

Jo-Carroll Depot LRA Board of Directors  
Meeting Minutes  
**10:30 a.m., Tuesday, October 2, 2018**

**1. Call to Order** – The meeting was called to order at 10:32 by Chairman Steve Keeffer on Tuesday, October 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, Kevin Reibel, Bill Wright, Bill McFadden. Absent: Bill Robinson, Ron Smith. Attorney present: Phil Jensen. Guests present: Gary Frederick, Brian Potempa, Amiee Martelle, Mark Roach, Laura Roach, Linda Balcom, Andris Sleeser.

**3. Pledge of Allegiance** was recited

**4. Agenda Additions** - none

**5. Approval of July 11, 2018 and August 1, 2018 Minutes** – A motion was made by Paul Hartman and seconded by Don Crawford to approve the June 6, 2018 and August 1, 2018 minutes as presented. The motion passed by voice vote.

**6. Old Business**

**A. Project Update from Weston & Approval of Final Plan** - Andris Sleeser with Weston attended the meeting last month and gave an overview of the Draft Reuse Plan. The LRA called for comments and those were accepted until the 1<sup>st</sup>. There were comments received by Riverport Railroad and Northwest Illinois Economic Development, Lisa McCarthy. Those comments are on file and were considered.

Linda Balcom provided a copy of the Final Reuse Plan to the board members and stated that the comments received did not change their recommendations for moving forward. Unless the board would like to further discuss, she asked that the Board consider approving the Final Reuse Plan. Formal adoption of the plan will allow the Economic Development portion of the project to begin. That will be provided by Lisa McCarthy, Northwest Illinois Economic Development. She will be implementing the recommendations and working on economic development on behalf of the LRA.

**A motion was made by Paul Hartman, seconded by Kevin Reibel to officially adopt the Final Updated Reuse Plan. Discussion ensued**

by Paul Hartman on paragraph 8.2 Intermediate Term (3-5 years), bullet 5 – Initiate discussions between the counties to determine whether there is interest in relocating the County boundary to move the entire Savanna Depot Park into a single county. Concurrently, contact the State’s attorney to identify procedures and actions required to implement a relocation of the county boundary. Paul Hartman suggests that this bullet be removed from the Final Plan. Chairman Steve Keeffer asked if this could be removed from the document. Linda Balcom stated that there might be a very different economic scenario. Make certain you evaluate the future look of this. Using a multi county approach adds a layer. Don Crawford stated this is just a recommendation and you can do what you would like as to whether you address it at that time or not. The motion passed by voice vote.

A copy of the recommendations were provided to all in attendance and the entire plan was disseminated previously when it was out for comment.

This motion represents the framework for the Economic Development component.

- **Benthic Study** – The report was presented by Andris Sleesers. It does conclude that there is at least one state or federally threatened species (mussel) which confirms the need for mitigation. Those recommendations would come forward in a biological assessment from Fish and Wildlife and mitigation is typical for nearly all construction projects on the Mississippi River.
- **Action on any Recommendations** – none
- **Next Steps** – Economic Development portion of the project.

**B. OEA Grant Update –**

- **Time only extension through December 31, 2018** – Mrs. Roche submitted a request for a time only extension on our current grant to have time to incorporate the economic development efforts of the grant.
- **Parcel 20 (Fish 5) Grant Application** – Revisions have been going back and forth to include phasing of the project. It is likely we will only submit at this time funds for administration, specialized legal support and ports planner/engineer.

**7. New Business**

- A. Bills over \$2,500 - None
- B. Staff Reports

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

- **2018/2019 Snow Removal** – Still need to obtain quotes for this service. We will also need to include C Street this year. Phil Jensen went into detail as to why we were going to need to include C Street this year due to correspondence recently received from the Washington Township Attorney that they wish to terminate the intergovernmental agreement that they sought in 2010. That agreement states that the LRA pay Washington Township \$600 per year to provide plowing on B & C Streets and mowing along the right of ways of those streets. The LRA has actually been doing the mowing for all except 1 of those years. The letter states that over the past several years the expenses related to the snow removal and grass cutting have increased tremendously and reached a point where the Township can no longer afford to provide these services. The Township simply cannot and will no longer be able to budget or appropriate funds for any continued maintenance under the agreement, as its priorities must remain on those roads in the Township's highway system.

This stems back to the fact of whether or not the township is ultimately obligated for future maintenance of those roads. If there is a recorded plat signed by the necessary parties, then Phil Jensen believes the Township is bound to accept those roads when brought up to standards. All of the appropriate signatures are on the plat.

