

REGULAR MEETING OF THE LEXINGTON CITY COUNCIL**September 24, 2018****7:00 P. M.**

The regular meeting of the Lexington City Council was called to order at 7:00 P. M. by Mayor Spencer Johansen in the City Council Chambers at City Hall.

Mayor Johansen led the council in the Pledge of Allegiance.

Roll call was taken to find the following physically present: Mayor Johansen, Alderman Schreiber, Alderman Stover, Alderman Colclasure, Alderman Franklin and Alderwoman Wilson with Alderman Richard being absent. Members of the staff and public present were: Chief Belvery and Don Cavallini.

It was moved by Alderman Colclasure and seconded by Alderman Franklin to approve the minutes of the September 10, 2018 regular City Council Meeting . Motion carried unanimously.

It was moved by Alderman Stover and seconded by Alderwoman Wilson to approve the Treasurer's Report in the amount of \$34,888.35. Motion carried unanimously.

Public Input: None

Old Business: None

New Business: **Consideration/Vote TIF Request:**

Alderman Stover told about the TIF request from John Cheever for the building located at 503 ½ West Main Street. This is a storage shed and he wants to replace the roof. The request was for \$2,000 and the total project investment is \$3,800. There was some concern that it was not a business and is not visible from Main Street. John has seen some other projects receive money and he was looking to do the same. If it qualified for Main Street Beautification it would be only because it has a Main Street address as you cannot see it from Main Street Alderman Stover felt that if we approve this request we would open ourselves for anyone who lives on Main Street for anything they wanted to do to their property, house, garage, landscaping and that is not the intention of the TIF grant program. It is meant only for businesses, the old and historical buildings. We have given some money for the Pool Hall and they are not a business but are part of the down town Main Street and part of the old brick. We gave them money in 2015 as a TIF grant.

The majority of the Council did not know where this building was. It is the size of a two car garage and is used for storage, the property tax isn't much at all. If he were going to open it up to public use then maybe the Council would consider this request. It was decided this is not a viable business and does not meet the requirements for the beautification requirements.

Roger Payne's project was a \$9,000 project and was approved for a \$4,500 TIF grant in 2015 to do the tuck pointing on building. He did apply for more this year which was denied.

Alderwoman Wilson wants to vote on this immediately rather than wait another two weeks.

Motion was made by Alderman Colclasure and seconded by Alderman Stover to deny the TIF request from John Cheever as it is not a viable business on Main Street. Motion carried unanimously,

Consideration/Vote Lexington Downtown Retail Loan Subsidy Program:

Mayor Johansen has put together a packet of information about a program that he would like to implement. He went to a meeting that Farnsworth put on about grants and the first speaker was the mayor of Pontiac who gave a presentation about how their downtown is thriving and they are getting tourists in and they attribute this to Route 66. When asked about the downtown businesses he explained this loan subsidy program. The up line is simple:

The first three months the City pays 100% of their rent, in return the business owner pays the City 5% of their gross sales.

The next three months the City pays 75% of their rent and the owner pays 3% of gross sales.

The next three months the City pays 50% of the rent and the owner pays 2% of gross sales.

The last three months the City pays 25% of the rent and the owner pays 1% of gross sales.

They have people on a waiting list to rent the downtown businesses. The mayor and the city manager both told Mayor Johansen what a success this was.

The bottom line is, if we don't do something to help some of the younger people to open a business we are going to lose what we have on Main Street. Right now it consist of one building, Daffodil Lane and she has two businesses in there and that's all the retail businesses we have on Main Street, besides the hair salons and the grocery store and one of the hair salons offer clothing. They cannot survive like this. People come to town to shop and ask what else do you have and it is embarrassing to say this is it. We have lost Katie and Christo's. Both those buildings are for sale, but the reality is they are priced a little on the high side. Businesses that come to Lexington look at the property for sale that the two for sale on Main Street are over \$250,000. That scares them away. It is a big gamble to take in a small town and the only way we can sell it is we make it more attractive for them.

