

CITY OF PERU PUBLIC HEARING-SEPTEMBER 21, 2026

A public hearing was held at 6:06 p.m. September 21, 2026, to advise the City's intent to approve a Business District Redevelopment Plan and designate a Business District Redevelopment Area.

City Clerk Jamey Mertel called the meeting to order.

In attendance at the hearing were, Mayor Kolowski, City Clerk Jamey Mertel, Aldermen Ballard, Payton, Edgcomb, Sapienza, O'Sadnick, Lukosus and Moreno. Alderman Tieman was absent. Also in attendance: Corporate Counsel Scott Schweickert and Special Corporation Counsel Herb Klein. There were several members of the public in attendance.

Special Corporate Counsel Herb Klein initiated a discussion regarding the City's intent to approve a Business District Development Plan and designate a Business District Redevelopment Area. Atty Klein described what a business district development is and the incentive of implementing up to an additional 1% sales tax. Atty. Klein reported the additional sales tax increase does not apply to groceries, medication, medical devices or anything titled [such as a vehicle]. Atty Klein stated the BDD does not affect property taxes.

Atty Klein stated the process to establish a BDD involves the city identifying an area along with identifying the types of projects that it would like to see funded. Atty Klein noted the \$485,000,000 listed in the plan is not a budget, obligation or even a commitment to spend that type of money; rather an authorization to spend up the that amount on projects if the funds are available and the need arose.

Atty Klein stated that if the council were to implement it and adopt the ordinance tonight, it would be filed by October 1st and the tax increase would begin January 1st; should the council need more time to consider it, the next opportunity would to adopt it sometime prior to April 1st to make the April 1 filing deadline.

Mayor Kolowski asked for public comment.

Eric Solderhom, Sherry Mayszak, Mike Hart and Peggy Turner reported they are against increasing taxes.

Erin Maze reported he is against raising taxes and presented a letter for the record.

Unnamed resident reported living near Plank Road noted their taxes and property taxes have increased and thinks a third tax is ridiculous.

Mary Beth Norton reported she owns a parcel in the proposed BDD area and asked how it would be affected. Ms. Norton presented a letter to be added to the record.

Alderman Moreno reported the City of Princeton adopted a BDD and has a sales tax rate of 8.5% [along with the cities of Peru and Streator].

Alderman O'Sadnick asked Atty Klein if the BDD could free up funds for other areas of town. Atty. Klein and Eric Carls, Director of Engineering and Zoning, reported yes.

Alderman Sapienza stated the council tries to keep taxes low and only 4% of real estate taxes goes to the city. Alderman Sapienza reported utilities are among the lowest in the state and [residents] need to appreciate the things that are being done to keep taxes and expenses low.

Mr. Solderholm berated Alderman Lukosus [mistaking Alderman Lukosus for Alderman Sapienza] stating he didn't need to lecture the public about appreciating the city and to shove it.

Mike Hart questioned the \$485 million dollar price tag. Mr. Carls reported it is a plan and not a commitment but includes a list of possible investments.

Atty Klein again explained that the \$485 million figure does not mean we're committing to \$485 million in projects and the figure is the City's best estimate of potential costs. Increased water, power, or sewer usage could require significant investment in utility plants and infrastructure serving the developments.

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Greg Maze inquired about the housing development plan mentioned. Atty Klein reported on discussion for the growth for business development and leaving someplace for people to live. Atty Klein asked if the public would want people driving in from other communities to shop and not leave their tax dollars here or do you want to grow the city.

Mayor Kolowski asked what would be least impactful, the BDD or raising Home Rule.

Alderman Edgcomb asked Atty Klein what the difference is between BDD and Home Rule. Atty Klein stated the home rule increase would affect every household within city limits verses a desired area (BDD).

Mayor Kolowski asked Atty Klein to explain if the city decided to wait on approving the BDD plan. Atty Klein stated that if the city were to wait on approving the plan, it would not be able to be submitted until April 1, 2027, and tax would not be able to be collected until July 1, 2027.