The LRA has numbers on file to bring those roads up to county standards. Paul Hartman stated it doesn't really make sense to upgrade the roads until we get the remaining adjacent property from the Army that includes the remainder of C Street. And if nothing ever develops there why improve those roads? Throw some gravel on the potholes after the plowing season.

**A motion was made by Paul Hartman, seconded by Bill Wright, to rescind the Intergovernmental Agreement with Washington Township. Motion passed by voice vote.**

Attorney Phil Jensen will send a letter to Washington Township on behalf of the LRA acknowledging their request to terminate the Intergovernmental Agreement.

- **Review of Sanitary Sewer Policy – request from contractor regarding sampling** – One of the Army contractors has put in 5 monitoring wells and are required to check them quarterly. This will only equate to approximately 10 gallons per well. They would like to request we waive the requirement to produce sampling reports prior to dumping the 50 gallons since they will only be onsite one day per quarter. They would like to dump the

50 gallons the same day they test the wells. The sampling reports will be sent to Tim once they are complete. Tim Schoenig didn't think there would be any issue with this due to their current sampling reports we have received and also the low amount they plan to discharge. Savanna actually does this also.

**A motion was made by Paul Hartman, seconded by Kevin Reibel, to approve the request to waive the requirement for sampling prior to disposal of approximately 50 gallons per quarter as the contractor will only be on site for one day per quarter and their previous samples from those wells have come back satisfactory. Sampling reports will be provided as soon as received. Motion passed by voice vote.**

- **G Area Fire Hydrant** – Tim has been advised from Midwest 3PL that one of the hydrants behind G Area Warehouse was hit by a truck but did not know which company the truck was from. Tim went out a few days later to check the damage and the fire hydrant has been stolen, which was newer. Replacement will cost \$3,000. Tim will need to advise the board if we really need that hydrant replaced. A report has been filed.

- **Base Redevelopment Forum: October 8-10**  
The Association of Defense Communities will be holding a Forum on October 8 – 10 in Portland, Maine. There is one session that strictly focuses on rural bases and only those determined to be rural are invited. Mara will attend and will also be having a separate meeting with OEA to discuss the new grant.

b. Correspondence – None

c. Property transfers –

- **Resolution for Board Chairman to sign Parcel 16B Deed and UECA (Uniformed Environmental Covenant)** – We had previously approved and signed a Resolution (#35) to accept this conveyance back in May 2018. We now need to have a Resolution to sign the UECA. The original Resolution was amended to include approval to sign the UECA.

**Bill Wright made a motion, seconded by Bill McFadden to amend Resolution # 35 to include approval for the chairman to sign the UECA for Parcel 16B. Motion carried by voice vote.**

d. Employment report – August 2018 employee numbers were 98. Last August 2017 employment was at 107.

2. Bookkeeper

a. Bank account balances - As of 9/30/18 is  
\$1,010,237.73

b. CD –The next CD due is on 11/15/2018 for  
\$89,105.40 at the Milledgeville State Bank with an APY 1.25%.

c. Cash flow –Income for the month of September was \$6,056.84. Expenses for the month of September were \$15,888.34.

d. Budget update –Ten months into the FY, income on line AO 72 is \$141,794.02. Expenses ten months into the FY on line AO 134 are \$370,665.56 for a deficit of **-\$228,871.54**.

e. Water/Sewer-Income vs Expenses  
Water/Sewer related expenses for the month of September were \$3,071.86 and income was \$258.54,. Total expenses to date are \$62,688.32. Total income to date is \$14,914.46 for a deficit of **-\$47,773.86** ten months into the FY.

f. Outstanding Invoices - Art Dersham 3<sup>rd</sup> and 4<sup>th</sup> quarter water and sewer \$470.18 his water has already been turned off at his request. An email and letters have been sent. Tim reported he also has a broken meter.

### C. Board of Directors Reports

1. Foreign Trade Zone #271 – Phil reported that Bill Hooton contacted his office on the need to amend the FTZ application to include Whiteside County to service a business out of that county.

2. Jo-Carroll Enterprise Zone – no meeting

3. Other directors' reports - none

### D. Attorney's Report

Phil will amend the C Street Easement to include the maintenance requirements (mowing/snow removal) on the LRA due to the letter received from Washington Township.

11:55 Board member Paul Hartman left the meeting.

Phil drafted a very tight agreement for building 9 between the LRA and Brian Potempa for building 9. They are not happy with the strict obligations. Phil has offered to dilute if the board desires. Brian put together a statement based on his proposal: After careful review of building 9 an offer of \$1,000 was offered to acquire the building to preserve and restore the building. It is a very large project and would like to quickly tend to the roof and the front of the building. We need to keep the purchase price low in order to tend to the building in a manner that will be needed to preserve. We feel if we move swiftly we can resurrect the building to be used as a call center for our many businesses.

