

Jo-Carroll Depot LRA Board of Directors
Meeting Minutes
3:00 p.m., Wednesday, May 2, 2018

- I. **Call to Order** -The meeting was called to order at 3:04 p.m. by Chairman Steve Keeffer on Wednesday, May 2, 2018 at the Jo-Carroll Depot LRA Conference Room, 18901 B Street, Savanna, Illinois.

2. **Roll Call** was answered as follows - Present: Don Crawford, Paul Hartman, Steve Keeffer, Bill McFadden, Ron Smith, Bill Wright and Bill Robinson. Absent: Kevin Reibel. LRA Staff present: Mara Roche. Attorney present: Phil Jensen. Guests present: Tim Schoenig (W/S Operator) Laura Roach (Depot Electric Supply), Amiee Martelle (Riverport Railroad), Lisa McCarthy (Northwest Illinois Economic Development), Ed Martin (Midwest 3PL, arrived at 3:19).

3. **Pledge of Allegiance** was recited.

4. **Agenda Additions**-None.

5. **Approval of March 7, 2018 Minutes**
 - A. March 7, 2018
A motion was made by Paul Hartman to approve the minutes from the March 7, 2018 LRA Board Meeting, seconded by Don Crawford. The motion passed by voice vote.

6. **Northwest Illinois Economic Development (TCEDA) Presentation / Membership Renewal:** Executive Director Lisa McCarthy was here to update the board with how they used membership funds and began the presentation by introducing the new logo and name that more accurately describes who they are and location. The vision remains the same and that is to advance economic prosperity in Northwest Illinois by fostering business growth. The three pillars they work on increasingly are:
 - Workforce development – what they hear from businesses is, if you can't tell us you have available workforce with the skills we want we see that as a risk at your location. The businesses are here to invest a lot of money and need to feel confident with the workforce.
 - Business attraction - we try to grow our own, which is the easiest to do because they are already here and don't have objections to doing business in Illinois. We do political advocacy to try and get laws changed that are detrimental to doing business in Illinois. We started a new program this year, which will be touched on later.
 - Supply Chain Tradeshow – Lisa thanked the LRA board for allowing Executive Director Mara Roche to attend and work the show as well. The LRA

benefited because the organization spent a minimum of \$9,000 for the event and the LRA received a lead. We had 3 20 minutes meetings (most ran double that length) with pre-arranged businesses and heard some not unfavorable feedback about doing business in Illinois, but those are things we can't control and we have to persevere. Learning from that experience we are looking to attend the Small Business Expo being held in Chicago in May of 2019. Most of those businesses will be small and are probably already doing business in Illinois and won't have an objection to expanding or doing business in Illinois

Build It * Grow It – Happy to announce the program was extended to Carroll County this year. This program offers ten 1.5 hour business education sessions at no cost. Also offer one hour private consulting sessions to the businesses each month at no cost to them. NWILED covers the \$125 per hour cost. Many of these businesses can't afford that so another nice opportunity that they are providing as an opportunity for those businesses. They currently have about 14 businesses attending the program in Savanna.

Along with the Build It * Grow It program they offer a Seed Money Competition where a business will present their new product or new service, what their concept is and how they plan to execute. Each business will get 10 minutes to present and the winner will receive \$1,000 to execute their plan. We ask that they return in 6 months and present how they spent the money. The competition will be held on August 9th at 8:30 – 10:00. Lisa invited members of the board to attend.

From the past Build It * Grow It programs they still have 6 business that report on an ongoing basis and those businesses have seen a combined increase in sales of \$402,000.

We also provide resources. Lisa and Mara worked on Opportunity Zone Applications for the area on a very short deadline. This is a federal opportunity where business that invest in your area can defer capital gains tax for 10 years. If you keep the property for over 10 years you may not have to pay it at all. It is a great opportunity for developers to develop in distressed areas.

Foster business growth: in order to foster we ask what does your business need, how quickly do you need it and do you have a business plan. We have access to federal, state and local resources.

10,000 Small Businesses – Goldman Sachs: One of our Build It * Grow It businesses applied and was selected. They were flown to a college on the east coast for a 14 week program that is valued at \$50,000 for free. Open to any small business that wants to apply.

Talent Pipeline Management: We were also selected and trained as one of the few organizations around the nation to lead Talent Pipeline Management which was created by US Chamber of Commerce Foundation. Currently hosting two employer led collaboratives in health care and hospitality. We are collecting local data and working on regional solutions to try to create a pipeline, like supply chain for manufacturing, for talent.

