes.

Motion to adopt ORDINANCE NO. 15,695 amending Chapter 20 of the Code of the City of Peoria relating to nuisances changing the offenses occurred within a 60-day period to a 365-day period, was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

(04-555) Communication from the City Manager and Director of Planning and Growth Management with Recommendation to ADOPT an ORDINANCE Granting a SPECIAL USE in a Class C-2 (Large Scale Commercial) District for a SHOPPING CENTER, a CAR WASH, and a SINGLE MONUMENT SIGN for the Property Located at the Southwest Corner of the HICKORY GROVE ROAD and KNOXVILLE AVENUE INTERSECTION, with Conditions.

Council Member Nichting moved to adopt the Ordinance granting a Special Use in a Class C-2 (Large Scale Commercial) District for a Shopping Center, a Car Wash, and a Single Monument Sign for the property located at the Southwest corner of the Hickory Grove Road and Knoxville Avenue Intersection, with conditions, and amending Condition #1 in the Ordinance deleting the Words, "That a 10 foot bike/walkway path adjacent to the eastern property line and a fee lieu for the bike/walk path required opposite the northern property line are provided as outlined in the Growth Cell One Bike/Walkway Trail Plan," and inserting the words, "The construction of a 10' bike/walkway path adjacent to the eastern property line" as Condition #1; seconded by Council Member Turner.

Motion to adopt the ORDINANCE NO. 15,696 granting a Special Use in a Class C-2 (Large Scale Commercial) District for a Shopping Center, a Car Wash, and a Single Monument Sign for the property located at the Southwest corner of the Hickory Grove Road and Knoxville Avenue Intersection, with conditions, and amending Condition #1 in the Ordinance deleting the words, "That a 10 foot bike/walkway path adjacent to the eastern property line and a fee lieu for the bike/walk path required opposite the northern property line are provided as outlined in the Growth Cell One Bike/Walkway Trail Plan," and inserting the words, "The construction of a 10' bike/walkway path adjacent to the eastern property line" as Condition #1 was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 11;

Nays: None.

(04-556) Communication from the City Manager and Director of Planning and Growth Management with Recommendation to ADOPT an ORDINANCE Approving the FINAL PLAN for HUNDMAN APARTMENTS, a Multi-Family Residential Development Located North of Lake Avenue, South of Glen Avenue, West of Sheridan Road, off of Joan Court, with Conditions, (Per City Council Directive Regarding Item No. 04-517.)

Council Member Spears moved to adopt the Ordinance approving the Final Plan for Hundman Apartments, a Multi-Family Residential Development located North of Lake Avenue, South of Glen Avenue, West of Sheridan Road, off of Joan Court, with conditions; seconded by Council Member Turner.

Council Member Spears thanked the developer and Lakeview Wilds for reaching a compromise.

Hearing no objections, Mayor Ransburg granted Privilege of the Floor to Mr. David Pittman.

Mr. David Pittman, 2422 W. Moss Avenue, representing Lakeview Wilds, said this was a difficult compromise for environmentalists. He said it was a reasonable compromise for the developer and the City Staff. He commended Council Member Spears for bridging the gap between the City Staff, local citizens, and the private investor. He said Council Member Spears protected the environment for the future of all residents in the area. He said he would like to propose a walking trail through this area in the place now called the buffer stream zone. He asked that the five years of taxes from the new tax revenue for the new development going into this area go toward the development and planning of the trail. He said Lakeview Wilds would be coming to Council with a specific request that would include Peoria Park District cost-sharing proposals. He said Lakeview Wilds intended to pursue the one last acre of natural area. He said the acre was located on the West side of the stream, which was owned currently by Schnuck's Inc., who had refused their phone calls. He requested assistance from the Council in contacting the owner, negotiating a fair market price, then raising private funds to buy the land. He said four attempts had been made in the last twelve months to contact Schnuck's.

Council Member Spears pointed out that this proposal veered away somewhat from standard zoning, but it was because of the unique environmental character of the site.