My proposal was presented in June and clearly stated at that time that my goal was to help preserve and hope to potentially be home to a number of our businesses. We feel this may be a risk because we have not done a full study of the integrity of the building. I noted I would assume the risk and take on this burden that was up for discussion for demolition. It was clearly stated I would need to button this agreement up quickly in order to take care of the roof before winter. It is my opinion

we have wasted valuable time. I feel I have been put in a corner with this delay and have weighed by options and are left with very little. I am very hesitant to take on this risk now. Would you with the underlying terms set forth is this agreement? Anyone here, ask yourself if this agreement would look attractive if you were in my position. Would you invest your own money and efforts? Is it a good deal and mutually beneficial? Would you sign the agreement? If anyone can answer yes, you can have the building and I will walk away. I don't need this building. This was one piece of my plan and I can adapt. Over the last 8 months I brought machinery into building 26 in preparation to start our production facility. I really felt I had a great relationship here and want to have a great partnership here in making this our corporate home. We can all agree the duty of the LRA is to develop and bring opportunity to this area. We saw the building as a potential asset to our operation and the goal we would like to accomplish. After review of the draft, I cannot sign it. And I won't. Please provide an agreement that we verbally agreed upon during the meeting that is simple. I feel we have lost the true intention that I feel we agreed upon during the meeting. It should be simple and this agreement looks like an obstruction. Not wanting to help and presenting roadblocks. I'm a hard worker and a good steward to this area. I feel this agreement was designed systematically to derail my efforts to help bring economic opportunity to this area. I feel it is apparent there is an obstructionist, maybe one, two, maybe a combination. It has been brought to my attention my name has potentially been slandered. Is this why the document was drafted in this manner. It is clear and apparent the intention and motive is to put hurdles in my way because they may have a personal vendetta, personal interest in the property or a financial gain from the demolition of this building at the expense of the LRA. This is ethically wrong in every way. It is my impression that they see this property as an obstruction to their agenda. That is fine and fair but I will state that if they personally see gain from this they should provide the same opportunity you gave me to purchase the building for \$1,000. If they want to demolish the building they should do it on their own dime, just as I am. Please note I do not know yet if I have to demolish this building. This is a fair treatment for all parties and it will not become the burden of the LRA. If there is a party in the room who wants this property make it known now. Plead your case, put your money where your mouth is and put your money down. It is the mission of the LRA to transfer these assets of the depot into the hands of the individuals that can redevelop this area. I feel the LRAs funds can be better used rather than demolishing the building. Like maintenance on water/sewer system, security, better lighting and maybe even natural gas. This is my vision as a tenant and occupant of the property. I appreciate your time, please feel free to set up meeting with me or stop by and talk with me. I do feel I've been put in a bad position here and would like to see a simple agreement. I am a man of my word and want to do some amazing things here. If someone else wants this property, let it be known today. I want to help this property, not hinder the process.

Chairman Steve Keeffer asked what was in the agreement that they don't like. It mirrors every other agreement that we have done in the past.

Attorney Jensen asked Brian to speak specifically to certain areas of the agreement. Brian responded that he did not want a lease agreement and he would like a simple purchase agreement.

Phil stated the only issue he sees is the timeline to take care of the roof and the front of the building. To require you to do these things before obtaining title is consistent with past practices of this LRA. Riverport Railroad and Depot Electric Supply entered the exact same agreements. For you to pay the tax and maintaining while leasing is nothing unusual. This agreement absolutely gives you the right to obtain the building once performing the duties that are required.

If we simply convey this with the promise that you make repairs we lose control over whether those repairs are made.

We have varied our resolution because it was going to cost us to tear the building down that neighboring tenants were pushing for. We need to have control that you meet the goals you relayed to us in the past meetings. Brian feels the delay with going back and forth on this agreement has put him in a position where he may not be able to take care of the roof before the winter weather. He again asked if anybody else wanted to take on this project with this agreement.

Mrs. Roche stated that we have received a letter from the Upper Mississippi River International Port District, signed by Bill Jahnke, stating the following:

At their request, I met with both Brian and Mike Potempa on Wednesday last week. They wanted to reach out to the UMRIPD to discuss their plans as they came recently to understand that we were pursuing the potential of a port at the Savanna Depot Park. They wanted to share their ideas and concepts as they were wishing to move forward with their plans for Building 9 as an integrated strategy.