Marketing Campaign: Launching a new campaign with the new logo with the theme “Room to Grow”. Working on adding tabs to the website for Room to Grow, Funds to Grow and Investor Relations:

Room To Grow tab will act as a classified section to offer development opportunities which will allow a business to look for investors.

Funds to Grow tab will allow investors to help a business get started or fund a project.

Investors Login: Offering premium content to members such as curated data and articles, revolving loan program for micro loans up to \$25k with a streamlined process with a 2 week turn around, investor list and contact information and sponsorship opportunities

Awarded non-profit of the year by the Galena Chamber of Commerce 2016 – 2017.

Lisa expressed her appreciation of support for membership and asked the board to consider renewing our membership for 2018-2019 at a level of \$3,500

Paul Hartman made a motion to renew our Northwest Illinois Economic Development membership at \$3,500 for 2018-2019. The motion was seconded by Bill Wright. Motion passed by voice vote.

VI. Old Business

A. RFP for Building 9 Demolition and Asbestos Abatement Update- Notice of the RFP has been published. All interested contractors must attend a walk thru to be held May 14th and all bids will be due June 5th. That will provided us an opportunity to review bids at the June 6th meeting. If there are questions on the bids we can award at the July meeting. Bill Robinson will assist with the walk thru and project due to the Executive Director’s current workload. The Potempa boys have asked to purchase some items out of the building for use in their building, prior to demolition. Those items include doors and a drop ceiling system. They have also asked to purchase the air handling units to use in their injection molding system for \$100. The board believes it would cost the LRA more to pull, drain freon and haul vs scrapping. They were going to be included in the demo project. To date we have provided the Bid Packets to 7 contractors.

Bill Robinson made a motion to allow Mike & Brian Potempa to purchase the air handling units for \$100, seconded by Paul Hartman. Motion carried by voice vote.

B. OEA Project Update – Received a preliminary draft that just went out for comment to the LRA board members. Any comments should be provided to Weston directly. After Weston reviews the comments and provides additional documentation or whatever it may require they will proceed with an actual draft version that will later be presented at a meeting. Westons sub consultant for the

Benthic Study has determined the areas to study based on two different locations in the slough area. The findings will likely be included or referenced as part of the final updated reuse plan. The water has to be at least 55 degrees before they can start so they are shooting for the beginning of June. After the final reuse plan and a path forward has been approved, the marketing piece can start.

C. Notice of Surplus/Notice of Interest-USFWS Parcel 5:

The LRA is required to provide direct outreach to homeless assistance providers and has sent out 37 notices to areas agencies which notified the date of the workshop. The workshop is put on by the LRA for any homeless assistance providers or organizations working with a federal agency for a public benefit conveyance. The workshop was held on March 20, 2018 at 1:00 p.m. in the LRA Board Room. We had 3 attendees, 2 from Salvation Army and property owner Scott Lombardo. We received notification soon after the meeting that Salvation Army was not interested in submitting a Notice of Interest for the property. On March 23rd I received a phone call from the Freeport Area Church Cooperative asking if they could still meet to discuss the Notice of Interest steps. They run a homeless shelter in Freeport. They would not utilize the land for any homeless assistance programs, but would be interested in leasing or selling land, possibly to the Port Authority, so they would have an income stream that they would spend in NWIL counties on homeless assistance initiatives. The deadline for Notice of Interest submittals is May 17th. The LRA has received 1 notice today, from the Upper Mississippi River International Port District. The LRA must submit a business and reuse plan which takes in to consideration any applications received as part of the NOI process. We are currently submitting an application to Department of Defense, Office of Economic Adjustment for funding this reuse process. LRA will still be responsible for 10% of the cost.

D. Mowing Bids 2018: The LRA received the following bids for the 2018 mowing season:

R&R \$22 per acres

Exquisite Scapes \$20.30 per acre. If we sell property and the acreage drops below 20 acres the price will be \$25 per acres

Felderman Lawn & Garden \$25 per acre

Scott Lombardo 5 year contract that would amortize the cost of mowing equipment, to be purchased for \$1 by the LRA at the end of that time frame

3 mowers - \$24,840

Storage, insurance, maintenance - \$7,500

Fuel, oil, belts, blades - \$11,400

Labor \$33,000

Paul Hartman made a motion to award to the lowest bidder, Exquisite Scapes at \$20.30 per acre, for the 2018 mowing season. Don Crawford seconded the motion. Motion carried by voice vote.

