



CITY OF BELLEVILLE
ECONOMIC DEVELOPMENT /
ANNEXATION COMMITTEE
Meeting Minutes

March 1, 2023, 5:00 PM

MEMBERS:

Alderman Bryan Whitaker, Ward 1	Present
Alderwoman Jamie Eros, Ward 2	Present
Alderman Johnnie Anthony, Ward 4	Present
Alderwoman Shelly Schaefer, Ward 5	Present
Alderman Chris Rothweiler, Ward 6	Present
Alderman Dennis Weygandt, Ward 7	Excused
Alderwoman Kara Osthoff, Ward 8	Present
Alderman Kent Randle, Ward 3, Chairman	Present

STAFF PRESENT:

Mayor Patty Gregory	Excused
Cliff Cross, Director of Economic Development, Planning and Zoning	Excused
Jamie Maitret, Director of Finance	Present
Eric Schauster, Assistant Director of Economic Development	Present
Penny Moore, Secretary, Economic Development, Planning and Zoning	Excused

GUEST ALDERMAN PRESENT:

Phillip Elmore, Alderman Ward 7

GUESTS PRESENT: Jodie Ferguson, Michael Hagberg and Barb Swantner

The Economic Development and Annexation Committee meeting was called to order in person at 5:00 PM by Chairman Alderman Randle. Attendance of the Committee Members was taken, and a quorum was declared at by Chairman Alderman Randle. Chairman Alderman Randle explained emergency procedures. (5:01 PM)

PUBLIC PARTICIPATION (No more than two (2) to three (3) minutes):

Michael Hagberg (5:01 PM), Barb Swantner (5:02 PM)

MEETING MINUTES: Chairman Alderman Randle explained to the Committee that the Executive Session minutes would not be approved during the meeting but will be brought back for future approval. Chairman Alderman Randle shared three (3) corrections with Mr. Schauster. Chairman Alderman Randle asked for a motion to be made to approve the regular meeting minutes for the February 1, 2023 meeting. A motion for approval was made by Alderwoman Eros and seconded by Alderwoman Schaefer. Motion carried (7-0), with all present members voting in the affirmative with no corrections noted. (5:03 PM)

NEW BUSINESS:

1. Clara B's, LLC: 732 South Illinois St.-Remodeling and utility work for a restaurant. (5:04 PM)

Mr. Schauster explained the request from Clara B's, located at the train depot on South Illinois Street. Clara B's was previously located on East Main Street and quickly out-grew the space. LongStory Coffee, LLC shares part of the building and did not receive TIF incentives for their project. However, LongStory did receive Enterprise Zone funding, which does not require approval from this Committee. Ms. Ferguson is leasing the space, which does not preclude her from requesting TIF assistance. Mr. Schauster explained the applicant's unexpected electrical expense issues and remodeling cost problems. Mr. Schauster elaborated, this is a higher percentage expense, but comes with unexpected issues. Plus, based on the applicant's sales, the city will make its investment back in one and a half years (1.5 years). Mr. Schauster shared the following proposal: (5:07 PM)

Company	Clara B's, LLC
Project Information	Remodeling and utility work at the existing facility for a restaurant.
Address	732 South Illinois St.
Estimated Project Costs	\$32,000.00 Remodeling: \$25,000.00 Site Prep./Utilities: \$ 7,000.00
Incentives Requested	1. Reimbursement of TIF eligible costs.
Recommend Development Agreement to include but not limited to:	Responsibilities of the City of Belleville 1. Reimburse Clara B's, LLC \$10,000.00 in TIF #3 funds for remodeling and utility work at the existing restaurant facility located at 732 South Illinois St., after receipt of documentation of eligible costs incurred.
Proposed incentive package is \$10,000.00 or 31% of Total Project Cost.	Responsibilities of Clara B's, LLC A. Invest no less than \$32,000,000.00 for remodeling and utility work at the existing facility located at 732 South Illinois St. no later than May 31, 2023; and. B. Retain six (6) FTE jobs; and. C. Create three (3) additional FTE jobs within the first year of operation; and. D. Commit to annual sales subject to sales tax of no less than \$483,000.00; and. E. Clara B's, LLC and any heirs and/or successors shall remain and operate at the site for no less than five (5) years; and. F. Compliance with all existing and applicable Federal, State, County and Local laws and ordinances.
Item(s) (1) contingent upon approval of building and site plan being to code with the following conditions met by Clara B's, LLC:	
Source of Funding	TIF #3
Additional Documentation:	Business plan.

