

**CITY OF ROCK ISLAND  
CITY COUNCIL STUDY SESSION  
March 13, 2023 - 5:00 p.m.**

**City Council Chambers, City Hall, 3rd Floor  
1528 Third Avenue, Rock Island, IL**

3/13/2023 - Minutes

**CALL TO ORDER**

Mayor Thoms called the meeting to order at 5:00 p.m. and welcomed everyone.

**THIS MEETING WILL BE CONDUCTED BY AUDIO AND VIDEO CONFERENCE WITHOUT A PHYSICALLY PRESENT QUORUM OF THE ROCK ISLAND CITY COUNCIL DUE TO THE DISASTER DECLARATION ISSUED BY GOVERNOR PRITZKER.**

**ROLL CALL**

Mayor Thoms asked City Clerk Samantha Gange to call the roll.

Present: Alderperson Moses Robinson (virtual), Randy Hurt, Judith Gilbert, Jenni Swanson, Dylan Parker (virtual), Mark Poulos (virtual), and Mayor Mike Thoms.

Absent: Alderperson Bill Healy.

Staff: City Manager Todd Thompson, City Attorney Dave Morrison, City Clerk Samantha Gange, and other City staff.

**PUBLIC COMMENT**

Mayor Thoms asked if anyone in the audience or virtually wished to speak. No residents volunteered to speak.

**CLOSED SESSION.**

## MOTION:

Aldersperson Swanson moved to go into Closed Session for the exception cited; Aldersperson Gilbert seconded.

## VOTE:

Motion passed on a 6-0-1 roll call vote. Aye: Parker, Poulos, Robinson, Hurt, Gilbert, and Swanson. Nay: None. Absent: Healy.

Upon resumption of the Study Session at 5:40 p.m. following Closed Session, roll was called.

Present: Alderspersons Robinson (virtual), Hurt, Gilbert, Swanson, Parker (virtual), Poulos (virtual), and Mayor Thoms.

Absent: Aldersperson Bill Healy.

## **UPDATES ON THE TOBACCO ORDINANCE & ZONING**

Zoning Manager Tanner Osing presented an update on the City's tobacco ordinance. He covered updated definitions in the proposed ordinance regarding nicotine and tobacco products as well as electronic cigarettes. He said there would be two categories of licensure, classified as A for tobacco generally with vaping products as an accessory to the business, and B for vape shops where more than 80 percent of sales are dedicated to vaping products. Similar to liquor license regulations, a tobacco license would be tied to an individual and be non-transferable.

Aldersperson Gilbert asked what the license fees had been and what the proposed fees were. City Clerk Gange said the current fee is \$125.00, and the proposed fee for a class A license would stay the same, and class B at \$250.00. Mr. Osing said the other major change to the ordinance is raising the age to 21 from 18 to match the state requirement.

Mr. Osing discussed the effects to the Zoning Code, the largest being an updated definition for a retail tobacco business in order to match the tobacco ordinance. He noted the update inserts retail tobacco business as defined into the B2 downtown business zoning district chapter of the Zoning Code, including the requirement to have a 100-foot buffer from any residentially zoned property. Aldersperson Swanson asked if any existing business would be grandfathered in. Mr. Osing replied affirmatively, and per the Zoning Code, non-conforming use would not be allowed to continue if a property was abandoned for over a year or changed to a permitting use.

Aldersperson Gilbert asked if a new business could only locate within the indicated locations on the presented map. Mr. Osing replied that was correct for a class B or retail tobacco business as defined in the Zoning Code, and if someone wished to open a business outside of those locations they would need to follow the due process through a variance or Special Use Permit (SUP). City Attorney Morrison said staff's purpose was to have the licensing and zoning matters match to give Council and property owners a clearer idea of regulation, as well as address the types of products currently sold.

Mr. Osing said staff researched the regulation of flavored vape products, and found not many Illinois communities are doing so. He noted that the Food and Drug Administration (FDA) is focused on whether or not the marketing for such products is aimed at those attempting to quit tobacco use, or a younger population. Staff did not see the need to institute a citywide ban, and would await additional guidance on the state or federal level. Mr. Morrison said regulation could be difficult to enforce, as small changes to products could circumnavigate regulation.

Alderson Parker said he supported a measure that would ban flavors, and Rock Island would be a leader in the area in banning such products. He recommended leaving this regulation to the state or federal government. He noted there is also a racial element to consider. Mr. Morrison suggested that having litigated such issues for some time, enforcement could be difficult. Alderson Hurt said he was against staff recommendation to have a wait and see approach, and would prefer banning flavored products.

Alderson Parker asked if there is Council support to ban flavors, should amendments be done over time. Community and Economic Development Director Miles Brainard said a discussion would be needed to determine whether or not current or future businesses would be allowed to sell flavors or not. If there is a desire to ban flavored products as a policy, staff would need to do additional research. Ms. Gange noted the pending lifting of the vape shop moratorium at the end of March. Mr. Brainard said not many Illinois communities have instituted a flavor ban. Mr. Morrison said doing something quickly is not the preferred method, but the ordinance could be considered as proposed with the potential for amendments. He noted that reasonable minds may disagree as to what would constitute a flavor designation for vape products.

Alderson Swanson asked if the moratorium could be extended until the federal government provided restrictions. Mr. Brainard said what was on the agenda for the evening could be approved, with the motion directing staff to return with options. Ms. Gange noted that the license year would soon begin on May 1, and the City currently does not have a vape shop permit. The status quo can be maintained if Council decides to table the matter. Mr. Thompson said his recommendation would be to table the item on the agenda and extend the moratorium for six months, then bring the measure back as a complete measure. Mayor Thoms noted that the City would then not be able to license vape shops until then. Alderson Parker said he would support the recommendation to approve what has been proposed, with staff returning in 30 days with additional recommendations.

