

Members Present

Mr. Nixon, Mr. Vickery, Ms. McBride, Mr. Washington, Mr. Stauffenberg, Ms. Polk, Mr. James, Dr. Pagast, Mr. Tripp, Mr. Flett, Mr. Tholen, and Mr. Hess

Members Absent

Ms. Bernard and Mr. Olthoff

In Attendance

- **Board Members**

Mr. Bossert and Mr. Arseneau

- **Department Heads**

Mark Rogers

- **Media**

Laura McElroy

Dimitrios Kalantzis

1. Call to Order

The meeting was called to order by the Vice-Chairman, Mr. Vickery, at 9:00 a.m. Quorum present.

2. Public Comment

3. Approval of Minutes – December 16, 2011 & January 5, 2012

A motion to combine and approve the minutes was made by Mr. James and seconded by Mr. Washington. Motion carried with a voice vote.

4. Zoning

- **ZBA Case #11-11; request for a Special Use Permit 121-99 (c) (14) c (Slaughterhouse) & a Variance to Section 121-99(c) (14) c (Lot Size & Lot Width) & Section 121-99(g) (1&3) (Setbacks) in the A1-Agricultural District, on parcel generally situated in Section 19 of Yellowhead Township. The petitioners are James & Ann Argyropulos and Harry & Georgia Katsiavelos, property owners and applicants.**

Mr. Vickery stated that this is being removed from the agenda.

Mr. Van Mill stated that the attorney could not be here. There were some questions about Grant Park and they have an opportunity to review it a little bit longer, as well.

5. Planning

- **Kankakee County Historic Preservation Commission**

- 1. Intergovernmental Agreement with Village of Bourbonnais**

Ms. Sadler stated that the first item is the Intergovernmental Agreement with the Village of Bourbonnais. In April of last year, the Historic Preservation Commission approved nominating the George Letourneau Home for landmark status. With it being in the Village of Bourbonnais and with them not having their own society or commission at this time, they have to go through us to be nominated so they have to have an agreement with the village. They did try to do an agreement to incorporate the whole village but they would not go for that. It is specific to the Letourneau Home.

Terry Johnson from the Historic Preservation Commission stated that he would assume that at some point they will have other intergovernmental agreements with other communities.

Mr. Tripp asked if the cabin that is being moved is included in this.

Mr. Johnson stated that the cabin has been taken over by the city. They hope it will be moved to the Letourneau properties at some point.

Ms. Sadler stated that that is not included in the intergovernmental agreement. In January they took the agreement that is in today's packet to their commission and they unanimously approved it so now they are bringing it to this committee to move it forward.

Mr. James made a motion to approve and move it on to the full board and Mr. Tripp seconded it. Motion carried with a voice vote.

2. CLG Grant Application

Ms. Sadler stated that they applied for a CLG Grant (Certified Local Government) back in October and found out in January that they were awarded the grant in the amount of \$3330. It is a 70/30 match so \$1000 would come from the county in cash and in-kind services. The grant would be to do some educational brochures for the public to educate them on historic preservation. They also want to update their website and do outreach and educational programs for local governments. Today they need approval for the chairman to sign the agreement. It has been reviewed by the State's Attorney's Office and they do not have any problems with it.

Mr. Washington made a motion to approve and Mr. Stauffenberg seconded it. Motion carried with a roll call vote of 12 ayes and 0 nays. Voting aye were Mr. Bossert, Mr. Vickery, Ms. McBride, Mr. Washington, Mr. Stauffenberg, Ms. Polk, Mr. James, Dr. Pagast, Mr. Tripp, Mr. Flett, Mr. Tholen, and Mr. Hess.

