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**City of Mt. Vernon, Illinois  
Special City Council Meeting  
Monday, September 24, 2012  
MINUTES**

The Mt. Vernon City Council held a Special City Council Meeting on Monday, September 24, 2012, at 3:00 p.m. at City Hall, 1100 Main Street, Mt. Vernon, IL.

Mayor Mary Jane Chesley called the meeting to order.

**ROLL CALL**

Roll call showed present: Council Members Ron Lash, Dennis McEnaney, Todd Piper, David Wood and Mayor Mary Jane Chesley.

**NEW BUSINESS**

Mayor Mary Jane Chesley presented for Council's consideration a First Reading of Ordinance Approving an Agreement with Good Samaritan Regional Health Center. City Manager Neibert stated this was an Ordinance with Good Samaritan. At the last Regular City Council Meeting Council approved a Conditional Use Permit for the sign package for the new hospital facility. Part of that property is on property previously dedicated to the City for roadway purposes. In order to properly install their package they are asking that the City agree to lease back a portion of that property to them. He and the attorney have reviewed it and are satisfied with the lease agreement and would recommend approval and requests suspension of the rules.

Council Member Wood asked for confirmation that Good Samaritan was maintaining a \$5 million policy to protect the City and should there be an incident greater than that, the City's general liability policy would cover it. Neibert confirmed that was correct. The City's policy coverage is \$8 million and the lease is for 99 years.

**Council Member Piper made a motion to Suspend the Rules to take action on the Ordinance Approving an Agreement with Good Samaritan Regional Health Center. Seconded by Council Member McEnaney. Yeas: Lash, McEnaney, Piper, Wood and Chesley.**

**Council Member Piper made a motion to approve Ordinance #2012-34 Approving an Agreement with Good Samaritan Regional Health Center. Seconded by Council Member McEnaney. Yeas: Lash, McEnaney, Piper, Wood and Chesley.**

Mayor Chesley presented for Council's consideration a Resolution Approving Agreement Regarding the Construction, Maintenance and Use of a Railroad Track. City Manager elaborated that this was an agreement between the City and Continental Tire for the rail spur project. The City applied for and received a \$1 million-plus grant to build a new rail spur to assist Continental Tire and their expansion project. The bids were opened today and the project came under bid. This agreement sets up terms and conditions for Continental Tire to have all responsibility of operations and maintenance of that spur facility. The City's sole involvement after completion of the spur will be owner in name and Continental Tire will be covering the City with liability and taking care of all maintenance. This was a way to utilize the grant program. After five years under that grant program the City would be able to transfer ownership of that tract to Continental Tire.

Council Member Piper asked what the benefit would be to transfer the title. City Manager Neibert stated it wouldn't benefit or hurt the City either way. It would lend some level of liability removal from the City if something were to happen in the future.

Council Member Wood stated that it showed the City's support to retention of the City's current businesses and expansion which is a plus for the City. He asked for a quick monetary synopsis regarding the monetary support given to Continental Tire and how much of the tread way was City money and how much was grant money. City Manager Neibert concluded that it was about a \$1 million project. Half of that came through a grant and the matching funds were City funds but technically came about via SIEDA grants and taken out of the Revolving Loan Fund. Those funds were originally received through the State of Illinois, stated Neibert. Wood noted that the City gave \$750,000.00 to Continental Tire on the first grant and \$500,000.00 on the second one asking for a summary on this one. Neibert clarified that it's a \$1 million grant entirely from the State and there are no direct City funds going into the project.

Mayor Chesley asked what fund this came out of. Neibert replied, the IDOT Rail Freight program.

Council Member Wood asked for clarification that they do not get that grant without the City's participation. Neibert confirmed that was correct and went on to say that the Rail Freight program has two components; grants for municipalities that will own the railroad lines or loans to businesses for that. The City was able to get a million dollar improvement into the Continental Tire Facility at no cost to the City and no cost to Continental. Wood asked if all of these were possible without the availability of Home Rule. Neibert stated the \$750,000.00 grant was not possible without Home Rule, the roadway project was not contingent on any Home Rule status. The grant that was received under this program was available to non-home rule units; however, the structure of the agreement is such that it would be very difficult to structure the agreement to give the property back to Continental Tire.

Mayor Chesley noted that one thing to remember is this is an investment in our community and in our future and the more important aspect of it means jobs. This is certainly a way that we have utilized the expenditure of City revenues and State in order to accompany the largest employer in Southern Illinois to expand and have 444 jobs brought to the City and Jefferson County.

**Council Member Wood made a motion to approve the Resolution Approving Agreement Regarding the Construction, Maintenance and Use of a Railroad Track. Seconded by Council Member Lash. Yeas: Lash, McEnaney, Piper, Wood and Chesley.**

Mayor Chesley presented to Council the Presentation of Housing Development Program. City Manager Neibert reintroduced Mr. Joe Zanola of Zanola Companies. He is here to make a presentation to the Council regarding their recommendations on the Housing Development Project. Mr. Zanola stated he had some exciting things to present. The presentation summarized the housing growth program. He explained the purpose of the program was to create a completely new home marketing plan to advance the conclusions and recommendations they had provided in Mt. Vernon for the housing needs analysis. The document has six main sections which will be highlighted in the presentation. The sections include a marketing plan, an outreach campaign, conceptual messaging and marketing materials, key professional input, a development and home building process guide and a team, resources and budgets categories. The approach they took in looking for the most effective message would be to utilize the larger brand of Creativity Redefined already in place. Mr. Zanola went through the slideshow presentation presented to the Council.

