

Jo-Carroll Depot LRA Board of Directors
Meeting Minutes
3:00 p.m., Wednesday, June 6, 2018

- I. **Call to Order** -The meeting was called to order at 3:03 p.m. by Chairman Steve Keeffer on Wednesday, June 6, 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, Kevin Reibel, Bill McFadden, Ron Smith, Bill Wright and Bill Robinson. LRA Staff present: Mara Roche. Attorney present: Phil Jensen. Guests present: Laura Roach (Depot Electric Supply), Gary Frederick (Fluidic MicroControls), Barry Steinberg (Kutak-Rock), Andris Sleser (Weston)

3. **Pledge of Allegiance** was recited and D Day acknowledged.

4. **Agenda Additions** - None.

5. **Approval of May 2, 2018 Minutes**

A motion was made by Kevin Reibel to approve the minutes from the May 2, 2018 LRA Board Meeting, seconded by Bill Robinson. The motion passed by voice vote.

6. **Old Business:**
 - A. **Review Bids for Building 9 Demolition and Asbestos Abatement:**
Bids for asbestos abatement and demolition of building 9 were received and publicly opened at noon on June 5th. The following bids were received:

Asbestos Abatement:

EMSI	\$72,900
Miller Trucking & Excavating	\$82,500
Husar Abatement, LLC	\$126,000
Dynamic Contracting Services	\$93,085

Demolition:

Miller Trucking & Excavating	\$236,650
Northern Illinois Service Co	\$113,521
Colgan Excavating	\$58,972
Omega III, LLC	\$256,132
Dan Sproule Construction	\$63,900
Ritchie, Inc	\$129,055

Alternate (pavement removal):

Miller Trucking & Excavating	\$41,515
Northern Illinois Service Co	\$28,333
Colgan Excavating	\$4,170
Omega III, LLC	\$64,250
Dan Sproule Construction	\$5,900
Ritchie, Inc	\$33,161

A start date would depend on the Asbestos Abatement contractor's schedule.

The LRA also received a letter dated May 31, 2018 from Brian Potempa (current property owner) stating that they would like the LRA to consider their offer of \$1,000 to acquire the building instead of demolition. Their goal is to preserve and restore the building, which is a very large and time consuming project. Immediate attention will be taken to prevent further damage to the roof and the front of the building will be removed to continue to project the structural foundation. Their desire is to utilize the building for a call center and offices for their many businesses including Drive Golf Inc, Ka-Ching Global Sourcing Inc, Re-maid eco-friendly products Inc, Twin Image Inc and others.

Board Member Paul Hartman stated he felt the asbestos abatement estimates have come in a bit high and would like the board to consider re-bidding that portion of the project in time enough to have the new bids by the next board meeting. The demolition bids are still good for 120 days.

Board members discussed the abatement and demolition expenditure vs the offer for reuse of the property and whether they have been in the building to see what the project will consist of and if this is considered there would have to be a tight timeline to get at least the outside of the building taken care of. The board would like to hear what they feel the timeline of the project is.

Mara Roche reminded the board that we are currently under a Moratorium regarding sale of property.

Several of the members stated they would like to hear more from the Potempas as well as rebid the asbestos abatement portion.

Paul Hartman made a motion to reject all asbestos abatement bids and re-bid that portion. The motion was seconded by Kevin Reibel. Discussion ensued and Hartman felt the asbestos bids came in much too high. Motion passed by voice vote.

B. OEA Project Update – Andris Sleeser with Weston reported they have put together a draft reuse plan and are internally awaiting comments.

Once all comments have been reviewed and addressed the LRA Board will review and eventually need to vote to make the draft final. At that time it will become a public document. Timeframe for completion is within the next couple of months. A mussel study is being conducted today in a few locations and will last 2-3 days. Weston expects to receive the final report from the mussel consultant within 2 months, which will be a separate report. Ms. Roche questioned whether the reuse plan incorporates the findings from these additional studies? Andris Sleeser stated that it likely would be added as an addendum to the Updated Reuse and Business Plan as it ties into feasibility. Bill Robinson asked if the mussel results would be tied with the USFWS studies? He thought the USFWS did mussel studies every year. Andris stated he would speak with the mussel consultant about this.