- **Rescind Property Tax Abatement for Precisionaire Industries**

Mr. Van Mill stated that this is the rescission of a previous resolution that the county board passed in October of 2009. At that time they were negotiating with Precisionaire in the City of Mومence for a rather large expansion that was going on the village. They came to the county asking for property tax abatement similar to the Enterprise Zone so that they could put an incentive package together for Precisionaire so that they would consider our facility versus others that they have across the U.S. The expansion is going on currently and they are about to start using the facility. It is not on the tax rolls yet. Since that time they have been notified that the City of Mومence, including this property, is now in the Enterprise Zone and was certified by the state a couple weeks ago. With that, the property tax abatement would fall under the Enterprise Zone Program rather than this independent resolution that was passed back in October 2009. In order that there is no confusion at the county clerk's office in terms of what process and formula to use for the property tax abatement, he is asking that the committee rescind this resolution and then follow the Enterprise Zone property tax abatement in its place.

Mr. James made a motion to rescind the resolution and Mr. Washington seconded it.

Discussion:

Mr. James asked if there was any significant difference in the two abatements.

Mr. Van Mill stated that there is. In the case of a property tax abatement by resolution by individual units of government the clerk reduces the property tax value for that district and it does have an impact on state aid

for school districts. They do have more of a negative effect on the property tax districts. That does not occur using property tax abatement under the Enterprise Zone. The school districts will be made whole as a result of some of the loss that they would have as a result of the property tax abatement in the resolution. They prefer to use the Enterprise Zone format rather than these individual resolutions. They did that in 2009 because it was the only option that they had.

Original motion carried with a voice vote.

- **Comprehensive Economic Development Strategy Application**

Mr. Van Mill stated that they would submit this application to the Economic Development Administration (EDA) which is a department in the U.S. Department of Commerce. Marilyn Campbell will come up and do the presentation.

Ms. Campbell stated that this goes along with the next item on the agenda. They are actually applying for the funding which will be to create the Comprehensive Economic Development Strategy (CEDS).

Ms. Campbell gave a presentation on this. The mission of the EDA is to advance economic growth. EDA funding goes to communities that have a high unemployment rate and a low per capita income. They have already talked to their Illinois EDA representative and Kankakee County does qualify for these kinds of funds. They are really looking to increase private capital investment. The result then is higher skilled and higher paid jobs which enhances our competitiveness. The Comprehensive Economic Development Strategy is what the EDA looks at to determine who gets funding. It's the plan that is guiding our economic growth for the area. The most important thing is that if you do not have a CEDS you do not get funding. It qualifies you for funding from the EDA for certain programs that we would want money for.

Mr. Van Mill stated that currently we do not have an EDA recognized plan.

- **Planning & Local Technical Assistance Program – Grant Funding Application**

Ms. Campbell stated that they are asking for the funds to apply for money to develop the CEDS plan. The planning program is what they are applying for. It is to develop, implement, or revise a CEDS plan. They are asking in the resolution today for a \$25,000 match which can be cash or in-kind to apply to the EDA for the planning money to develop the CEDS so that we can apply for the other programs.

Mr. Washington made a motion to approve and Mr. Stauffenberg seconded it.

Discussion:

Mr. James asked how much the county is expected to come up with when we apply for these grants.

Mr. Van Mill stated that they have talked to them about the possibility of applying for technical assistance to help them develop the CEDS document. They asked them what was reasonable for a community like ours. They thought that about \$25,000 was reasonable as to what they could give us in a grant so between actual funds and our in-kind services they are showing that they will at least expend that amount of money to complete the plan itself.

Mr. James asked if there is a share on anything that they apply for afterwards.

Mr. Van Mill stated that there is but he doesn't know what that would be. If we can't afford it then we will not do it.

Mr. Bossert asked how much we could reasonably allocate to in-kind.

Mr. Van Mill stated that maybe half would be for printing work and maybe getting some individuals together to help them put together some cluster analysis of industry. They did not have a minimum requirement. The entire amount could be in-kind.

Mr. Tripp asked if anything could be tied in with our university and college.

Mr. Van Mill stated that there was one program that does allow for programs partnering with universities to do things.

Dr. Pagast asked if \$25,000 would be spent by the county and \$25,000 by the state.

Ms. Campbell stated that \$25,000 would be federal and our \$25,000 would be a combination of cash and in-kind. The more cash that is put in the more favorable they look at the application.

