

**LRA/Upper Mississippi River International Port District –
Joint Powers Committee Meeting**

18901 B Street

Savanna Depot Business, Industry & Technology Park

Savanna, IL 61074

3:00 p.m., Tuesday, January 15, 2019

1. Call to Order – Chairman Steve Keeffer called the January 15, 2019 joint meeting of the LRA and UMRIPD to order at 3:02 pm.

2. Roll Call – Members of the joint committee present were: Chairman Steve Keeffer, Vice Chairman Bill Jahnke, Paul Hartman, Bill Robinson, Kevin Stier and Jim Francis. Skip Schwardtfeger joined by phone at 3:05. Others present: Phil Jensen (LRA Attorney), Amiee Martelle (Riverport Railroad), Rob Canier (Illinois International Trade Center), Dennis Bowman, Scott Lombardo (Savanna Stable, LLC), Steve Potempa (Ka-Ching), Brian Potempa (Ka-Ching), Mike Potempa (Drive Golf), Mark & Laura Roach (Depot Electric Supply)

3. Pledge of Allegiance was recited.

4. Agenda Additions – Vice Chairman Bill Jahnke made a motion to move agenda item # 6 Mission Statement to #5 and the LRA/Port Authority – Merger/ Succession Discussion to #6. Motion was seconded by Paul Hartman. Motion passed by voice vote.

Chairman Steve Keeffer made a motion, seconded by Bill Robinson to include an item for Public Comments. Motion passed by voice vote.

5. Mission Statement – Vice Chairman formulated a mission statement around 3 principals. 1st – Develop policies that can serve to enhance and protect the values of the existing property owners. 2nd to address the Water/Sewer systems as far as maintenance, improvements, ongoing cost reductions. 3rd to address business development, job creation for all future planning. This addresses what we can do to take care of current tenants and owners.

This mission of the LRA/Upper Mississippi River International Port District – Joint Powers Committee is to develop plans and policies which have the goal of enhancing the properties in the Savanna Depot Park, provide for the operation, maintenance and improvement of the water and sewer system and to develop policies and plans for continued economic business development and job creation.

LRA Attorney Jensen stated he believed the impetus of this committee is the succession entity of the LRA, when they sunset. This is not addressed in the mission statement and should be. Something should be added that takes note of the UMRIPD as the successor as one of the goals.

Vice Chairman Bill Jahnke suggested the following to be added to the Mission Statement based on Attorney Phil Jensen's comment: *The above stated goals are preposition for the goal of the UMRIPD to be the successor organization for the LRA and the management of Savanna Depot Park.*

Paul Hartman asked Attorney Jensen if the two organizations could legally merger. Attorney Jensen said it would require modification of the Department of Army's Memorandum of Agreement with the LRA and the Intergovernmental Agreement with the two counties. We need to move the conversations away from merger since it can be taken in a different context. Vice Chairman Bill Jahnke stated the LRA and UMRIPD need to work on a merger of ideas, not necessarily merger of organizations. Kevin Stier stated he feels the UMRIPD is here to help the LRA accomplish their task. Chairman Steve Keeffer stated he feels we are here to help each other and work together. We are a sunset agency, I don't think we will go away anytime soon but we will become less involved in the day to day stuff. The LRA needs to stay in existence to accept property from the Army, in an administrative capacity due to our MOA.

This will be reviewed at the next joint meeting and possibly approved at that time.

6. LRA / Port Authority – Merger / Succession Discussion – Vice Chairman Bill Jahnke suggested changing the wording of this item; removing the word Merger and replacing with Cooperation. Merger may leader to misunderstandings or improper interpretation.

Vice Chairman Bill Jahnke provided an outline for discussion over the next couple of meetings:

1. Water & sewer system and it's needs, liability, future responsibility
 2. Covenants and Restrictions/Ordinances
1. A copy of any studies and CIP that has information on the water/sewer systems that relates to costs will be provided to the committee members for review. Have the current operator address current infrastructure and equipment shortfalls to see if there is grant money that the UMRIPD have access to as a municipal organization. Ask Sharon Pepin if she can provide what opportunities would be available to the UMRIPD as a municipality vs private entity.

Paul Hartman suggested we have a discussion with the operator and turn it in to an engineer's report.

We will also need to review the current Intergovernmental Agreement between the LRA and UMRIPD.

