

Village of Peoria Heights  
Public Hearing – Business Development District No. 2  
August 20, 2019

The meeting was called to order at 5:30 p.m.

Everyone stood for a moment of silence and the Pledge to the Flag.

Upon calling roll, the following Trustees were present: Sherryl Carter, Diane Mariscal, Elizabeth Khazzam, Jeffrey Goett, Brandon Wisenburg, and Sarah DeVore. Others present included Mayor Michael Phelan, Administrator and Chief of Police Dustin Sutton, and Clerk Stephanie Turner.

Mayor Phelan invited Mr. Kline, of the Economic Development Group, forward to speak. Mr. Kline stated the public hearing was for the purpose of hearing public comment on the proposed establishment of Business Development District No. 2. The boundaries would be contiguous to BDD No. 1 and overlay TIF No. 2 after its expansion was completed.

Mr. Kline noted that the same criteria which were used to expand BDD No. 1 applied to BDD No. 2. Mr. Kline also stated the Village would not use eminent domain, and no property owner would be forced to sell their property. The BDD was being created to provide tools for property owners who wished to sell or develop their property.

Mr. Kline explained the Village had chosen to create a second BDD, rather than expand BDD No. 1 south, because the two commercial areas had very different goals to accomplish. Residential homes were included in the BDD and the TIF amendment so the Village could create programs to incentivize residential property owners making improvements to their homes. Mr. Kline noted the Village would like to see steady population growth and touched briefly on the loss of population in Illinois as a whole. Mr. Kline explained commercial corridors would be the focus, but excess funds would be used to benefit residential properties. Mr. Kline commented that the PHCUSD No. 325 had been in favor of programs which would help create affordable housing which, in turn, might increase its student population.

Mayor Phelan opened the floor to public comment.

A resident questioned if contiguous meant that funds generated in BDD No. 2 could be transferred to BDD No. 1 and followed up with an additional question if the tax was retail only or would apply to labor as well. Mr. Kline answered they could be transferred and stated that the tax was for tangible items with a few exemptions such as car titles.

The resident questioned if the Village had plans to notify the businesses in BDD No. 2. Mr. Kline stated the Village had spoken to a good portion of the businesses, and Chief Sutton stated the Village had advertised the hearing in the newspaper and posted notices on its website. Mayor Phelan noted that the Board of Trustees was following state statute. Chief Sutton asked Mr. Kline if he was aware of different standards or examples of communication from other communities. Mr. Kline noted that typically municipalities used verbal communication. He stated in his experience businesses are more likely to question their exclusion rather than their inclusion. Trustee Wisenburg stated the opinion that the Village should send letters to the businesses. Mr. Kline replied personal visits were more effective. Mayor Phelan expressed concern the message might become convoluted if expressed individually to the

businesses. Trustee Khazzam agreed, but noted there had been efforts, especially from the BDDAC, to share the news.

The resident asked if BDD funds could be used to convert residential properties into multifamily buildings. Mr. Kline noted there was nothing to prohibit it, but the project would have to be zoned properly, and the Village currently had no plans to seek development to convert single family homes to multifamily. Mr. Kline noted that any such development agreement would have to be brought to the Board of Trustees separately for approval, and the Village had similar negative views of replacing homes with commercial development.

Mayor Phelan noted the residential component would be a pilot program to try help neighborhoods and improve housing stocks by making funds available for residential improvements. The Village is currently looking for a consultant to provide planning services to provide it with information about how to improve the neighborhoods and creates possibilities.

Mr. Kline answered a resident who asked about the BDD's effect on residential properties and stated that residential properties will see no increase in property tax and they stand only to benefit from the BDD. The resident asked about the end of western boundaries of the BDD, and Mr. Kline stated it included the entire street up to the west right of away of Atlantic Avenue.

Trustee Mariscal asked if there would be a second Business Development District Advisory Committee. Mayor Phelan answered that the current BDDAC would offer recommendations for its current boundaries and not the new BDD. Mayor Phelan noted he was open to creating a second committee with business owners from that area. Mr. Kline noted that it would be appropriate to include some residents on the committee as well.

Trustee Wisenburg asked if including residential homes increased the desirability of the lots for development which would endanger family retention efforts. Mr. Kline noted that it was up to the Board of Trustees to approve business incentives. He stated that the BDD wasn't an entitlement program which meant that any development that received BDD funds had to be approved by the Board of Trustees. Mayor Phelan and Mr. Kline stated that the BDD was a tool which the Board would control and use. Trustee Goett noted that property owners were not required to sell their homes if they didn't wish to sell their property. Trustee Khazzam noted that the tool was elective and voluntary.

Trustee Goett made a motion to adjourn the public hearing, and Trustee DeVore seconded the motion. The Board voted 6-0 to adjourn, and the meeting adjourned at 6:04 pm.

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Michael Phelan, Mayor

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Stephanie Turner, Village Clerk