Alderson Robinson asked if the intention was to license vape shops. Mayor Thoms said yes. Alderson Robinson asked if staff was aware of how many vape shops the City has in order to license them appropriately. Ms. Gange said there would be a press release, a letter sent to known vape stores, and a City website notice regarding changes to the ordinance starting May 1. Alderson Parker asked about regulation of glass pipes and staff's recommendation against licensing them. Mr. Osing said staff reviewed similar cities in the state and based a portion of the ordinance updates on their existing policies. He added staff did not see existing language in those ordinances to regulate glass pipes.

Alderson Parker said Yabba Dabba's does not sell tobacco, but asked if they would be required to have a tobacco license. Mr. Osing noted they do have a tobacco license. Ms. Gange said the definition in the tobacco code identifies accessories for smoking, or anything that could be used to smoke. Mr. Brainard said he was looking for clarity of opinion from Council as to whether or not the agenda item referencing the tobacco ordinance was fine as is for 30 days while additional time was taken to research flavored products. Council noted agreement.

## **UPDATE ON BALLY'S CASINO TIF AND AGREEMENT.**

Economic Development Manager Tarah Sipes addressed Council regarding a proposed redevelopment agreement with Bally's Casino Quad Cities. She noted the presence of Bally's attorney Mark Schwiebert and Senior Director of Finance Troy Wolford. This proposal includes the creation of a sports book, sports lounge, and a hotel room rehabilitation from the original 2008 design.

Ms. Sipes said Bally's has undertaken a number of capital investments since their acquisition of the Jumer's Casino property. Due to state legislation, the construction of a sports book has become a possibility, and Bally's is aiming to spend \$34 million into refurbishing the site. She added there is approximately \$12 million in eligible expenses under the Tax Increment Financing (TIF) district. She said staff is proposing the agreement to ensure Bally's is able to stay competitive in the local market, considering the two newer and similar properties on the Iowa side.

She noted that the Bally's property tax is what funds the TIF, and over the course of five payments, it is proposed that the City will reimburse Bally's \$4,758,613 of eligible redevelopment project costs. The rebate would be 75 percent the first year, as many of the expenditures and investment would be front-loaded. In 2024, the City would provide a 65 percent increment rebate, in 2025 a 45 percent increment, in 2026 a 20 percent increment, and in 2027 if there is a balance to the aforementioned amount, it would be paid to Bally's. She said the front loading of expenses involves construction of the sports book, hiring and training of staff, and the hotel renovation project.

Mr. Schwiebert addressed Council, stating he has been involved with this project for over 30 years. He noted this would be a significant investment in the property, resulting from progress at the state level regarding the gaming industry. He discussed challenges faced by the casino in recent years due to the COVID-19 pandemic and changes to the regional market share. He said the City's commitment would enhance the up-to-date nature and competitiveness of the project, and the sports book would be the only one in the Quad Cities. An additional 80 jobs would be added over the period of time, and Bally's has already increased their payroll by 50 percent since June of 2021.

Aldersperson Hurt said he was in support of the proposed agreement, and asked if there were future plans for an event center at the location. Mr. Schwiebert said there have been discussions about that, but not a current commitment while the casino reclaims some market share.

Aldersperson Gilbert said she was in support of the proposal, and asked Mr. Wolford how much in receipts would be made available to the City for refurbishment or construction expenditures that are TIF eligible. Mr. Wolford said \$4 million would be spent on the sports book to ensure it opens by July, so that amount will be spent, a majority of which is TIF eligible. Ms. Sipes said Bally's had \$1.8 in capital expenditures in 2021, some of which was TIF eligible, and in 2022 they had \$3.9 in capital expenditures. Aldersperson Gilbert asked how much the first payment would be estimated to be. Ms. Sipes said \$1,713,797 would be the amount based on the 75 percent as proposed.

Mayor Thoms said Bally's has done a good job of investing in the community, including scholarships and sponsorship of events. He said they currently pay over \$2 million in property taxes each year, along with over \$3 million in annual gaming revenues to the City. He noted that improving Bally's market share would also benefit the City proportionally, and could provide good long-term gains. Mr. Schwiebert said the projections show an additional \$900,000 in gaming revenues to the City over the first year, as well as hotel/motel and food and beverage taxes. Many capital projects are to be completed by a certain date as listed in the proposed agreement. He noted that if Council were to act swiftly regarding the proposal, the sooner Bally's would be able to move forward with the projects.

Aldersperson Parker asked about Bally's contracting practices, to ensure local tax dollars are not spent on workers from out of town. He said there is a large group of workers in the City who are able to work on projects of this nature. Mr. Wolford said one of the contracting goals is to spend local, preferably on the Illinois side, and the other side is to spend diversely. He agreed, and said that local unions are being used at the property currently. Aldersperson Parker asked if Bally's would be open to having a conversation with the local labor management union. Mr. Wolford said they would.

Aldersperson Robinson thanked Bally's for their work in the City. Mayor Thoms noted that developers were looking at locations in the southwest area of the City, and Bally's had contributed to these efforts. Aldersperson Poulos said he is aware of Bally's contributions thus far, and it would be in the City's best interest to continue collaborating.

## **MOTION TO ADJOURN.**

MOTION:

Aldersperson Hurt moved to adjourn; Aldersperson Gilbert seconded.

VOTE:

Motion passed on a 6-0-1 roll call vote. Aye: Parker, Poulos, Robinson, Hurt, Gilbert, and Swanson.  
Nay: None. Absent: Healy.

The meeting adjourned at 6:30 p.m.

A handwritten signature in blue ink that reads "Josh Adams". The signature is written in a cursive, flowing style.

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Josh Adams, Deputy City Clerk