Alderman Edgcomb made a motion to adjourn the public hearing. Alderman Moreno seconded the motion. Motion carried.

Public hearing adjourned at 6:57 p.m.

Written Comments – Peru Business District No. 1 Redevelopment Plan Public Hearing

September 21, 2026

Comments on Comprehensive Planning and Public Input

The proposed plan notes on page 11 that “the BD Plan must conform to the comprehensive plan of the City.”

The only Comprehensive Plan I have been able to locate dates to 1969, 57 years ago. As of this writing, it remains unclear to me whether this is still Peru's officially adopted Comprehensive Plan or whether it has subsequently been amended or replaced. When I requested the current Comprehensive Plan, the City Clerk's office indicated that it needed to confer with another City department to locate it.

There may be a legal argument that the proposed Business District conforms to that plan. But I think there is a larger public-planning problem even if it does. A comprehensive plan is supposed to address the present and future development of the community. It is adopted through a public process, and it provides the larger framework within which individual development projects can be evaluated. Requiring a Business District plan to conform to the City's Comprehensive Plan connects these individual investments to that broader vision.

If our Comprehensive Plan is still the plan adopted 57 years ago, that public-planning function has effectively disappeared. The people of Peru today have never been asked where the City should grow, what kind of growth we want, what infrastructure we can afford, or which investments deserve priority—yet this Business District would establish a 23-year framework for as much as \$485 million in projects addressing exactly those questions.

The 1969 plan also appears to designate a substantial portion of the proposed Business District for low-density residential use. If that remains the City's governing Comprehensive Plan, I would like to understand how the proposed Business District conforms to it.

Whether or not the proposed Business District can legally be found to conform to the old plan, I believe proceeding this way defeats an important purpose of comprehensive planning: giving the public a meaningful role in deciding the City's long-term future before individual projects and financing decisions begin determining it for us.

I therefore ask the City to update its Comprehensive Plan, with broad public participation, before adopting this long-term development and financing framework.

Comments on the Proposed Map

- Why include parcels west of the airport? How are these parcels expected to be directly and substantially benefited by Business District projects over a mile away on the other side of the airport?
- Why include cemetery parcels? What Business District projects are expected to benefit them, and is future cemetery expansion anticipated?
- Progress Boulevard is frequently cited as an area with infrastructure and development challenges. Why is it not included, while nearby areas are?
- Though Progress Boulevard is largely manufacturing and services and is excluded, the subdivision north of Marquette Road is completely services and is included. What explains the different treatment?
- The tail of the district that stretches down to the Shooting Park Road and the Route 251 Business District connects geographically distinct commercial areas. What Business District projects are expected to create a direct and substantial benefit across this entire area?
- Heartland Bank on Shooting Park has the district on four sides, but is not included. Banks are included elsewhere. Similarly, the boundary around Progress Boulevard contains several irregular inclusions and exclusions, including a manufacturing parcel. What criteria were used to determine which individual parcels would be included?
- On the other side of Shooting Park are sales-generating Demilio's and Maples that are not included. These are among the few adjacent retail parcels not included in the district, along with parcels on west Shooting Park and north of Plank Road/I-80. What accounts for these exclusions?
- The district is large. Large districts generally don't foster the logic that supports retail development. The proposed district is unusually broad geographically and encompasses very different types of land use. What analysis supports treating these areas as a single Business District, and how is each portion expected to be directly and substantially benefited by the proposed projects?

Project and Financial Questions

- Peru relies heavily on sales tax for its operations. Because the Business District would increase that reliance for decades, has the City evaluated the long-term fiscal risks and benefits of relying so heavily on sales-tax revenue?