Motion to adopt an ORDINANCE NO. 15,697 approving the Final Plan for Hundman Apartments, a Multi-Family Residential Development located North of Lake Avenue, South of Glen Avenue, West of Sheridan Road, off of Joan Court, with conditions was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

- (04-557) Communication from the City Manager and Director of Planning and Growth Management with Recommendation to ADOPT an ORDINANCE Amending Ordinance No. 15,684 with a Corrected Legal Description, Rezoning Property Located at WEST TRAILCREEK DRIVE, Identified as Lot 7 and Part of Lot 8 of Knoxville Place Subdivision, from the Present Class O-2 (Office Park) District and a Class C-2 (Large Scale Commercial) District to a Class R-6 (Multi-Family Residential) District.**

Council Member Nichting moved to adopt the Ordinance amending Ordinance No. 15,684 with a corrected legal description, rezoning property located at West Trailcreek Drive, identified as Lot 7 and Part of Lot 8 of Knoxville Place Subdivision, from the present Class O-2 (Office Park) District and a Class C-2 (Large Scale Commercial) District to a Class R-6 (Multi-Family Residential) District; seconded by Council Member Turner.

ORDINANCE NO. 15,698, amending Ordinance No. 15,684, was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

- (04-558) SITE APPLICATION for a CLASS C-5 (Gas Station/Convenience Store) LIQUOR LICENSE at 6203 N. BIG HOLLOW ROAD with a Recommendation from the Liquor Commission to Approve.**

Council Member Nichting moved to defer this item for two weeks until the November 2, 2004, Regular City Council Meeting; seconded by Council Member Sandberg.

Council Member Sandberg requested that a Site Plan be included when this item came back to Council.

Motion to defer this item until the November 2, 2004, Regular City Council Meeting, with a request for a Site Plan to be included, was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

- (04-559) Communication from the City Manager with Recommendation to Authorize the City Manager/Mayor and City Clerk to Execute Necessary Documents to Extend the Current Distribution of HRA TAXES for the CIVIC CENTER to Accommodate the REVITALIZATION of the FACILITY at a Capital Cost Not-to-Exceed \$55 Million, and to Issue Alternative Revenue Bonds, Not-to-Exceed \$63 Million, Including Capital Costs, Capitalized Interest and Costs of Issue, subject to Conceptual Design Approval Including an Itemized Listing of Costs and Key Options. The final drawings, which shall be in accordance with the conceptual design, shall be presented to Council prior to bidding.**

A letter of support from Chairman of the Peoria Civic Federation, Mr. Glen Barton, was distributed to all members of the Council.

A letter from a citizen opposing the total expansion was also distributed to all members of the Council.

Council Member Grayeb said the Civic Center Authority and Civic Center Staff had spent thousands of hours assembling a blueprint of continued growth for the Civic Center. He said 133 meetings had been held regarding the Civic Center expansion and long range needs since March, 2001. He gave an overview of those meetings.

Council Member Grayeb said it was known that the Peoria Civic Center drew more than 880,000 visitors annually, it generated more than \$134 million annually in economic development, it generated \$30 million in salaries in the Peoria area, it directly generated more than \$5.6 million in tax revenue (\$1 million of those dollars were in HRA taxes and \$4.6 million were in City and State sales taxes), it had an annual operating budget of \$4.8 million per year and it generated about \$22 million of gross sales annually. He urged the Council to support the motion.

Council Member Grayeb moved to authorize the City Manager/Mayor and City Clerk to execute necessary documents to extend the current distribution of HRA Taxes for the Civic Center to accommodate the revitalization of the facility at a capital cost not-to-exceed \$55 million, and to issue alternative revenue bonds, not-to-exceed \$63 million, including capital costs, capitalized interest and costs of issue, the coverage factor on the bonds shall not exceed 1.28, and was subject to conceptual design approval by the Mayor and Council and would include an itemized listing of costs and key options, and the final drawings, which would be in accordance with the conceptual design, should be presented to Council prior to bidding, and he requested that there be a short business meeting on November 16, 2004, and the balance of that evening be dedicated to the conceptual design process; seconded by Council Member Turner.

Council Member Nichting pointed out that the Council communication should be changed at the end of the third line in the recommendation to refer to General Obligation Bonds rather than Alternative Revenue Bonds.

City Manager Randy Oliver agreed with this amendment to the Council communication.

Council Member Morris said there were two distinct issues and he felt the proposed motion separated those issues. He said the first issue regarded whether the hotel, restaurant, and amusement tax that had funded the Civic Center for the last 20 plus years should essentially be continued to do the same thing in the future. He said if the motion passed, the Council would be indicating they believed the funding should continue. He said the second issue regarded what the Civic Center Authority had been putting together as a final concept to bring before the Council. He said there were numerous questions in this regard.