Mayor Johansen drew up this plan and he did put in that Pontiac takes their TIF funds to pay for this under property acquisition and he thought we could use our video gaming funds. He thought Alderman Stover may have another idea which Mayor Johansen agrees with. In his

mind it is just another tool under the TIF program as far as how we spend the TIF funds. We have TIF money and we determine we can use it for grants, we have made two different options. To him we have just made a third option for TIF money. Form a guideline of how we spend it. It is something that we could advertise. If people know that this is available it might peak their interest and they might come take a look.

Mayor Johansen mentioned the building next to DaT Bar and thought it might motivate Dennis if he had some sort of guarantee that it would be rented for a year and he would fix that building up. Invenergy will be open before long, they are hoping to get a building built and get some property in town.

Mayor Johansen put some guidelines down for discussion:

- Must be a new retail business located in the downtown area.

- Must submit a business plan to the City of Lexington.

- Must provide a copy of signed lease.

- Must stay current on all taxes and utilities.

- Must submit a receipt that rent has been paid in full prior to seeking reimbursement.

- Must be open at least 30 hours a week.

- Must submit a monthly gross sales report along with payment to the City.

- Must make every attempt to hire local citizens, and patronize local businesses.

We can add to this list if we wish.

Mayor Johansen also put together an application form.

Alderman Colclasure agreed that we need to do something to bring more downtown foot traffic.

Mayor Johansen has been talking with someone who wants to open a popcorn shop and part of the discussion has been that Lexington does not offer a foot print like you would have in Bloomington. Mayor Johansen agreed with him but he is a firm believer if you offer a good product people are going to come to you. He used Jon Kemp as an example and Kelly's on 66. You go into Kelly's and a lot of times you don't know any one because they are from Bloomington and people will drive from Bloomington to go to those places. He thinks if we can increase the retail businesses we can give people a reason to come out of Kemp's and not get in their car and leave. We need to do something and not sit here and watch another business close and have another vacant business here on Main Street and have just bar and restaurants or we can move forward and try to do something else.

We can use the TIF funds to try and generate new businesses.

Mayor Johansen thinks it is a good idea. Alderman Wilson also thinks it is a good idea although we will not see much until after a year. Mayor Johansen feels that once we start this and the traffic increases, other people will see and "say this might work in Lexington." Let's open up a shop in Lexington. Start small.

Mayor Johansen is totally impressed with the job that the mayor of Pontiac has done not only with Route 66 but with the downtown. One guy is going to build a space shuttle in the parking lot of K-Mart. It will have video games inside and will be another attraction along Route 66. That is the type of thing that brings people to town. We talk about Route 66, Kelly Tobin's sign-in book, the people from all over that stop in and sign his book. They are people that would spend money. If we had more to offer them, they would come down town and spend money.

Do we want to put some kind of time frame on this? Do it for two years and see how it works? Are we just going to approve the concept? Or are we saying these are the guidelines? Do we want to change any of the guidelines? Will this just be added as an addendum to the TIF program?

Alderman Stover says we have the freedom to spend the TIF funds however we choose so this can just be added to the program. This is really just our guidelines.

The question was asked if we would do just one business at a time. Mayor Johansen thought one business a year but Alderman Franklin suggested a dollar limit rather than one business. Why limit it if we have more money?

This year we thought we could transfer some money from the video gaming into the TIF. The average income from video gaming is \$1,500-\$1,600 per month. To find out what each business brings in video gaming you can go to the State of Illinois web site. This will be included in the budget for next year.

Motion was made by Alderman Colclasure and seconded by Alderwoman Wilson to add the Retail Subsidy Program to the TIF Grant Program. Motion carried with four yes and one no.

Halloween Party:

The Halloween Party is October 28, 2018, 2:00-5:00 at the School. The Council helps cook hot dogs. There is usually a pretty good turnout. Alderman Stover reminded the Council that usually everything is cooked and all they needed to do was show up to hand them out.

Mayor Johansen also wanted to set some trick and treat hours. It was suggested that trick and treat hours be set at 5-7 p.m.

Committee Reports:

Mayors Report:

movement on Casey's, everything is still being worked out.