Dr. Pagast asked how much money we could expect by applying for this.

Ms. Campbell stated that the \$50,000 that she is talking about is to develop a CEDS. Some of the projects that she referred to were projects that were implemented from CEDS and specific funding was asked for to do a particular project such as a railroad spur, etc.

Dr. Pagast asked if they will come back when they actually apply for the projects.

Ms. Campbell stated that they will come back to the committee and tell them what they want to do and what pot of money that they are applying for.

Mr. Vickery stated that the CEDS is the base which we need to do other projects – it is the basic plan.

Mr. Van Mill stated that from the economic development standpoint we are in a position that we do need an economic development plan for our community regardless whether we go with this process or not. It just so happens that we found a very good opportunity here to kill a couple birds with one stone and actually get some funding to help us prepare this plan. We have to do this anyway to see what kind of road path that we want to go as a community from an economic development strategy perspective. This is a good process for us to follow. It has been shown that the format and structure is good. With this we will have the ability to tap additional funds at the federal level.

Mr. Washington stated that looking at where we have come from and that now we have a very active economic alliance and are working on various projects within the alliance to not only sustain jobs but to grow jobs in the different areas that may not even exist yet, this is the common sense approach and the simplest way to get off the ground and develop a plan that we can follow from this point on. He feels that we need to go ahead.

The original motion carried with a roll call vote of 13 ayes and 0 nays. Voting aye were Mr. Bossert, Mr. Vickery, Ms. McBride, Mr. Washington, Mr. Stauffenberg, Ms. Polk, Mr. James, Dr. Pagast, Mr. Tripp, Mr. Flett, Mr. Tholen, Mr. Nixon, and Mr. Hess.

Mr. Hess stated that when the economic alliance was set up he thought it was supposed to be that they went with a chairman from the public for so long and then they went to the government side of it. Have they ever done that?

Mr. Van Mill stated that he doesn't believe that there was any formalization of that. Every two years after the election they reappoint members and the chairman, vice-chairman, treasure, etc.

- **Enterprise Zone – Presentation**

Mr. Van Mill gave a presentation that reviewed the details of the Enterprise Zone Program.

Mr. Van Mill stated that there are two enterprise zones in place right now – The Kankakee River Valley Enterprise Zone and the Kankakee County/Manteno Enterprise Zone. Enterprise zones go back to the early 1980's when we saw a dramatic change in our economy in Illinois. They were enacted for the purpose of stimulating economic growth and neighborhood revitalization at the local level and doing that through state and local tax incentives, regulatory relief, and improving governmental in-services. Ninety-five zones are in Illinois, which is the maximum allowed. The area for an enterprise zone has to be contiguous. The minimum size of an enterprise zone is a half square mile. For enterprise zones that have four or more jurisdictions like the K3 River Valley Enterprise Zone the maximum amount is 15 square miles. For the K3 County/Manteno Enterprise Zone which now has three members the maximum is 12 square miles.

Mr. Van Mills stated that one of the things that came up at the beginning of enterprise zones is that you had to determine that it was a depressed area. They look at areas that have higher unemployment than the state average, per capita income is lower, and poverty numbers are higher than the state or federal averages.

Mr. Bossert asked if the statute limits how many enterprise zones there are in a state.

Mr. Van Mill stated that it does and we are at the max.

Mr. Van Mill stated that the incentives at the state level that they discuss often are the sales tax exemption on building materials. At one time in the early 90's, there was a provision in the statutes that said that if you were going to take advantage of the sales tax abatement on building materials you had to buy the material in the district in that enterprise zone. Sometimes that could not be done and that provision has been taken out from the requirements. Material can be bought anywhere in the State of Illinois and still take advantage of the sales tax abatement for the building materials. The other big incentive that businesses are interested in is the sales tax abatement on machinery and equipment. Other incentives include the enterprise zone utility tax exemption, enterprise zone tax credit, dividend income deductions, job tax credits, interest deductions, etc. Many of these are things that he doesn't necessarily get involved in; accountants for the company and the state work on those programs. For local incentives there are basically two incentives that they provide. The first one is abatement of property tax. For the K3 River Valley Enterprise Zone, property tax abatement is only eligible for industrial, manufacturing, and warehousing facilities. The K3 County/Momence Enterprise Zone has a commercial component to that, as well. That is the flexibility of enterprise zones. The second incentive is the waiver of permitting fees.