Council Member Morris said the Council Members were elected to make the decision about spending this kind of money. He said he felt three or four more meetings between the Civic Center Authority and the Council would assist with understanding. He said he would support the motion. He said there was no question that the Civic Center needed improvement, renovation, and expansion, but there were questions about the design, exhibition and convention space, and about how the Civic Center would continue to fit in the downtown area. He said there were questions the original partner, the local architect, had raised. He said the Civic Center had probably already thought through these questions and answers. He said the C. H. Johnson report was the basis of the recommendation for hotels, but he questioned what responsibility, if any, did the City Council have in making sure that the hotels were in the plan. He said the Civic Center had probably done their due diligence on this project, but he did not feel the Council had to this point. He said the Council was elected to ask the questions and the Civic Center's responsibility was to come up with the best plan possible. He said the Council's responsibility was to decide what portion of that plan, if not all of it, merited the funding of the tax payers and how the plan fit in with overall Peoria. He said he felt the Council had some questions to answer and it may take some extra dialogue.

In discussion with Council Member Sandberg, City Manager Randy Oliver said percentages that were currently distributed to the Civic Center would remain the same regardless of what the revenues increased to. He said the projections that were done on the debt for the Civic Center assumed a 2½% per year increase in the HRA revenues.

In further discussion with Council Member Sandberg regarding what the annual bond payments would be on \$63 million including capitalized costs, City Manager Oliver said it was a graduated debt service.

Council Member Sandberg expressed concern that these questions were not answered prior to this time so the Council could make informed decisions.

Civic Center Authority Member Dan Daly said the debt service would grow as it proceeded. He said part of that had to do with the expiration of other debt service that was outstanding on bonds that were current. He said it was anticipated it would grow from \$3.3 million to \$8.5 million. He said it would increase in blocks or increments at about \$4.8 million on average during the life of the bonds.

City Manager Oliver pointed out that this was calculated so the current debt service and the proposed new debt service tended to give a more uniform debt service payment.

Council Member Sandberg questioned why capitalized interest was being funded, and he expressed concern that the Civic Center Authority was also anticipating what the growth would be. He said if the growth did not happen, the rates would be raised and that would handcuff any public discussion, over the next twenty years, regarding rates, what they should be and how they should be spent. He referred to Council Meeting minutes in August, 1976, as suggested by former Council Member Bruce Brown, and he said the only motion that passed was a five to four vote to limit \$38.7 million for the construction of the Civic Center. He said every document he read in the past several days indicated the cost for construction of the Civic Center was \$64 million. He expressed concern that the Council was setting themselves up. He pointed out that the construction costs did not come in at \$38 million in 1976 and he did not feel they would come in under \$55 million now.

Council Member Sandberg said he read a copy of the C. H. Johnson report, and he said he felt some of the numbers were questionable. He said he would not support the motion, because he said he felt it was too soon to approve funding now, before more definite information on the project was provided.

Council Member Thetford said she felt the initial purpose of the HRA tax was for funding the Civic Center. She stated, if the vote passed, the Council would be saying, if they were presented with a conceptual design they could support, in addition to some of the questions raised this evening being answered, and if they could embrace the design concepts and could say in good faith they reflected the new urbanism, then the HRA revenue for the Civic Center should come first. She said discussions should not begin with how else to use HRA tax when the Council had not determined the full extent to which HRA would be needed for expansion or renovation of the Civic Center. She said she felt this was starting at the wrong end. She said she did not see the motion as saying that, under no circumstances, HRA funds would never be used for anything else.

Council Member Turner said the Civic Center building was an aging structure and, if a sizable investment was not made, there would not be the economic impact the City had realized in the past. He said, if HRA money was not used to improve the Civic Center, much of the business that went to the Civic Center would be lost. He stated many clients had indicated they would not return in the future unless expansion was done. He discussed the development of

conference and convention centers in surrounding areas, and he expressed concern that consultants had projected that, without expansion, the Peoria Civic Center would lose approximately 10% in revenue each year over the next five years. He said he supported providing HRA revenue to the Civic Center and not waiting until next year or the year after.

