

**LRA/Upper Mississippi River International Port District –  
Joint Powers Committee Meeting  
11:30 a.m., Tuesday, January 8, 2019**

- I. Call to Order:** LRA Board Chairman Steve Keeffer called to order the meeting at 12:20 p.m.
  
- 2. Roll Call:** LRA members of the joint committee in attendance: Chairman Steve Keeffer, Bill Robinson and Paul Hartman. Jim Francis, UMRIPD secretary, reconvened their meeting with joint committee members Jim Francis, Bill Jahnke and Kevin Steir. Others in attendance: Kurt Brunner-UMRIPD; Bill Wright-LRA Board Member; Don Crawford-LRA Vice Chairman; Ron Smith-LRA Board Member; Kevin Reibel-LRA Board Member; Phil Jensen-LRA Local Counsel; Barry Steinberg-LRA Specialized Legal Counsel; David Albee-UMRIPD Local Counsel; Mara Roche-LRA Staff; Amiee Martelle-Riverport Railroad; Ed Martins-Midwest 3PL; Laura Roach-Depot Electric Supply; Mark Roach-Depot Electric Supply
  
- 3. Pledge of Allegiance was recited.**
  
- 4. Agenda Additions: none**
  
- 5. Discussions related to LRA/Port Merger – LRA Succession:** Attorney Jensen passed out a Merger Plan and Outline and lead the discussion speaking to procedure and substance. There is going to be a need for communication between these boards, tenants and federal regulators. A need for collaboration, consensus, cooperation and invariably there will be some conflict. As we move ahead it will be wise to keep these “C’s” in mind. Regular communication with benchmarks and collaboration and consensus and cooperation are going to be the driving forces. The document presented is a working draft at this point that all members should work on in terms of a final document so there is consensus. We know the LRA will sunset, we know the Port Authority appears at this point and time to be the obvious successor. With this in mind this new entity that is created will be a conglomeration of the mission of the LRA and the mission of the Port Authority. The LRA is the sole entity to take property from the Army and the Port Authority legislation that created them is very broad.

What are the assets of each entity? The LRA has the assets and no statutory power and the Port Authority has the statutory power and no assets.

The major topic at the earlier meeting today was development of barge access. We all agree that would be the “grand slam”. Attorney Jensen does not believe merger talks need to be limited to just a barge terminal or intermodal facility being created. The succession discussion should take place irrespective of the development of a port. Discussion should proceed in a parallel fashion.

There 20 or more questions the committee is going to have to consider and are outlined in the document, a few of those being:

- The need for infusion of capital
- Regulatory permitting: wetlands, NEPA, etc – Barry Steinberg is the expert on those matters
- How will the committee manage those that are opposed to any development
- Is there going to be competition from other facilities
- How does the committee get support from Riverport Railroad
- How does the committee obtain support from the BNSF

After the joint mission statement is prepared we will need to articulate additional questions that may be raised. The Business Plan raised additional questions also.

- Who will operate the port
- Does the port authority have the expertise to operate such a facility
- What targets for funding are there, public and private
- What will the structure of the committee be that is being created
- When and how should there be a merging and transfer of assets
- What will membership and leadership look like
- Who will make decisions and who will have final authorization
- What roles if any will the counties have in the merger/succession process
- Is additional state legislation needed or appropriate
- What role with US Department of Transportation, Maritime Division have

Attorney Jensen stated he is envisioning a 5 step process, the first being pre-merger negotiations. That is the stage we are in now. If there is consensus that we are going to move forward in that fashion, we need not only approval from the LRA and Port boards, but we need to know that it is realistic and there should be some sort of timeframe for that merger. A memorandum of understanding (MOU) can then be put together. The MOU is premature at this point. The first thing that needs to be done is set goals and have a vision of what you are trying to accomplish. If we don't get to the point where there is a mutuality of goals, then there is no sense moving forward to the MOU phase. I believe we can reach that consensus. The board needs to decide the structure, i.e. Chairman and how often you will meet. That is the procedural component that precedes discussing a potential merger. Prior to memorializing the MOU you need to hear all of the interests of all of the potential beneficiaries of the port and the merger.