At our meeting of the UMRIPD this morning, I conveyed to my fellow Board members some elements of the visions that Brian and Mike has for the Savanna Depot Park. Some of their concepts are possibly in conflict with the concepts that we have been pursuing relative to the future development of a port at the Savanna Depot Park.

The UMRIPD plans on meeting with Brian and Mike at our next Board meeting on Wednesday, October 10, 2018 to attempt to integrate our vision for the port development with their vision for their business development which also encompasses a port at the Savanna Depot Park. We will be discussing the effects of Fish 5 and the Crim Road area, whose outcome of transfer is not known at this time.

To this end, the Board of the UMRIPD requests the LRA Board to delay any transfer of Building 9 until such a time that a common vision, if possible, is developed between the Potempa's and the UMRIPD.

We would further request that the LRA Board develop a protocol whereby all future property transfers would be conveyed through the UMRIPD as to allow for a single vision as to the future development of the LRA properties.

Please thank the LRA Board for their consideration of our requests.

Mrs. Roche stated that their plans included a transfer point in the area of building 9. They would eventually demolish building 9. Brian stated that after their discussion, he disagrees that this area is the only area for loading and unloading. Brian stated he wholeheartedly believes his project can work in conjunction with the plans of the port authority and he would have use for barge as well.

Phil stated that at this point it seems the only problem is the timeline for repair. If we can get beyond that, and you remember you get title after that is completed, then we can move forward. This sort of language has been in every lease purchase we have done, and some even more onerous.

Brian and Phil will sit down to discuss some of the issues they see with the lease agreement and be consistent with how the LRA has treated other purchasers under lease purchase agreements.

Brian asked if the idea was still to do a lease purchase agreement.

Phil stated, until those agreed upon items are done. Then it is your property.

Phil asked Brian to look at Section 12 under the Options section, this states what triggers the purchase.

12:05 Gary Frederick stated he needed to excuse himself and felt these negotiations should not be happening during the meeting but during a closed meeting. He also stated that he is confused in the fact that a Reuse Plan was just adopted which includes a barge port and this does not seem to fit that plan.

Board member Don Crawford stated that everyone needs to remember that we have had so many people come in here and tell us what they are going to do with a property or building, and then don't do it. I don't have any inclination that you will not do what you say as you have done a tremendous amount of work on your current building, but there have been issues in the past and we have to protect ourselves.

Brian stated he understands and just wants a fair, simple, agreement.



Chairman Steve Keeffer believes we can eventually get there, continue to work with Phil.

Attorney Jensen has also put together a draft merger agreement between the LRA and the UMRIPD and just received a redlined version back from our DC attorney yesterday. In that agreement a merged committee will be created to attempt to put together the vision moving forward.

I believe a member of the UMRIPD was present when this plan from Brian was presented.

Bill McFadden stated we have a building here that is deteriorating and the longer we let it sit the more of an issue it becomes.

Phil will send a letter to the UMRIPD asking to appoint members to a joint committee for future planning and that we will move forward with the lease purchase agreement for building 9 with Brian Potempa.

Kevin Reibel asked that if there is an impasse during the discussions with the attorney and Brian Potempa the agreement will come back to the LRA, otherwise, as long as the LRA is being protected this agreement can be executed without coming back to the board.

- C Street Easement –

**Bill Wright made a motion seconded by Kevin Reibel to have Attorney Jensen modify the easement to show that the LRA is responsible for plowing and maintenance until such time as it is turned over. Motion was carried by voice vote.**

E. Other new business - None

## **8. Reports to the Board**

A. Site Manager / BRAC Environmental Coordinator – LIDOS will be on site to develop wells and conduct PFOA/PFOS sampling. Work will resume at the Savanna Stable landfill. The ROD for the landfill in the H area was signed in September so work should be able to start next year. The ROD for 47 has not yet been signed. Parcel 16B Deed and UECA is at HQ waiting for signature.

B. Tenants – Mark Roach suggested that if at some point in the future the LRA and Port Authority boards do merge that all meetings be held in the LRA office and not in Iowa, Dubuque, as the Port is currently holding them there.

C. UMRI Port District – no update

D. USFWS – no update

E. Water/Sewer Operator Update – The NPDES permit is out for public notice and comment.

F. Guests - none

**9. Public Comments** – Mark Roach stated they have hit their projections for the year and they have 2 new hires that will be working out of their front building.

**10. Executive Session** as permitted for the following under: **Executive session not needed.**

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 - none**

**12. Adjournment**

**A motion to adjourn the meeting was made by Bill Wright, seconded by Bill McFadden. The motion passed by voice vote. The meeting was adjourned at 12:26 p.m.**