Council Member Teplitz said she would support the continued HRA funding to the Civic Center. She said she was looking forward to holding additional discussions and exchanging information between the Council Members, Civic Center Authority, the Heart of Peoria Commission, and others in the community. She said it should be taken into consideration whether or not the information provided in the newspaper was applicable or not to this situation.

In discussion with Council Member Nichting, Civic Center Authority Member Dan Daly said there would be roughly \$45 million in direct construction costs, which was a conservative estimate.

Council Member Nichting referred to the 1.28 coverage factor and he questioned if that was on the \$55 million or the \$63 million.

City Manager Oliver said the 1.28 coverage factor was on the \$63 million and he explained there would have to be \$1.28 in HRA collections for every dollar in debt service.

In discussion with Council Member Nichting, City Manager Oliver said the length of the bond would be twenty years.

In answer to Council Member Nichting's questions, Civic Center Authority Member Daly said in the early years, the debt service on the bonds was estimated in 2004 at \$1.7 million and it would increase in 2005 to \$3.3 million and would remain at that level for four years. He said it would begin to step up to \$3.8 million, then \$4.0 million and to \$4.2 million until it reached the maximum of \$8 million in the year 2021.

In further discussion with Council Member Nichting, City Manager Oliver said there was a 28% coverage factor. He stated the way that bonds were structured was the debt service would be paid first and the Civic Center would receive no additional appropriation should the revenues fall below the 1.28 that was projected. He said a 28% correction would be devastating.

Council Member Nichting said if revenue projections were not met, money for operations may have to be funded by HRA monies. He pointed out, in the past, HRA money was used for operations when economic times were bad.

In discussion with Council Member Nichting, Mr. Daly said HRA taxes had increased each of the last 13 years including 2001 and 2002, when there was an economic down turn. He said HRA taxes had increased substantially in 2004 to about 4%. He said cash flow tended to be erratic so it was difficult to project, but they were running at about a 2.8% average increase. He said 2.5% growth rate was used in the projections.

City Manager Oliver said no increase in additional revenue was factored in from any new venues that may occur, so it was very conservative from that vantage point. He added it assumed that no new conventions or shows would come to Peoria as a result of the expansion.

In discussion with Council Member Nichting regarding if the Council would have an opportunity to make those individual votes on removing components of the expansion, Mr. Daly said the process had already begun. He said there had been preliminary meetings and they had identified some areas where the initial design was going to be too costly. He said there were ongoing components of the project that were being amended. He said eleven priorities had been identified and they would try to meet seven of those priorities in the revitalization. He said there could be some things they would have to cut back on.

Mr. Daly said the Civic Center Authority would be meeting with the City Council in November, 2004, to discuss the design elements.

Mr. Daly pointed out there were not very many Civic Centers in the United States that generated a positive operating margin. He said credit should be given to the Civic Center Staff, Civic Center Authority and the City Council. He said they expected the operating revenues to grow.

Council Member Spears said he felt it was important to expand the Civic Center, but the question was what would bring in more HRA money. He said more HRA money would mean that the businesses were doing well. He said he felt the process was backward because the Civic Center was asking that the City bond the money, then they would come back and provide the design to the City Council. He said the design should be reviewed first by Council and then bond for the money. He questioned the need for a Ballroom in the Civic Center because the Gateway Building on the Riverfront was intended for banquets, and it was barely surviving. He suggested that sporting events could be used to improve HRA taxes and Civic Center growth. He said he felt that the City had already used HRA money for other projects, such as P.A.C.E., ArtsPartners, etc., and had already veered away from HRA's original intent. He said he felt the Civic Center should continue with their concept and get the drawings back to the Council as soon as possible for further discussion. He said he would not support the motion as proposed because the design should come first.

Council Member Gulley said when the plan came back to the City Council, if it was more that what was being proposed at \$55 million, he did not feel he would be able to support the project. He said the only reason he was able to support the \$55 million was because the Civic Center generated dollars into basic services.

Council Member Ardis said the driving factor for his support was he realized the value of the Civic Center and he felt the HRA revenues should support that. He said when the plan came back, the Council would determine if all the components fit the costs. He said it would be incumbent on the Council to make sure that the Civic Center stayed on their budgeted target. He also pointed out, not all of the \$55 million would have to be spent. He said if the conceptual drawings came back and the Council could not agree all components were needed, then a reduction could be discussed.