2. Covenants & Restrictions – This is something that was talked about in a previous meeting. Attorney Jensen and Vice Chairman Bill Jahnke were going to be looking at various business parks and what kinds of covenants and restrictions they carry. UMRIPD does have ordinance capabilities such as grass height and garbage retention in yards, etc. Riverport did have some concern due to the way they accumulate rail road ties and dispose of on an annual basis. How do you store, is there screening. These restrictions are put in place to keep industrial/business parks more tidy, to enhance the values. This should be something we include in discussions. Paul Hartman was curious if the counties could do this? Why would the UMRIPD want the burden of this, how could they police this? Vice Chairman Jahnke stated they have discussed this with Bill Robinson and Kurt Brunner and could set up with a meets and bounds. Paul Hartman didn't feel this could be contrary to the county. Bill Robinson stated he thought they could be more restrictive than the county, the towns are that way. But not able to make anything less restrictive than the county. Attorney Jensen stated this is a municipal corporation with the power to regulate. He wasn't sure what would happen if there was a circumstance where the UMRIPD was at cross hairs with the county. Paul Hartman brought up an instance where the UMRIPD set an ordinance for a building permit for \$2,000 and the county will give it to you for \$300. That seems like a conflict. Attorney Jensen said he believed that would be permissible. Vice Chairman Bill Jahnke said they don't want to put a hammer on anyone here, but we want to work on things to make sure there is long term value enhancement for properties. Chairman Steve Keeffer asked Attorney Jensen what the enforcement would be if the UMRIPD set a junk ordinance and someone didn't comply. Attorney Jensen said it would be up to UMRIPD to enforce on their dime. Vice Chairman Bill Jahnke recognized that at this time there is nothing in place. There were no covenants and restrictions placed on the property during their ownership or during the transfer period between the Army and the potential property owner. But as property becomes available or currently owned properties by the LRA, you could put covenants and restrictions on those properties. Attorney Jensen stated yes, we could do that. Although understand, covenants and restrictions are generally speaking contractor terms that are generally developed out of a POA or Planned Unit Development arrangement. Ordinances are generally the legislative act of a municipal body that theoretically has the same result. Municipalities aren't going to pass covenants, they will pass ordinances. Covenants are more difficult to enforce. If there is ever a POA formed, they could pass covenants. A tenant will have to agree to be bound by the covenants if

they already own the property. Whereas a municipality could have a ordinance that overlays that doesn't necessarily need to the approval of the individual. Anybody that owns a piece of property can put a covenant on it. The only way to enforce that covenant is if your neighbor files suit on you.

We will have to measure the covenants and ordinances carefully to be sure it is a long term benefit to property owners.

Chairman Steve Keeffer asked if there were any other items for discussion today. Paul Hartman questioned if we need an agreement with UMRIPD that states they will still accept all the assets without USFWS Parcel 5?

Attorney Jensen stated the need for a successor in interest, with or without USFWS Parcel 5. He then asked how the counties fit into this succession. How do we undo that agreement? Attorney Jensen stated the counties didn't need to agree to the legislative action for the UMRIPD. We haven't needed county authority to deed to a third party so I don't think we will need county approval to work with the UMRIPD. Paul Hartman asked if we sunset today, by succession to the UMRIPD, our MOA states that all funds have to be returned to the Army. And what happens if we end up running out of money before succession, the LRA still needs to be around administratively to finish transferring the property, like the water/sewer system.

Jim Francis said we should all look at the updated reuse plan and see where the UMRIPD could fit in and help. Paul Hartman stated UMRIPD would need to look at the short term and 3-5 year recommendations. We need to keep these recommendations in front of us as we continue on with our discussions.

Vice Chairman Jahnke suggested for the next meeting we should focus our discussions on the water/sewer system and review the recommendations from the Updated Reuse Plan.

Chairman Steve Keeffer asked how often we want to meet as a group. It was agreed upon once a month on the third Tuesday at 3:00 pm.

Once we establish the priorities of this committee (i.e. water/sewer; Covenants & Restrictions, etc) we can start working on each item separately at these meetings.

7. Public Comments – Scott Lombardo asked if USFWS Parcel 5 fails, what does that mean. Chairman Steve Keeffer stated if we can't develop it into a barge facility what does that mean for the UMRIPD for interest. The LRA is required to do a reuse plan. Scott Lombardo asked if the UMRIPD could contract all remaining land from the LRA and by that mechanism optioning it to actually supplant the LRA. Is there any reason why it wouldn't be approved? Bill Robinson said he didn't think anyone would take that without all of the environmental remediation completed. Scott clarified that he felt in order to

streamline the succession, could the LRA give the UMRIPD control of all of the remaining LRA property. UMRIPD would option and provide all of the services /admin for the LRA. Might this streamline the discussions on water/sewer? Could all of these meetings be diminished by the simple act of letting the UMRIPD option all responsibilities of the LRA keeping the LRA as the recipient of the land and the ultimate setter of price for the disposal. Attorney Jensen stated theoretically, yes. Vice Chairman Bill Jahnke stated what we have is a balancing act, it would be great if we would be deeded the property but if they want to sell it to us we don't have the money. They have an economic shortfall on an annual basis because of the water/sewer. Scott stated he is not suggesting any ownership position for the UMRIPD, just as LRA won't have an ownership position but a temporary responsibility to liquidate the property once Army transfers. So there is a single entity, UMRIPD. The LRA will be there and meet a few times a year to transfer property. Chairman Steve Keeffer stated he doesn't feel we are there yet. Attorney Jensen said we have unbridled right for conveyance of land but there are some restrictions on remaining assets. Scott stated the assets in the bank wouldn't physically transfer, all that would transfer is a fiducial responsibility to administer those funds. Vice Chairman Bill Jahnke didn't feel we were close to that yet.

8. Adjournment – Bill Robinson made a motion, seconded by Vice Chairman Bill Jahnke to adjourn the meeting at 3:56 pm. Motion passed by voice vote.

Committee Members:

**LRA – Chairman Steve Keeffer, Bill Robinson, Paul Hartman;
UMRIPD – Jim Francis, William Jahnke, Kevin Steir**