

**AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
MAY 7, 2018
6:00 PM**

- I. Call to Order**
- II. Prayer and Pledge of Allegiance**
- III. Presentation of Petitions/Public Comments**
- IV. Mayor's Report and Presentations**

- V. City Council Action**
 - 1. Consent Agenda
 - a. Approval of Minutes – 04/16/18
 - 2. Approval of Mayoral Appointments
 - 3. Approval of Application from Grubaug Contracting for TIF Assistance Tied to Redevelopment of Former Selmaville School
 - 4. Approval of Application from Andy & Tracy Couch for TIF Assistance for 220 West Church
 - 5. Approval of Plans for City Hall Lobby Renovations
 - 6. Approval of Public Works Vehicle Purchases

- VI. City Manager Report**
- VII. City Attorney Report**
- VIII. Finance Director Report**
- IX. City Council Report**
- X. Executive Session**
 - 1. 5 ILCS 120/2 (c)(2) Amendments to City Manager Contract

- XI. City Council Action**
 - 7. Approval of Amendments to City Manager Contract

- XII. Adjournment**

Bill Gruen
City Manager

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MANAGER'S COMMENTS

V. City Council Action

2. **Approval of Mayoral Appointments:** A slate of recommended appointments to Salem boards and commissions is in your packet. I understand it's possible other names could be brought forth after publication of the agenda.
3. **Approval of Grubaugh TIF Application:** Jeanne and I have been in contact with Mr Dennis Grubaugh of Grubaugh Contracting, Vandalia about redevelopment of 2100 West Main Street, the former Selmaville School. I anticipate Mr Grubaugh may be able to join us for our meeting on Monday. His plans are outlined in the attached TIF application in which he estimates \$330,010 of expenses tied to acquisition, demolition, and redevelopment of the site. At present, no use of the property has been identified to occupy and operate from the site after redevelopment. Mr Grubaugh would seek a future lease-use of the redeveloped site.

Mr Grubaugh has completed what I understand are pretty complicated redevelopment projects in Vandalia for which he has received TIF assistance. Projects include renovating what was a burnt down bowling alley into what is currently/partially Cut Loose Salon, and bringing back the downtown Easterday Building from a fire to a building with upper floor residential spaces and ground floor retail and professional office space. Jeanne and I accompanied Councilwoman Morgan to visit Dennis' Vandalia projects, which all looked pretty impressive.

I'd like for the Council to consider offering up to \$165,005 (50% of Mr Grubaugh's budget) from our TIF 2 as a forgivable loan for redevelopment of the Selmaville School site. TIF 2 is located on Salem's west side in what is predominantly industrial. We do fewer TIF deals here due to the nature of bigger projects, and these deals traditionally involved higher levels of assistance compared to the Downtown TIF (Howell Paving, Americana, #7 Carpenter Drive, Yellow Freight property purchase). Other notes:

- ✓ The Selmaville School building is located at an entrance to Salem and has grown increasingly unsightly in recent years. Chances that the building's ultimate outcome is demolition seem to grow as time passes and nothing happens.
- ✓ The cost to cleanup of the former Brown Shoe provided by Shores site was just shy of \$180,000. The City previously spent \$12,200 with Kenneth Hails to bring down walls that didn't collapse in the fire.
- ✓ The City would make reimbursement payments on the basis of invoices submitted by Mr Grubaugh.
- ✓ Project outcome is expected to be retention and renovation of as much as 12,000 square feet for future commercial activity by either Mr Grubaugh or a tenant.
- ✓ I propose a deal be made contingent upon maintaining either active lease or the property remain available for such at market rates for 7 years beginning upon completion of renovation. Furthermore, sale of the real estate at any time prior to completion of the seven years for a value over a pre-determined amount would cause a return of a portion of TIF assistance granted. Suggested amount to consider would be total amount of project costs not covered by City TIF dollars. If private, project dollars end up totaling \$165,005, I propose

50% of the sale over that amount be returned to the City, subject to an additional limit depending upon the year in which the sale took place. Consider following (hypothetically extreme) examples:

| | |
|---|---------------------------|
| \$165,005 “amortized” over 7 years = \$23,572 | |
| \$185,000 sale in Year 1 | \$9,998 returned to City |
| \$400,000 sale in Year 2 | \$58,931 returned to City |
| \$170,000 sale in Year 3 | \$2,498 returned to City |

- ✓ The City Council may feel comfortable not placing any conditions on what is located on the redeveloped site, other than what is allowed by zoning (zoned Industrial). “Adult” uses are not allowed at this site.
- ✓ An agreement could be subject to a minimum date by which the project would commence.

4. **Approval of Crouch TIF Application:** Andy and Tracy Crouch request TIF assistance associated with acquisition and redevelopment of 220 West Church Street to become an art studio for his welded sculptures. They have also requested a special use permit to be permitted to create upper floor living space. I recommend consideration of a \$15,000 forgivable loan for TIF eligible expenses tied to this project. Application is enclosed in your agenda packet.
5. **Approval of Plans for City Hall Lobby Renovations:** I’ve shared concept proposals for City Hall lobby renovation with Council members individually, which has prompted me to give some direction to Architect Ben Poirier to draft plans for approval by the City Council. Ben reports he plans to join us Monday evening to present the plans for possible approval. This would lead me to soliciting bids for construction of the project as presented.
6. **Approval of Public Works Vehicle Purchases:** The table below depicts vehicle purchases for Public Works departments that have been budgeted for FY19. Please note our “buy local” ordinance (Sec 2-96) gives local bidders a 5% cushion. Request approval.

| <u>Line Item</u> | <u>Type</u> | <u>Budget Amt</u> | <u>Requested Purchase</u> |
|------------------|-------------------------------|-------------------|---------------------------|
| 16-5121-515-00 | ¾ ton truck with utility body | \$27,500 | \$57,826 |
| 17-5101-515-00 | ¾ ton truck with utility body | \$29,500 | |
| 16-5112-515-00 | Public Works Admin vehicle | \$12,000 | \$21,987 |
| 17-5101-515-00 | | \$12,000 | |