In discussion with Council Member Nichting regarding the bonds, Corporation Council Randy Ray explained there would be a bond ordinance that would come before the City Council for a vote. He said the proposed motion did not automatically adopt the bond.

Council Member Sandberg said the difference between bonding for \$55 million at 5% over 20 years and \$63 million was a considerable sum. He said it would be about \$800,000 a year or \$13 million over the bond period. He said the bonds that were currently out for the Civic Center construction was \$33.7 million in 1978 or 1979. He explained when that was paid off in 2008, the amount would be \$70 million. He said this money came out of the local economy.

In discussion with Council Member Sandberg regarding the priorities of the expansion, Mr. Daly explained they would like to increase the size of the exhibit hall to exceed 100,000 square feet, add 25,000 feet for a divisible ballroom, improve administrative offices throughout the facility and upgrade technology, upgrades to the existing arena and improve concessions and merchandising areas, seating, locker and dressing rooms, storage areas and press facilities, renovation of lobbies and walkways for customer amenities, a redesign of the glass arcade, and add parking. He said these were ranked in order of desirability.

Mayor Ransburg said he felt the Civic Center was a major asset to the community. He said he thought there was a \$25 million grant from the State for the first building. He added there may be some other grants available for this project. He said he felt \$55 million was the maximum cost and the Council had made that commitment. He suggested there may be a Phase II in the future. He said he felt it was important for the Council to know the priority list.

Motion to authorize the City Manager/Mayor and City Clerk to execute necessary documents to extend the current distribution of HRA Taxes for the Civic Center to accommodate the revitalization of the facility at a capital cost not-to-exceed \$55 million, and to issue alternative revenue bonds, not-to-exceed \$63 million, including capital costs, capitalized interest and costs of issue, the coverage factor on the bonds shall not exceed 1.28, and is subject to conceptual design approval by the Mayor and Council and will include an itemized listing of costs and key options, and the final drawings, which shall be in accordance with the conceptual design, shall be presented to Council prior to bidding, and he requested that there be a short business meeting on November 16, 2004, and the balance of that evening be dedicated to the conceptual design process was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Teplitz, Thetford, Turner, Mayor Ransburg - 9;

Nays: Sandberg, Spears - 2.

City Manager Oliver said the Civic Center had requested that if the Council had any options or alternatives that they would like to have costed out, that they give those to the Civic Center by 5:00 P.M. on Friday, October 22, 2004, or alternatives could be turned into his Office at City Hall. He said it was important that those options be provided to the Civic Center Authority so all options could be considered.

Council Member Grayeb said the H.O.K. document was distributed to the Council. He added if there was something that was not on the list, he urged the Council to provide that information to the Civic Center to prepare for the November 16, 2004, City Council Meeting.

UNFINISHED BUSINESS

(04-519) Communication from the City Manager with Recommendation for the City Council to Take Action Regarding the PEORIA CIVIC CENTER on two of the three Questions Deferred to October 19, 2004:

- 1. Does the City Council wish to continue funding the Civic Center at the current percentages from HRA? If not, does Council wish to reallocate or modify the use or percentage of HRA funding (e.g., reallocate funds to other purposes or change the rate)?**

It was determined this was a moot point. Please refer to the vote above on Page 26745.

- 2. (answered)**

- 3. Does the City Council wish to hire an expert to review and ensure architectural compatibility with the Philip Johnson design?**

Council Member Morris moved to table this item; seconded Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 10;

Nays: Nichting - 1.

- (04-541) Communication from the City Manager and Director of Planning and Growth Management with Recommendation to Take Action on an ORDINANCE Granting a SPECIAL USE, with Conditions, in a Class C-1 (General Commercial) District for a USED CAR DEALERSHIP for the Property Located at 7419 N. UNIVERSITY STREET, (Per a Council Directive of October 5, 2004.)**

Council Member Turner moved to adopt the Ordinance granting a Special Use, with conditions, in a Class C-1 (General Commercial) District for a Used Car Dealership for property located at 7419 N. University Street; seconded by Council Member Teplitz.

In discussion with Council Member Thetford regarding the position of the District Council Member on this item, Council Member Nichting said it was his opinion, if the Council was going to approve the Ordinance, that the conditions should be established. He said he felt this would open up the area for other used car lots on North University.

City Manager Oliver said someone had already filed for a used car lot on North University.