Ms. Roche reported the grant application for the reuse plan for USFWS Parcel 5 is being prepared. We should have a response on the funding by September. Paul Hartman asked what other actions we should be taking at the same time as we are looking at the feasibility of barge access for this parcel, like sunseting. Paul questioned whether we have a draft of a legal document that would address this. Ms. Roche stated that our consultants have recommended that we ask legal counsel to put together a draft document that ties the LRA and Port Authority together for eventual succession as it relates to port development and USFWS Parcel 5 in order to use the Port Authority's powers for development, such as acting as a municipality, bonding, etc. Phil Jensen confirmed he has communicated with the DC Attorney regarding this draft document and what needs to be done. This is premature but would be nice to know what this agreement could look like. As part of the grant dollars this reuse plan will look at development of USFWS 5 under an EDC (Economic Development Conveyance to LRA) or a PBC (Public Benefit Conveyance to Port Authority) and consultants will provide recommendations, pros vs cons and which would provide more economic benefit. If a public port benefits the region more than a private port it will need to fall under the Port Authority.

C. Notice of Surplus/Notice of Interest - USFWS Parcel 5: As a reminder of the steps: the LRA is required to produce a reuse plan for USFWS 5 and we will have to submit that plan to the Army and we will have to take in to consideration any Homeless or PBC applicants. We did not have any homeless applicants but we did have one PBC applicant, the Port Authority.

Paul Hartman stated he would like to see an outline of a plan between the LRA and Port Authority as soon as possible. We need to understand how the boards are going to merge, etc.

Barry stated that it is important to recognize that the LRA is the only recognized organization that can receive the property, at no cost. Longer term, if we are going to run a barge facility on USFWS 5, who is that going to be? I think we can all agree the LRA does not have the technical expertise or knowledge to make that happen. Unfortunately, to some extent the same can be said about the Port Authority. They have statutory authority under Illinois law to do a whole lot of things that are very beneficial but I have not seen any real expertise to bring a barge facility from a vacant piece of land to the market place as a feasibly sound development. The technical expertise to make this happen is missing. This grant should help put some of this together into a feasible executable plan.

D. Opportunity Zone Status – The LRA was not awarded opportunity zone status, although it was reported in the newspaper that we were. Ms. Roche is now talking to the Association of Defense Communities asking if they will help with the task of designating all BRAC bases as Opportunity Zones. They agreed to send a poll to all BRAC bases to see if they were awarded, if not, why. They will also be discussing Opportunity Zones at the ADC National Conference in DC this month. We may need state support to get the federal language changed. Barry Steinberg is looking into this as well.

VII. New Business

A. Bills over \$2,500: **none**

B. Staff Reports

1. Executive Director

a. Report/issues updates-

~Freight Study Update – No update

b. Correspondence: none

c. Property transfers – Parcel 16B is getting closer to transfer which will go to Midwest 3PL. The next parcels will be 17 and 8 in the lower post shop area.

d. Employment report – May 2018 employee numbers were

104. Last month was 101 and last year employment was at 106.

2. Bookkeeper

a. Bank account balances - As of 6/4/18 is

\$1,114,877.35.

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 May was \$3,683.80. Expenses for the month of May were \$27,672.94.

d. Budget update –Six months into the FY, income on line AO 72 is \$86,392.52. Expenses six months into the FY on line AO 134 are \$200,122.12 for a deficit of **-\$113,729.60.**

e. Water/Sewer-Income vs Expenses

related expenses for the month of May were \$2,956.20 and income was \$1,198.30. Total expenses to date are \$47,741.40. Total income to date is \$11,835.02 for a deficit of **-\$35,906.38** six 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 at his request. An email and letter have been sent.