E. Bluebird Court Plat Review: The LRA has found the filed plat which has been signed by the Township Road commissioner and the County Highway Engineer. This document will be provided to the County Highway Engineer. The township will have to accept the roads. Phil Jensen suggested in the meantime we could provide an easement over C Street to Depot Electric Supply so there is no question they can continue access over C Street.

Don Crawford made a motion to have Attorney Jensen draft an easement over C Street to Depot Electric Supply. Bill McFadden seconded the motion. Motion carried by voice vote.

As for the current condition of the road, Colgan Excavating should be here this month to complete the gym cleanup and remove the tennis court fencing. They could bring a few loads of gravel to drop on C Street.

Bill Wright made a motion to have Colgan Excavating provide 2 loads of gravel to put down on C Street. Paul Hartman seconded the motion. Motion carried by voice vote.

F. Opportunity Zone Status: Illinois applied for a 30 day extension. Applicants were expecting to hear from the State by April 20th. To date we have still not received any updates.

VII. New Business

A. Bills over \$2,500: Jo Carroll Energy - \$2,563.26 The bill is higher this month due to the flood pumps running at the sewer treatment plant.
Bill Wright made a motion to approve and pay the Jo Carroll Energy bill for \$2,563.26. Paul Hartman seconded the motion. Motion carried by voice vote.

B. Appoint Board Secretary: Due to the resignation of Board Secretary Angie VanKampen, the board will need to appoint a new or interim Board Secretary.
Bill Wright made a motion to appoint Mara Roche as the Board Secretary. Bill McFadden seconded the motion. Motion carried by voice vote.

C. Insurance – Commercial General Liability & Commercial Property: Specialty Risk no longer insures water/sewer facilities so would not renew our policy, which expired April 12th. Our agent at Bauer Agency along with Miner Agency and Broadmoor Agency were looking for companies that would insure for us. We received a quote for commercial general liability from Broadmoor for \$4,367 through JM Wilson. Received a quote for commercial general liability from Bauer Agency for \$6,740 through Evanston Insurance Company. The coverage on both quotes for commercial general liability was identical. Bauer was the only agency to provide a commercial property quote for \$10,982.20 through American Surplus Lines. Insurance total: \$10,982.20 (Bauer Agency) + \$4,367 (Broadmoor Agency) = \$15,349.20. Last year we had both policies through Speciality Risk (Bauer Agency). Liability was \$4,459 and property was \$12,422 for a total of \$16,881.

Savings of \$1,531.80 this year. **Paul Hartman made a motion to approve payment to cover commercial property insurance for \$10,982.20 to Bauer Agency and commercial general liability for \$4,367 to Broadmoore Agency. Bill McFadden seconded the motion. Motion carried by voice vote.**

D. ADC Summit Conference, Washington DC, June 18-20: The Association of Defense Communities is holding their National Summit in Washington DC on June 18-20. The LRA has attended the past 2 years and is a part of the LRA Directors Council which touches greatly on environmental and redevelopment challenges that BRAC bases are having. While at the conference we also made time to visit the congresswoman, the Army's BRAC office, OEA and MARAD. We would plan to do the same this year. Executive Director Roche may have a personal conflict with the dates this year. It is likely that we will still need to provide updates in DC this summer even if staff is unable to attend the conference.

Conference cost: \$640

Airfare:\$400

Room: \$675 (3 nights)

Bill Wright made a motion to approve staff attendance at the ADC Summit Conference. Paul Hartman seconded the motion. Motion carried by voice vote.

Staff Reports

1. Executive Director
 - a. Report/issues updates-

~Freight Study Update – The last update I have is that the committee was reviewing and commenting on the draft. I believe the draft will include comments from part of our consultants work, Martin & Associates Market Feasibility on barge at Savanna Depot Park. Lisa McCarthy indicated the study should be wrapped up soon. There was also a meeting with the study consultant and IDOT regarding this study that looked at bottle necks and safety issues that could be done on highway 20 for safer travel. If it is safer to travel it may allow for more freight traffic. IDOT approved funds for a Highway 20 Safety Study Ron Smith mentioned there was going to be a meeting in Stockton on the 4 lane, parcels that were being protected for expansion. Should the protections be released within the corridor to allow for development since the 4 lane will not be developed for quite some time.

Audit was performed and a draft just received.