Mr. Van Mill stated that in terms of expansion there are two different options. One is when there is an eminent project such as the car dealership in Herscher. The second option is adding an area where there isn't an eminent project but the area needs the incentives to try to focus and encourage growth and

development which is what they did in the Momence situation. The general requirements for expansion are that if they want to bring in areas that are not contiguous to the existing enterprise zone they can use a three-foot strip to extend out to a site. They did that with the Herscher facility and from Manteno to Momence to incorporate the City of Momence into the enterprise zone. It is common to do.

Mr. Van Mill stated that right now we have 2.19 sq. miles in the K3 County/Manteno Enterprise Zone. We can have up to 12 sq. miles. It was created in 1986 as a result of the closing of the state hospital in Manteno. This enterprise zone is set to expire in November of 2015. There is legislation in place to extend enterprise zones for another twenty years but right now that legislation is held up. They are encouraging that these get extended. They have created 2313 jobs and retained 471.

Mr. Van Mill stated that the K3 River Valley Enterprise Zone currently has a little over 12 sq. miles in the zone itself and they have a maximum of 15 sq. miles. The participants are Aroma Park, Bourbonnais, Bradley, City of Kankakee, and the County of Kankakee. If any community wants to extent the enterprise zone, they have to get approval from every participant involved. It was created in 1984 and will expire in July of 2014. What is significant about that? From their view when they go out and talk to a business that might want to expand right now and put up a large expansion and they start talking to them about the property tax abatement, there is no assurance that after 2014 that they will be able to get that. There is unpredictability right now and we need that predictability. It is a challenge and we have to try and overcome that. We have almost \$200 million dollars of investment in the district and over 3300 jobs have been created.

Mr. James asked what happens if a project is in the process in 2014.

Mr. Van Mill stated that it dies regardless what stage it is at.

Mr. Van Mill gave a scenario of a company that wants to do a \$25 million expansion and they are looking here and at other places around the globe for expansion sites. If the project is \$25 million, they are assuming that 40% of that amount would be for materials which mean that for this project \$10 million is for materials. The sample tax rate is 7.2%. In Kankakee County this would be a \$13,000 building permit fee which is what the county would be giving up. In regards to sales tax abatement on building materials, they would probably be paying \$625,000 in sales tax. The state gets 20% so the state is one that is abating \$500,000. Locally, it would \$125,000 if they bought everything here in Kankakee County and Kankakee County would be foregoing a quarter of that but it is very, very rare that all materials are bought here.

Mr. James asked if we gave up the inspections if we give up the fee.

Mr. Van Mill stated that we do not. We still do the inspections.

Mr. Vickery stated that most of the jobs are bid out so the contractor acquires the materials where he can get the best deal.

Mr. Van Mill stated that they looked at the property tax abatement on this project. If they had a rate of 7.2% the abatement would be 100% the first year, 80% the second year, 60% the third year, 40% the fourth year, 20% the fifth year, and then year six it is on the tax rolls at 100%. We are giving up 2 ½ years of property tax abatement. Other zones are more liberal – they are giving 10 years or 5 years of zero. It is up to the local units of government to decide what that property tax abatement will be. What is acceptable to the taxing districts that have to pass those ordinances? There is a lot of flexibility within the program to do

some creative things which is the good part about it. We have been consistent for the whole time that we have had these enterprise zones. It has not really changed.

Mr. Bossert stated that the local taxing bodies would have to agree to participate in the abatement.

Mr. Vickery stated that he went with Mike and the Mayor of Momence to a school board meeting and without a specific big project it is tough to get them in this enterprise zone.