Motion to adopt ORDINANCE NO. 15,699 granting a Special Use, with conditions, in a Class C-1 (General Commercial) District for a Used Car Dealership for property located at 7419 N. University Street was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 11;

Nays: None.

NEW BUSINESS

Discussion Regarding the DISTRIBUTION of BUDGET DOCUMENT

In discussion with Council Member Sandberg regarding the Budget, City Manager Randy Oliver said a line-item budget would be delivered to the Council in two days. He said the first Policy Session on the Budget would be Tuesday, October 26, 2004, and it would be an overview and presentation on the Budget regarding capital and operating.

Council Member Nichting said he would like to have the previous year's budget, previous year's expenditures, current year's expenditures, current year's budget, and project budget.

City Manager Oliver said the budget process for 2003-2004 was complicated and would not allow for accurate comparisons.

ELIMINATION of RIGHT TURN MOVEMENT When TRAVELING NORTH on STERLING and TURNING RIGHT ON SCENIC STREET

Council Member Spears questioned when traveling North on Sterling, could a right turn be made onto Scenic Street. He expressed concern that some days there was a sign saying "No Right Turns" and some days there was no sign.

Director of Public Works Steve Van Winkle said the permanent signage was in the process of being erected and, unfortunately, temporary signs were posted and not posted at different times. He said the original intention was to eliminate the right turn onto Scenic from Sterling. He said once the interchange with Sterling was completed, a high percentage of those wanting to turn onto Scenic would go to the ramp onto Sterling. He said it was felt traffic would be circulated in a more efficient manner. He said for the next year, until construction was completed on the ramp, there would be some turning movements eliminated and traffic would need to travel to the intersection of War Memorial and Glen and make their right at that location.

(04-560) REQUEST to Determine the IMPACT of ELIMINATING TWO CENTS of the CITY'S GASOLINE TAX to Assist CITIZENS in Paying their DECEMBER, JANUARY, AND FEBRUARY HEATING BILLS.

Council Member Spears requested a report back from the City Manager regarding the two cent gasoline tax. He explained that everyone had heard that heating bills would be on the increase during the coming winter. He suggested that the City's two cent gasoline tax be eliminated for the months of December, January, and February, so citizens could put that money toward their winter heating bills. He said he would like the report back to reflect the economic impact this reduction in gasoline tax would cause.

City Manager Oliver said he would respond in the City Manager Issues Update Report.

(04-561) REPORT BACK Regarding WATER FLOW PROBLEM at the Base of MARTIN LUTHER KING DRIVE.

Council Member Grayeb requested a report back regarding what measures would be taken to contain the water problem and flow at the base of Martin Luther King Drive. He questioned what would be done with winter coming on and possible hazardous conditions that would occur with freezing temperatures.

Director of Public Works Steve Van Winkle said everything was now in place. He said the person in the Public Works Department who would normally perform this work had had an illness and he was unable to work. He said this person was the City's only surveyor, but the work would be completed before winter.

INSTALLATION of the GEORGE WASHINGTON BUST in FULTON PLAZA

Council Member Morris announced the bust of George Washington had been installed in Fulton Plaza. He said there would be a dedication ceremony in several weeks. He said research showed that early settlers met with George Washington in Peoria.

CITIZEN REQUESTS TO ADDRESS THE COUNCIL

(04-562) REQUEST from CITIZENS to Address the CITY COUNCIL Regarding Various Items.

Hearing no objections, Mayor Ransburg granted Privilege of the Floor to those who wished to address the Council.

Mr. David Pittman, 2422 W. Moss Avenue, invited the Council to attend an Outdoor Rally on October 24, 2004, at 1:00 P.M., at the corner of Knoxville and Northmoor sponsored by Recreation Trail Advocates (RTA) in support of the Kellar Trail.

Mr. Kenn Bailey, 4707 W. Lynnhurst, thanked the Council for their support for a used car dealership at 7419 N. University Street.

Mr. Mike Levan, 1212 N. E. Monroe, expressed concern regarding the money being spent for the expansion of the Civic Center. He discussed the impact on the local economy and reminded the Council they represented the taxpayers.

EXECUTIVE SESSION

It was determined that an Executive Session was not needed.

ADJOURNMENT

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

Approved by viva voce vote.

The Council Meeting adjourned at 9:15 P.M.

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

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