We have talked for some time about the water and sewer facilities, it is actually an asset and not liability. It is much better to have a facility here that is in need of upgrades than to not have one at all. There is a need to get to a break even point without breaking the bank of the current users. There are things that will need to be considered. The community needs to see the benefits of the Port Authority being the successor in interest of the LRA. We don't need 100% approval but we need consensus. There will need to be frequent communication. Once we have the goals we really need to work on the final stages of the merger agreement. That will require consensus by the LRA and Port boards on why it is taking place, who it is going to serve, what the larger goals are. Timeline, board structure and discussion about transfer of liabilities and contracts, budgets, due diligence and approvals. This document will help focus us on the path.

We need to schedule the 1<sup>st</sup> meeting of this joint committee and set up the administrative structure and set up goals and visions that you will take to the LRA and Port Authority boards.

Barry Steinberg stated that one of the issues to discuss is that at this time the LRA is recognized by the Department of Defense as responsible for disposition and we have a MOA with the Army. The MOA is a contract, if you change the parties to a contract, you need permission from the United States. A collaborative relationship of our own understanding of how things will happen, but don't upset the legal appletart of LRA status with the Army as that has other implications. You are the vehicle to transfer. If the LRA disbands, the counties would take on all liabilities and responsibilities.

Bill Jahnke, UMRIPD board member, stated that through our current Intergovernmental Agreement the Port is asking how they can assist with any issues and allow them to become more involved in the transfer of properties and master planning and because of our eventual successorship. The potential port requires the development of the open properties that tie in to the use of Fish 5 and we need to look at development of more than just a barge facility. The Port can bring a lot of incentives to the property even without developing a barge facility.

Phil called for a Chairman, Vice Chairman and Secretary to be selected at this meeting. Kevin Steir nominated Steve Keeffer to act as the Committee Chairman. Paul Hartman made a motion to close nominations for Chairman, seconded by Bill Robinson. A motion to elect Steve Keeffer as the Chairman of the joint committee was passed by voice vote. Kevin Steir made a motion, seconded by Steve Keeffer to appoint Bill Jahnke as Vice Chairman, motion passed by voice vote. A motion to elect Jim Francis as secretary was made by Bill Robinson, seconded by Bill Jahnke. Motion passed by voice vote.

Jim Francis has asked that someone from each board attend each other's meeting on a regular basis. Bill Jahnke felt that with the creation of this committee the members can update their respective boards.

This committee will plan to meet on a monthly basis.

The next meeting was scheduled for January 15, 2019 at 3:00 p.m. in the LRA board room. Committee members were tasked to bring ideas to be prioritized, based on the recommendations that were presented in the Reuse and Business Plan. A joint mission statement should be decided on as well.

Bill Jahnke reported that they recently closed on the purchase of building 10 from Gary Frederick.

Attorney Jensen called for comments.

UMRIPD Attorney David Albee stated the federal government recognizes the LRA as the exclusive entity. The State of Illinois recognizes the Port Authority as the exclusive entity with the statutory right to control the expansion, unexpansion, contraction, anything to do with this former Army base. The feds say one thing but the state says quite the opposite so if we can put those two together there won't be any conflict. Any former Army base within our designated area is within our purview.

Attorney Jensen stated that doesn't supersede the federal statute.

Ron Smith stated if we are going to get into this he would have concerns. We just had a discussion of how the committee can move forward with collaboration and eventual succession.

Amiee Martelle asked if it made sense that the Port Authority take over the water and sewer system instead of Riverport Railroad. Phil stated that is something to be discussed.

Mark Roach asked what authority has the authority? Water rates, etc.  
Steve Keeffer stated the LRA.

Jim Francis stated the Port District is eligible for public funds and grants that the LRA does not qualify for. They are a municipal corporation and which makes them eligible to get funding to have the water/sewer system upgraded.

In conclusion, Attorney Jensen reminded the committee again of the 5 "C's":

There will be conflict, so as a consequence let's be in regular communication. Let's have our goal as collaboration, consensus and cooperation. If we do that we can achieve a great deal

**6. Review Draft Memorandum Of Agreement Related To The Consideration Of The Jo-Carroll Depot Local Redevelopment Authority And Port Authority Merger**

**7. Adjournment: 1:36 p.m.** Jim Francis made a motion, seconded by Bill Robinson to adjourn the committee meeting. Motion passed by voice vote.

Bill Jahnke made a motion, seconded by Kurt Brunner, to close the Port Authority meeting. Motion passed by voice vote.

**Committee Members:**

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