Mr. Van Mill stated that districts understand where their property tax abatements are going – up or down. Is it important to provide an investment to see the property tax stabilize and perhaps go up as a result of some small incentives to do that? It is a debate that goes on.

Mr. James stated that the public's opinion of an enterprise zone is that it is being used to pirate businesses from one community to another. How many projects in our area have been used in this way?

Mr. Van Mill stated that he did not know.

Mr. James stated that it is one thing when we are looking to bring in industrial jobs from another state or another area but it is another thing to bring a business across town.

Mr. Van Mill stated that he agreed. Incentives are a difficult thing to deal with. There are good arguments on both sides but when you look at the entire state providing them how can you not stay in the game with the good and the bad.

Mr. James asked if our bordering states have the same type of program.

Mr. Van Mill stated that they do. We are pretty much on the same level. It is on the state level where things change.

Mr. Tripp stated that some of those businesses that moved from one community to another probably would have closed if they would have stayed where they were at.

6. Transportation

- **Consultant Assistance for Illiana Study – Agreement between Kankakee County & Hutchison Engineering**

Mr. Lammey stated that at the beginning of this fiscal year they budgeted \$4800 to hire a consultant to give them advice on the Illiana Study. They are about ready to enter into that activity of trying to take a position on a route for the Illiana. They are proposing contracting with Hutchison Engineering. Because the amount of money is so small they want somebody who has a fairly decent background of this area and the project manager for Hutchison is Jim Piekarczyk and they couldn't find anybody who knew our county any better than him. They are asking for the committee's authorization to have the chairman sign this contract with Hutchison Engineering.

Mr. Tripp made a motion to approve this and Mr. James seconded it. Motion carried with a roll call vote of 13 ayes and 0 nays. Voting aye were Mr. Bossert, Mr. Nixon, Mr. Vickery, Ms. McBride, Mr. Washington, Mr. Stauffenberg, Ms. Polk, Mr. James, Dr. Pagast, Mr. Tripp, Mr. Flett, Mr. Tholen, and Mr. Hess.

7. Old Business

Dr. Pagast stated that he feels that the completion of the Solid Waste Management Plan is being dragged out. It should have been completed in 2010. He sees no urgency in having specific meetings coming together as they had at one time. There are no meetings to complete this. He would hope that there would be more of an urgency to get this completed.

Mr. Vickery stated that he shared Dr. Pagast's concern and he wanted to attend that meeting last night but he had other obligations.

Dr. Pagast stated that last night's meeting was a presentation by the Patrick Engineer Firm. The working committee sat there and did not have a chance to make any comments because only the public was making the comments. It felt useless to be there at that meeting.

Mr. Bossert stated that the meeting was a public hearing, another step in the process of trying to formulate this plan. None of these meetings were probably necessary to offer public comment. It has been a very open process and it could have gone the other way where the Regional Planning Commission just presented a plan to be voted on. He thinks it is commendable that we have had opportunity to allow the public to comment and talk. It has been a slow process and it probably could have gone faster. In the end are we holding anything in particular up? There really is no consequence to being late on our adoption of a plan. There is a big issue in that plan about our approach on disposing of waste and landfilling is a portion of that and that is a hot button issue that needs to be talked out and he thinks that it is commendable that we have taken our time and have allowed people to think about it.

Dr. Pagast stated that landfill might be a hot issue but the plan as it is now is a totally incomplete plan. If it had been presented to the IEPA he believes it would have been sent back.

Mr. Washington stated that he can understand Dr. Pagast's concerns about the timing but having sat through all of the hearings of previous landfills proposals and sampling the volatility of those hearings it was decided to make it more deliberate and more open to the public rather than come up with a working plan within the county itself. That is the reason for the deliberateness and we need to continue with that openness and deliberateness so that we can get a plan not just approved by us but approved by the public, as well.

8. New Business

9. Adjournment

A motion to adjourn the meeting at 10:12 a.m. was made by Mr. Nixon and seconded by Mr. James. Motion carried.

Jim Vickery, Vice-Chairman
Joanne Langlois, Executive Coordinator