- More information would help the public evaluate the proposed redevelopment projects. It is not clear which projects represent maintenance or replacement of existing City infrastructure, which are needed specifically to enable development, and which are discretionary new investments.
- Electric improvements raise a financing question. Are the proposed electric projects normally funded through electric-system revenues, or is Business District revenue expected to subsidize them? If the latter, why?
- New roadways can potentially change traffic patterns substantially. What transportation or retail analysis supports the proposed roadway investments and their expected effect on existing commercial areas?
- Are these proposed sanitary and water improvements new capacity to support development, or the latest maintenance cycle for old infrastructure? What development assumptions support the scale of the proposed water and sewer expenditures?
- The Sports Complex feasibility study projects substantial capital and continuing financial requirements relative to its projected tax generation. How does the City evaluate this investment against other projects competing for Business District resources?
- Why are staff and professional services budgeted as a separate \$40 million category rather than allocated among the projects they support? To what extent should that \$40 million be considered part of the actual cost of the individual projects?
- Why is there no mention of Peru Mall? Given its scale and location, redevelopment of the mall would seem to be one of Peru's major long-term commercial-development questions. How does it fit into the Business District strategy?
- The funding discussion on page 35 identifies numerous possible funding sources, but I did not find a long-term capital or operating model showing how projects on this scale would actually be financed. What level of Business District revenue does the City realistically expect to commit annually? What additional revenues or debt are anticipated? And, importantly, what are the estimated annual lifecycle and operating costs of the assets the Business District would create after the Business District itself expires?

Suggested Planning & Accountability Practices

The Government Finance Officers Association offers some suggestions for good practices, including some of the following:

- Update the Comprehensive Plan before proceeding with major “big picture” development projects. Use that process to ask the public where Peru should grow, what it should invest in, and what it can afford.
- Require a public capital plan before committing Business District funds. Rank proposed projects and show, for each major investment, its capital cost, financing, expected benefit, and annual operating, maintenance, and replacement cost. Do not let the \$485 million project list become the capital plan.
- Put the City's work in front of Council and the public. Planning, engineering, feasibility and economic studies supporting major decisions should be included in Council packets and posted online with enough time to review before a meeting.
- Provide a simple business case for major discretionary projects before committing public funds. Explain the problem the project is intended to solve, alternatives considered, assumptions, capital and lifecycle costs, expected revenues or fiscal benefits, risks, and how the project compares with other potential uses of the same public resources.
- Bring major choices to the public while they are still choices. For projects such as the sports complex, major roads and expansion areas, present the alternatives and tradeoffs before a preferred project is substantially developed.

Respectfully Submitted,

Erin Maze

Peru, IL

REQUEST FOR CLARIFICATION REGARDING PIN 11-33-321-000
Proposed Peru Business District No. 1
Public Hearing: September 21, 2026

FBW owns the property identified as Assessor PIN 11-33-321-000 and GIS parcel number 11-33-300-019. Based on the boundary map, we understand that this entire parcel is included in the proposed Business District.

The City annexed this parcel and zoned it B-4 Highway Business District in 2024. FBW believes the property has commercial-development potential because of its commercial zoning, its location near the existing retail area, and adjacent water and sewer infrastructure. We would appreciate clarification about why it was included and how the City envisions it fitting into the Business District's future redevelopment plans.

We have a few specific questions for the record:

First, is its inclusion related to any planned electrical, access, drainage, roadway, utility or other infrastructure improvements? Does the City currently anticipate any project on the parcel or on adjacent City-owned property that could affect access to or use of our parcel?

Second, Page 42 of the plan references Document No. 2026-00910, which we understand is the City's recent purchase of PIN 11-33-400-025 from Carus, adjoining our property. Could the City explain its intended use for that parcel and how it relates to the district's infrastructure plans?

Third, FBW has existing access rights over the adjacent City-owned former railroad corridor. We ask that these access rights be taken into consideration and preserved in the planning of any Business District projects in this area.

Finally, Footnote 4 of the plan states that the City will not base an eminent domain case on the plan's blight findings. We ask the City to confirm on the record that this applies to FBW's parcel.

We are not objecting to the proposed Business District at this time. We are simply seeking information so that we can understand how the parcel fits within the plan and how its commercial potential may be affected or enhanced.

We respectfully request that this statement be included in the public-hearing record.

Submitted by:



Mary Beth Norton
Member, FBW, LLC
September 21, 2026