

MINUTES OF THE MARCH 24, 2016 PUBLIC HEARING AND SPECIAL MEETING OF THE
MOUNT CARROLL CITY COUNCIL

Mayor Carl Bates called the public hearing to order at 7:00 p.m.

CALL TO ORDER

Ms. Sharon Pepin, Community Funding and Planning Services (CFPS), and Ms. Kathy Orr, Kathleen Field Orr and Associates, were introduced to present the information of the City of Mount Carroll Downtown and South City Business Development District Development Plan.

Ms. Pepin reported that the City has approved other economic development tools to help and attract businesses with the TIF District, the Enterprise Zone and the receipt of the CDAP Grant Revolving Loan Fund. The Business Development District (BDD) is another economic development tool that imposes or implements a sales tax on certain goods that the City could use to offset some of the costs for infrastructure projects as well. The City hired her firm and Kathy's legal firm a few months ago to pursue the BDD. Since then they have been brainstorming with the council to set the district's boundary area to encompass the downtown business district and then go to the south area of town. Sharon reported that she had conducted a site review of the area and reviewed the county documents of all of the parcels. There are 188 parcels with 170 of them having structures on them. The large majority of the structures, about 113, are over 50 years old. This qualifies them as being deteriorated structures. The City's equalized assessed valuation (EAV) had decreased in the last 10 years when it was at \$16.2 million to \$14.6 million in 2014. Other factors that add to the eligibility are that a lot of the buildings do not meet all of the ADA standards, and the roads, sidewalks and parking areas need improvements. The larger projects that are in the planning are the new Galena Street Bridge and wastewater treatment plant. Ms. Pepin stated that conclusion of this evaluation provides that this district would qualify to meet all of the BDD Act requirements.

Ms. Kathy Orr addressed the council and audience about the legal aspects. She stated that all of the dollars collected are to be deposited into a separate fund and re-invested into the district on specific eligible costs. The City's EAV has declined and the City has used what TIF funds have been generated for some assistance, but that pool of money has not grown as much as we would have liked. The new sales tax for the BDD cannot go on licensed vehicles, groceries, drugs and business operations.

Mt. Fred Paschke, owner of the Mt. Carroll Home Center, stated he felt this would hurt his business and asked the council to vote "no". Mr. Tim Schneider, owner of Schnieder House Furniture store, asked about the estimates of the revenues to be generated from this sales tax and stated he was not in favor of this. Mr. Kenneth Lego, owner of Ivey Monument, stated he has had a measurable decrease in business over the last few years and felt this was not going to be good for him. Mr. Richard Frey, owner of Land of Oz, stated he felt the businesses paid a lot of taxes already and was not favorable to this.

Ms. Kathy Orr stated she has worked on the development of numerous BDD's throughout the state and there generally were never any problems reported back to the councils. She stated she could not predict how it might affect Mount Carroll.

Ms. Diane Bausman, director for the Blackhawk Waterways tourism council, was in attendance and was concerned that the hotel-motel tax would affect the county's tax. Ms. Orr and Ms. Pepin stated it was not supposed to, but the new tax would need to be added to the owners that lease rooms within the City's BDD district and that 1% would be collected by the City.

Alderman Risko commented that the City had been looking at different ways to try to make it less painful for the residents to pay for the upcoming huge expenses and doing increases in stages.

Mr. Frey asked about whether the City was seeking any grants.

Ms. Pepin stated that the City had a grant for the treatment plant facility study and they would be seeking other grants and loans for the projects coming up. Hopefully some of the funding would be in grants not all loans. She was looking at funding from as many sources as possible, such as, the State CDAP programs, the Illinois EPA, the USDA and FEMA.

Mayor Bates called the special meeting of the Mount Carroll City Council CALL TO ORDER to order at 7:54 p.m.

Roll call: Mayor Carl Bates, present, Aldermen Paul Kaczmarcki, ROLL CALL present, Jim Rose, present, Kevin Powers, present, Doug Bergren, present, Mike Risko, present, and Joe Grim, absent.

Alderman Risko moved and Alderman Bergren seconded to pass ORDINANCE NO. Ordinance No. 2016-3-11, AN ORDINANCE DESIGNATING THE 2016-3-11 CITY OF MOUNT CARROLL, CARROLL COUNTY, ILLINOIS, DOWNTOWN AND SOUTH CITY BUSIN ESS DEVELOPMENT DISTRICT AND IMPOSING A RETAILERS' OCCUPATION TAX, SERVICE OCCUPATION TAX, AND HOTEL OPERATORS' OCCUPATION TAX THEREIN. Roll call vote: Aldermen Kaczmarcki, yes, Rose, no, Powers, yes, Bergren, yes, Risko, yes, and Grim, absent. Vote: 4 yeses, 1 no and 1 absent. Ordinance No. 2016-3-11 was adopted by majority vote.

Ms. Pepin and Ms. Orr stated that they would see that the ordinance and supporting documents were submitted and filed with the Illinois Department of Revenue before April 1st.

Alderman Powers moved and Alderman Kaczmarcki seconded to ADJOURNMENT adjourn the meeting. Roll call vote: Alderman Rose, yes, Powers, yes, Bergren, yes, Risko, yes, Kaczmarcki, yes, and Grim, absent. Vote: 5 yeses, 0 noes and 1 absent. The motion was carried. Mayor Bates adjourned the meeting at 7:58 p.m.

The Mount Carroll City Council approved these minutes at the April 12, 2016 meeting.

Julie A. Cuckler
City Clerk & Collector