Alderman Whitaker shared concern of the percentage of the incentive, as it is higher than normally requested. Mr. Schauster explained, the percentage is higher, but all cases are taken on a case-by-case basis and the request is accepted based on how each individual project works. Discussion of regaining the investment, construction details and what expenses are related to TIF expenses. Review of the applicant's business plan and profit margin occurred. Ms. Ferguson answered questions regarding expenses versus revenue. (5:11 PM)

A motion was made to APPROVE by Alderman Rothweiler with a second by Alderwoman Schaeffer. The motion carried by a vote of (7-0), with all present members voting in the affirmative. (5:12 PM)

- 2. Consideration and Possible Action on an Ordinance to close out and for final expenditures of Tax Increment Financing District 20 (Eckerts). (5:12 PM)
- 3. Consideration and Possible Action on an Ordinance to End Business District Tax for TIF 20 (Eckerts).

Chairman Randle explained items two (2) and three (3) are on the agenda as an update courtesy to the Committee. There will not be a motion regarding the agenda items, rather Chairman Randle requested a brief overview from Finance Director, Jamie Maitret and Assistant Director of Economic Development, Eric Schauster of the consideration before the motion goes to council. (5:12 PM)

Mr. Schauster explained, the initial TIF district was set up for the first Eckert's expansion, which was extremely successful. Eckert's did their last expansion last year, in which the business did not request any additional TIF funding from the City of Belleville. The project and reimbursements are coming to an end. (5:13 PM)

Ms. Maitret explained the financials in the request to close out Tax Increment Financing District 20 (Eckerts). Ms. Maitret added, there are several years left on TIF 20. This was a very project specific TIF. The City still owes approximately one hundred and fifty thousand dollars (\$150,000.00) to pay off the development agreement. However, Ms. Maitret continued that she has more than that in the bank, so it does not make sense to continue TIF 20. Per discussions with Director Cliff Cross, the plan is to close the TIF early, pay off the development and return any remaining funds to the taxing districts via St. Clair County. Time is important, as this includes the TIF revenues, the real estate taxes, plus the one percent (1%) Business District tax. The Business District tax may only be changed two (2) times per year, on July 1 and January 1. The Department of Revenue would need to know by April 1, if we are going to get rid of that business tax. Even if we do that and it stops at the end of June, we will still collect through the end of September due to a three (3) month lag. So, we would like to withhold that much from the payoff of the development. But doing so, in September the entire development agreement will be paid off and the TIF will be closed. For the County not to levy any more real estate taxes, they need to know by March 10, 2023. The timing is imperative. (5:15 PM)

Alderman Randle shared his thoughts regarding the benefits of closing out TIF 20 and removing the additional one percent (1%) tax. Discussion of infrastructure funds for Eckert's occurred. (5:17 PM)

Old Business:


1. 407 East Lincoln Street and 123/127 Mascoutah Avenue Update

Eric Schauster explained that Mr. Cross is more involved in these agreements than he. With Mr. Cross' excused absence, there is no update to report. Alderman Randle reported that both Mr. Cross and Ms. Moore were both excused due to illness. (5:18 PM)

MOTION TO ADJOURN:

Alderwoman Schaefer made a motion to ADJOURN, seconded by Alderwoman Eros. With all present members voting in the affirmative, motion carried (7-0). The meeting closed at 5:18 PM.

Respectfully Submitted,
Penny Moore
Coordinator
Economic Development, Planning, and Zoning Department

Approved:  Date: 5/3/2023
Kent Randle
Chairman, Economic Development and Annexation Committee