There has not been much

Mayor Johansen went to the meeting in Pontiac on the grants. There is a grant for building or up grading truck routes. He is working with Farnsworth to apply and that may help cover the cost of a road out by Casey's.

The question was asked about the street lights out by where Casey's is going in and Mayor Johansen has heard nothing pertaining to them.

Mayor Johansen has submitted everything to the Rail Road and he has not heard anything back from them. He did request 24 hour quiet zone. We can talk later if we want to limit that to night time. Each rail road crossing had to be numbered according to the Department of Transportation.

The question was asked as to the source of the street lights out there. Corn Belt Energy would bring it up to where their line ends and then it would be Ameren. It really needs to be lit up out there. We have a lot of people walking out to McDonalds and Dollar General.

Fred Moressette expects his grand opening to be on Black Friday. He is doing a lot of work. If you go up there, go in the door next to Tom Shields, that is the Tasting Room he has been working on and it is really looking nice in there.

Just Fine Beer Company is the gentleman that is looking to buy the old Water Plant and building next to it. He has put the enclosed together to give the council an idea of what he wants to do with it. We have already declared the old Water Plant surplus property and the next step is to put it for sale. Mayor Johansen has talked to him and he has agreed that if he buys the building we can store equipment in the building as he will not need it for a year as he will concentrate on the brewery. This is a concentrated plan and you can all look it over. I will see if he will come to the next Council Meeting.

Alderman Stover felt he was a good business man and felt this was an impressive business plan that he presented to the Council. At no point in the conversation does he strike you as someone who was going to have an issue with money. He is planning a business here. He has had some successes already.

Mayor Johansen says he thinks he has some ideas for using the tanks as well. Leaving one to put his logo on the side. He has some good ideas how the bar is going to go in. We look at the flip side of this and we could spend \$135,000+ to tear it down or we can sell it and bring another business to town. He will sell to the bars in town. He is willing to pay around \$45,000. That buys that front building that says "City of Lexington" and that is money we can set aside to put up a new building down the road

Police: Police Department has been contacted by Towanda Police Department to see if we wanted to contract out to them. The advantage to that is it would not require a lot of patrol time. We are not able to do it at this time. It might be an alternative in the future to bring our salaries up. No decision at this time.

Building/Insurance

Alderman Stover is still in talks with Diamond. He has gotten an update on equipment from Chief Belvery. He should be getting final numbers soon. He hopes to get a final quote back soon, nothing from Rich and another bid from Steffen in LeRoy on property. He hasn't received the packet on health insurance yet.

Finance/TIF:

Alderman Stover still needs the estimated EAV report from the Assessor's office and as soon as he has that he should be able to do the calculations. Run thru some early numbers, we know we are going to have increased expenses this year, property insurance, health insurance. We have a lot of opportunity, buildings. He is sure our levy will increase but hopefully not to the point that it increases the rate. He thinks we can keep the rate low enough that even though we have a multiplier increase, which is increasing the assessed value of the property, if we reduce the rate it hopefully will come together and we will not see an actual cost to the residents, because we do have an increase in the EAV again.

We will also be over the CAP for TIF, we will be doing the sharing with the school and the Fire Department and those calculations need to be done too

Mayor Johansen asked if anyone's property tax went up to which the answer was yes. He would like to sit and talk to the tax assessor and ask him questions. It was decided that it would be good to have him come to a Council Meeting to answer questions about the process of how his job works.

Water/Sewer/Sanitation:

None

Street/Alley:

None

Alderman Franklin asked about the Volley Ball Tournament that was held in town over the weekend. He wanted to know about the economic impact to the town. Were coupons passed out? The Booster Club sells hot dogs and gondolas for people to eat there.

Mayor Johansen said if you check with the local restaurants they do a better business. The people do stop in there. The problem with Kelly's is he closes so early, that he is closed by the time a high school game gets out.

There being no further business, motion was made by Alderwoman Wilson to adjourn at 7:45 P.M. Motion carried by unanimous voice vote.

Respectfully submitted,

Pati Pease

City Clerk

Approved: October 8, 2018