Director from DOD, Office of Economic Adjustment will tour the property this summer.

b. Correspondence: Received a request from Scott Lombardo to circulate correspondence from Terra Firma, who is working on a renewable energy project on his property. The board provided verbal agreement to

provide a Non Binding Expression of Interest with Terra Navigator and provide our average energy use for office building and water/sewer facilities.

c. Property transfers – We have finally received the deed and environmental covenant for Parcels 10 & 18. The deed was filed in Jo Daviess county and as soon as we receive the document back from the county it will need to be filed in Carroll county also. The documents for parcel 16B are ready for LRA and Army signature. This property is under contract to Midwest 3PL. We expect to see the deed for this property yet this summer.

The next parcel for transfer that they Army is working on are parcels 8 & 17. All of the land in those parcels are under contract to Midwest 3PL and Riverport. We don't expect to see that deed until next year.

d. Employment report –April 2018 employee numbers were 101, last month they were at 103 and last year at 114.

2. Bookkeeper

a. Bank account balances - As of 4/30/18 is \$1,141,166.64.

b. CD –The next CD due is on 6/30/2018 for \$54,202.68 at the Triumph Community Bank with an APY 1.15%.

c. Cash flow –Income for the month of April was \$68,945.55. We did receive reimbursement of \$63k from OEA. Expenses for the month of April is \$27,034.78.

d. Budget update –Five months into the FY, income on line AO 72 is \$81,508.85. Expenses five months into the FY on line AO 134 are \$172,315.18 for a deficit of **-\$90,806.33**.

e. Water/Sewer-review expenses – Water and Sewer related expenses for the month of May were \$6,069.73 and income was \$3,558.44. Total expenses to date are \$44,785.20. Total income to date is \$10,636.72 for a deficit of **-\$34,148.48** five months into the FY.

f. Outstanding Invoices-Art Dersham 3rd and 4th quarter water and sewer \$470.18 his water has already been turned off/his request. An email and letter have been sent.

D. Board of Directors Reports

1. Foreign Trade Zone #271 –Bill Robinson reported that there will be a meeting held May 23rd at 12:30. They are still going over the contract they have with IITC (Bill Hooton). The contract should be good for another 3 years. Steve Hughes has bought in to IITC and may also be able to utilize the FTZ.

2. Jo-Carroll Enterprise Zone – Meeting was held on April 4th. Discussed Business Assistance Guide.

3. Other directors' reports –

E. Attorney's Report - No report.

F. Other new business - None.

IX. Reports to the Board

A. Site Manager / BRAC Environmental Coordinator – **Resolution #35 for Parcel 16B Deed, Subordination Agreement and Uniformed Environmental Covenant Agreement:** This resolution states that the board has given the Chairman the authority to sign these documents.

Bill Robinson made a motion to approve Resolution #35 for Parcel 16B Deed, Subordination Agreement and Uniformed Environmental Covenant Agreement. Seconded by Paul Hartman. Motion carried by voice vote.

We have previously reported that our water was tested for an emerging contaminant PFOA/PFOS which is from the use of firefighting foam. The LRA tested the ground water last year with a non-detect result. The Army will do further soil testing this summer, behind the fire house and at the RR tie burn pile. Results will determine if cleanup is needed and also determine if any shallow ground water wells will need to be tested. We need to make it clear to all that our ground water sample came back NON DETECT. The Association of Defense Communities has worked on a couple of letters regarding PFOA/PFOS contamination and testing. Many bases are now starting to deal with this.

Review letters from the Illinois EPA and Army BRAC office in response to the RAB board. They are not a decision making authority/board.

C. UMRI Port District – The Port District has not had a meeting for many months and we do not have notice of when the next meeting will be held. It is assumed that they will sign the Intergovernmental Agreement they requested at the next meeting..

D. USFWS –None.

E. Water/Sewer Operator Update: Tim has been in contact with Matt Wagner regarding the altitude valve at the water tower which may or may not be causing the issue with pressure. Tim was unable to get the valve to move and it is not needed for the current operation of the water system

F. Guests: Laura Roach requested a copy of the 2nd page of the Bluebird Court Plat that documents signatures.

X. Public Comments: None

XI. Executive Session as permitted for the following under:

5 ILCS 120/2 (c) (6). The setting of a price for sale or lease of property owned by the public body.

XII. Motions from Executive Session, if any - Executive Session not entered.

XIII. Adjournment

A motion to adjourn the meeting was made by Paul Hartman, seconded by Ron Smith. The motion passed by voice vote. The meeting was adjourned at 4:38 p.m.

Mara Roche, Interim LRA Board Secretary