C. Board of Directors Reports

1. Foreign Trade Zone #271 – Met on May 23rd and still working with the operator on his contract and Steve Hugh (recently purchased old Swiss Colony bldg.) attended and is trying to work with local organizations that may have commodities that can be sent to China through the FTZ.
2. Jo-Carroll Enterprise Zone – no meeting
3. Other directors' reports – none

D. Attorney's Report - No report. A reminder to Phil about the easement for Depot Electric Supply over C Street.

E. Other new business - None.

IX. Reports to the Board

A. Site Manager / BRAC Environmental Coordinator – No update provided

Resolution #35 – Parcel 16B Deed, Subordination Agreement and Uniformed Environmental Covenant Agreement. This was approved at the last meeting and was inadvertently left on as an agenda item. Not needed.

B. Tenants – Gary Frederick introduced himself and stated he bought his building in 2007 and was advertised as being part of a PUD. He has been doing research and doesn't believe when he bought it that it was legally part of a PUD and he isn't sure to this day that PUD plan was ever filed at the county. Gary feels there were commitments and plans made by the LRA to improve McIntyre Road as a public road, riverfront development and the news about building 9 today is a huge disappointment. Gary expressed that he has put a lot of money into his property and would hate to see what it is worth today because of decisions of this board. He has never seen the PUD as a topic of this group. The PUD is a major part of this property and should be the centerpiece of this property. So now that you have made the decision not to tear down building 9 which would enhance the value of my property, I really don't know what recourse I have and would beg you to reconsider that decision. He talked the Khants into purchasing the Commanders building and they put new roofs on the commanders building and building 11. When the county pulled out with the water commitment the Khants

decided not to move their business here. Gary thought they were going to put a manufacturing business in building 9 next to Gary but no one could justify making an investment in the PUD. I would like you to reconsider the decision on building 9. I need it to come down to come close to recovering the investment I've made here. If you look at the buildings in the residential area, I think they are something to be proud of. Now that Chin has pulled up and left all his buildings rotting, I am going to live in an industrial slum. I would at least like to see this as part of the agenda for this meeting. What recourse I have I don't know. Please reconsider the request to demolish building 9. I know the Potempas fairly well. I am going to have to continue attending these meetings until things are moving ahead in some direction. The LRA moved the PUD forward as an entity with the intent of something happening. And nothing is happening there. I got sucked into buying several properties, most of which have been reroofed and refurbished. Please reconsider building 9. I need it down or I am going to have to figure out what to do.

Phil responded that the PUD is a flexible zoning mechanism that enables the LRA as to the final footprint of the reuse. Traditionally this would have to go through the zoning hearing and final action by the county board. We will have to look to see if it was actually approved by the county. Gary stated he understands all this but he does not find the plan that was required to be filed as part of the PUD. Only found a list of buildings that he feels were mislabeled as to their use. However he has several documents that shows what the LRA planned to do with the PUD, it has never been developed yet. I feel it was misrepresented. I don't think the draft plans were really plans and it seems it has all been forgotten and Chins buildings are all sitting there rotting. People like me are going to suffer financially.

Bill Wright stated that as far as the demolition of building 9, it has not been taken off the table. The asbestos portion is being rebid. Mara Roche asked Gary if he would like to give an update to the board members of what properties he purchased and what the intent was, what you feel was promised to you. There are a few members on the board that were not here when you purchased your buildings. Gary said he will bring the members up to speed at the next meeting if he is here. Some of which was successful, some of which wasn't. He was successful at getting grants to develop products. He has given up on grants because it is way too slow. He is now concentrating on talking to live customers. Again, please reconsider demolition of building 9. What is an acceptable asbestos bid?

Chairman Keeffer stated we could sit here all night and point fingers at the LRA and tenants as to who did and didn't meet their obligations, but it isn't going to get us anywhere today.

The board would like the rebids by next month. Contractors will have 10 days to rebid after another walkthrough.

C. UMRI Port District – None

D. USFWS – None.

E. Water/Sewer Operator Update: Tim was not available for an update but has been in contact with Wagner Consulting regarding the altitude valve at the water tower which may be causing problems with pressure.

F. Guests:

9.. Public Comments: None

10. 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.

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

12. 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 4:13 p.m.

Mara Roche, Interim LRA Board Secretary