Council Member Wood asked who the targeted audience included in the outreach campaign. Mr. Zanola replied homebuilders and developers which could be local or regional. At this stage, they have been concentrating on attracting folks from outside of Mt. Vernon. In one section of the program they spoke with professional builders and developers from other areas of Illinois, Missouri, Alabama and Tennessee regarding whether they would be interested in opportunities in Mt. Vernon. Mr. Zanola feels there is great opportunity and unmet need here in Mt. Vernon, which is a lot different from most of the rest of the world which is overbuilt and under employed. Wood wanted to know the driving metric they are pushing to these prospective developers to make them choose Mt. Vernon. Mr. Zanola stated they have proven through the initial research that there is opportunity, that the area is underbuilt and that the quality of life and continuing growth supports additional building. Most of the industry now is finding themselves in areas that have been overbuilt and that's what they are having to struggle through. He continued that the size of the opportunity here scales well so they can focus on small and medium size builders and developers. Wood asked if the quality of life then is the metric used to convince these developers to build inside the city limits and the route to get people to come to Mt. Vernon. Mr. Zanola concluded that it was. He added that when they start promoting this program and bringing specific builders and developers here they will need to make sure that aspect is very clear.

Council Member Piper asked if 40 was the number of prospects Mr. Zanola had spoken with. Mr. Zanola clarified, that was an anticipated percentage and confirmed eight potential developers to start with. He stated it was always hard to say what started first whether it's the revitalization of an area or the core that makes housing happen. They tend to start at the same time. A lot of the plans they have focused on is new home subdivisions and infill. There is a professional component that will happen on the infill and an individual that wants to invest and fix up.

Council Member Lash, asked for clarification that number forty was just a percentage of what could happen or if it could possibly be fifty or sixty? Mr. Zanola stated that is the number they are shooting for of new homes to be created. It could possibly be more than that.

Council Member Wood asked Mr. Zanola to define success at the end of the project. Mr. Zanola stated that he would be looking at it as an on-going process without a clear cut conclusion. What he would say is successful with each builder getting started would be that they are in concert with the City in terms of what's really important and what is to be accomplished in terms of housing, that they have the where with all and the good business sense to develop and build correctly and that they are not building a lot of speculative projects. That would be his first measurement to make sure they are set up correctly. He stated that he would not look at a measurement of success after 30 months if they have 60 new homes

started because a person is building all of those speculatively. All markets have had those extreme highs, he noted. Part of his success would be having those home builders be involved in the presales process so that they are selling at least as many homes before they started then they were building speculatively.

Mayor Chesley asked if any local developers and builders have been considered for this project. Mr. Zanolà stated that he had only met one of the local builders/developers and he is unsure. He stated that part of the process that he has in place would set up different versions of this process and one of them is for the industry level reaching out and presenting that opportunity. Mayor Chesley wanted to be sure and include the local builders and developers ensuring that the local investors and residents would have the opportunity for participation to get the background information. He stated that he agreed and that the lack of homebuilding in Mt. Vernon would lead him to make sure that this was done so they do not overlook anyone locally who would be interested. On another scale he emphasized and stressed the importance of the "Businesses for Building" within the packet which include those businesses that would be involved in selling building materials, concrete, grading equipment and landscaping, providing those needs for businesses that are in town and ensuring the sales tax revenues in Mt. Vernon.

Council Member Wood expressed his concern regarding the Key Professionals' Input section and the letter of credit requirement. He stated that bonding is important for the City to be sure that people are able to carry through on the process. The City has to have some level of protection. Mr. Zanolà stated that when he looked at both sides, his sense is that the way that it is applied is not held forever, there is a regional type of lease. The banking situation these days requires a letter of credit and the collateral tends to lean toward cash. Wood asked if there was a role for the local banks to build around this aspect. Mr. Zanolà stated that yes there was in the "Businesses for Building" group. The first level would be what banks in the City are open to land development lending and making sure not to discourage anyone by sending them to banks that are not participating. Wood stated that the banks that are here are interested in building this community and they may be the best banks for building this safety valve in and the most willing to lend. Obviously the credit worthiness of the developer is the main focus. Mr. Zanolà stated banks might be more likely to lend due to the fact that the area has not been overdeveloped here in Mt. Vernon. Wood shared his concern that the City's building process might be too complex, burdensome or not documented well enough for someone to follow. He recommended having this process guide listed here with those aspects driven into the City's rules and process to make this easier.

Council Member Piper asked if Mr. Zanolà had visited with other City's that have streamlined their building process and asked for examples. He stated there are two basic things that keep the process from being complicated. The first being an up-front agreement presented to the developers/builders which include the process and how things should be filled out. Providing customer service to the developers and builders. The second is timeliness. Piper asked if Mr. Zanolà went over Mt. Vernon's process. He stated yes, he had looked at the forms and spoke with Capital Projects Manager, Nathan McKenna and City Manager, Ron Neibert. He stated that his recommendations are there addressing the process guide and timeliness.

Council Member Wood asked Neibert if he was involved in the review process. He wanted to be confident that Neibert believed that he would have the process lined up in such a way that any reasonable business coming to Mt. Vernon would be able to know what the rules were and when there was a need the City would be able to respond to that need and have the people in place to do it. Piper wanted to be sure that the Policy would be established when the City Manager was out of the office as well. Neibert stated that one of the things that is going to come of this whole process is going to be a

one-stop shopping manual for housing development. Neibert shared, the focus, once developers and builders show interest would be protecting the city's interests and making the process enjoyable and efficient for those people coming in.

Council reviewed the Housing Growth Marketing Plan uploaded to their I Pads. Neibert concluded that a lot of these same processes can be used to also send the message out to those who are looking to move here telling them what a great community Mt. Vernon is.

Mr. Zanola went through the summary page of the budget.

Council Member Wood asked who was going to take on these projects. Neibert stated the Capital Projects Manager. Neibert added that in the proposal there is a Housing Team that is developed as well. Mr. Zanola's recommendation is a City leader and then the day-to-day person reporting to the City leader that makes things happen. The City leader being the Capital Projects Manager, concluded Neibert. Wood asked if the true cost of the program would be the project plus a certain level of financial incentives. Neibert concluded that was correct and stated the City earmarked \$1 million towards this program. Wood asked Mr. Zanola when the building of the houses would begin. Neibert provided there was a two to five year window.

City Manager Neibert offered that if Council would like to take some additional time and look at each individual project component and reach a consensus on those components they feel would be of value to the City then they could discuss that and revise the cost of the project. Piper stated that he loved the approach.

Council Member Wood commented that he assumed that the approach was a flexible one which could be modified or even stopped if needed as they go along. Mr. Zanola concluded that it was. Wood continued that he liked the program but it did feel a bit unwieldy to him. He would like to see a proposal that says they do everything and one where they could slim the process down a little. He wanted to be sure that homes get built before the end of the five-year program. Neibert assured that with the five-year program the marketing process would begin under the quick start proposal so the City would begin early blitz marketing. The five-year proposal is just a continuation of continued marketing of what they establish within the first three or four months of the process. A lot of the work would be in the first four-six months in terms of development and campaigning. There are aspects that are released into the program based on City approval so everything is not started all at once. He stated there are some builders now that are ready to talk to the City, but we need to make sure we know what to talk to them about concluded Mr. Zanola.

Council Member Piper stated he sees this as a population growth program. It is not too far off from the Brand Leadership Team and what they talked about in hiring improvement services for downtown.

Council Member Lash asked if the whole component of the quick-start process would begin immediately if they so choose with the other components being worked in over the five years. Mr. Zanola stated within the next few months.

Mr. Zanola mentioned there were several components within the packet that they expect to get National Building Trade media attention via magazines, national public radio and national blogs. Piper asked if they had done this with other clients in the past. He noted they had. What they are doing with this program involves a great deal of sensitivity to what and where people want to live and they feel that

within the next few years these will be some of the most significant things that will be talked about as a nation. People are starting to make decisions, identifying Mt. Vernon as this shining star of growth, culture and creativity which is creating a positive message. They offer public relation pitches and have personal contacts with the National Trades Media and he feels they can help the City identify and go beyond the consumer level. Neibert stated this is where the City blends the Branding Study. The materials that are developed will have the concepts and designs that were created in the branding. Mr. Zanola will take the decorative portion of the branding and put it into the technical aspect that the City needs to look good and sound good.

Council Member Wood asked for Neibert's concept of the time frame as to when to move forward on this. Neibert suggested looking at the packet and the project and if there is any part of the components Council is not comfortable with to let him know and they can discuss maybe removing it from the project. A proposal would then be drawn up by Mr. Zonola. It was decided that Council will take a week to review the components, have the Proposal from Mr. Zonola and have a contract for Council's consideration second Council Meeting in October. Council Member Piper commented that the Branding Team needs to review this presentation as well.

#### **MAYOR**

No comments from the Mayor.

#### **CITY COUNCIL**

No comments from City Council.

#### **VISITORS/CITIZENS REQUESTS/ADDRESSES FROM THE AUDIENCE**

No public comments.

#### **EXECUTIVE SESSION**

Motion by Council Member Piper to go into Executive Session to discuss Personnel. Seconded by Council Member Lash. Yeas: Lash, McEnaney, Piper, Wood and Chesley.

#### **ADJOURNMENT**

**Motion by Council Member McEnaney to adjourn. Seconded by Council Member Wood. Yeas: Lash, McEnaney, Piper, Wood and Chesley.**

The meeting was adjourned at 5:40 p.m.

Respectfully submitted,

Jerilee Hopkins  
City Clerk