

REVOLVING FUND COMMITTEE
Summary of Minutes
August 20, 2010

Members Present:

Jim Vickery John Gruhn Cherrie McBride

Members Absent:

Brett Reum

Other Attendees:

Mike Van Mill Mike Bossert Joe Franco Mayor Nina Epstein
Richards Simms Ann Bernard Larry Gibbs

Quorum Present.

The meeting was called to order at 8:33 a.m. by Mr. Vickery

No Public Comment.

Build America Bond:

There were two sets of funds for Build America Bonds, one is public and one is private. The funds for the public sector was reviewed by the Revolving Fund Committee and given to Bradley-Bourbonnais Community High School (BBCHS) and Kankakee River Metropolitan Agency (KRMA). BBCHS bonded their funds, however KRMA withdraw their request. We have until December 2010 to use this money or we lost it.

Mayor Epstein from the City of Kankakee is interested in an allocation of \$2.7 million of the available bonds.

Mayor Epstein and Richard Simms were available for questions.

Utilization of the bond funds would be for the Environmental Services Utility. The following is the project to be included:

- \$700,000 Sanitary sewer and manhole rehabilitation: this project would repair/replace additional manholes by either replacing or lining them. Critical sanitary sewers that have been determined to allow clean water to infiltrate will be repaired.
- \$750,000 Stone Street pumping station pump replacement: this pump station is located on Kennedy Drive was constructed in 1988 and the four internal lift screw pumps are in need of rehabilitation or replacement. This station serves approximately 50% of the City wastewater flows and is critical to protecting against sewer back-up or overflows.

- \$450,000 Pumping station standby power installations: Several of the City's smaller pumping stations are in need of standby power generators. Additionally, relocation of one discharge flow main is needed to provide growth capacity for the continued development of the I57 Exit 2308 area.
- \$350,000 Equipment replacement: this project would replace two tandem axle dump trucks, two single axle dump trucks and add a sixty foot boom truck.
- \$250,000 Engineering and construction observation expenses associated with the above projects.

A motion was made by Mr. Gruhn to approve the bond fund request as submitted. Ms. McBride seconded the motion. Motion carried.

Mr. Van Mill informed the Committee that there is \$9 million in private available and we are talking with a company that may be interested.

Revolving Fund Applications:

Pembroke Township applied for revolving fund money. Joe Franco, Heritage Development was available for questions and later in the meeting Larry Gibbs, Pembroke Township Supervisor was also available for questions.

Pembroke Township was awarded a \$2.3 million grant funds through the U.S. Department of Commerce, Economic Development Administration (EDA) and the Illinois Department of Commerce and Economic Opportunity to refurbish the Power Center located at 13580 Central, Hopkins Park. This site is owned by the Township and has been vacant for several years and is in need of repairs. The purpose of the grant is to update the facility and construct 14 office suites, a 10,000 square foot addition and remodeling of 7,000 square foot. This would provide an opportunity for an incubator/entrepreneurial businesses as well as to update the facility for an anchor employer(s).

As construction was underway, it was found that the roof was leaking causing damage to the new construction within the facility. Roof repairs were not part of the scope of work for the grant or bidding process. As of today, it was believed that the roof repair were underway. As a result of the roof leaking there were mold issues also, which have been taken care of to date.

There was much discussion on the building and the repairs.

Pembroke Township is asking for \$60,000: \$37,000 for the roof repairs and painting of 7,000 square feet of warehouse, \$9,000 for office equipment for training rooms and clerical office support for the incubator tenants and business service start up, and \$14,000 for land acquisition of approximately 7.5 acres adjacent to the subject site and fronting Central.

There was discussion about this being an unsecured loan, the land acquisition, how the Township was going to pay back this loan.

The Committee as a whole finds that the following findings:

- Pembroke Township is the entity applying for the RLF funding.
- The project is consistent with the goals and targeting strategy outlined in the County's revolving fund program. The County's RL programs states that "funds will be targeted to assist the existing industrial and commercial base of Kankakee County, start-up, female, and minority-owned businesses, service-orientated and not-for-profit firms that create employment, and businesses that are interested in relocating to Kankakee County." Based upon the 2009 Census estimate, 92% of the population of Pembroke Township is African-American.
- The RL funding will assist Pembroke Township complete the necessary improvements to the facility not covered by the federal and state grants and mitigate unexpected roof damage. A fully functional incubator and updated industrial facility will create new employment opportunities. The Committee finds the loan is for gap financing as identified in the Kankakee County RLF application. The total project cost is in excess of \$2,350,000. Pembroke Township is requesting \$60,000.
- Pembroke Township is requesting funds for renovation of an existing facility, purchase of equipment, and land purchase. All qualify as eligible expenses.
- According to the Employer Job Certification Form, four (4) full-time equivalent positions will be created to operate the facility. The positions include management, clerical, and maintenance positions. Pembroke Township has two (2) years from the date of loan approval to create the jobs. The four positions meet the \$15,000 per job ratio outlined in the County's loan program.
- The granting of the RF loan will stimulate the local economy and job development by providing needed equipment to 14 newly renovated offices for entrepreneurial ventures; remediate water damage due to unexpected roof leaks; and, to purchase land to improve traffic flow to the facility.
- The RF committee acknowledges that private financing is not involved in this project due to the fact that the facility is publicly owned. The RF Committee finds the ratio of other funds to County funds (federal and state) is approximately 40-to-1.

The following were agreed upon stipulation to granting this loan:

- Prior to distribution of funds, the Pembroke Township Board shall execute a resolution accepting the loan, loan conditions, and authorizing the Township Supervisor to sign the loan agreements.
- Loan conditions:
 - Funds shall be used for the repair of the roof, painting of the facility, purchase of equipment, and land acquisition. County Revolving Funds shall be paid directly to vendors.
 - Kankakee County shall file a UCC-1 securing the equipment.

- The term of the loan will be 5 years (60 payments) at 0%.
- First payment shall be due six (6) month from the execution date of the loan agreement.
- Kankakee County will record a mortgage to secure the loan and acknowledges the mortgage is in second position behind the EDA.

Mr. Gruhn made a motion to approve the \$60,000 loan to Pembroke Township with the above stipulations. Ms. McBride seconded the motion. The motion carried.

OLD BUSINESS/NEW BUSINESS:

None

ADJOURNMENT:

A motion was made by Ms. McBride to adjourn the meeting, it was seconded by Mr. Gruhn. The meeting adjourned at 9:45 A.M.

Submitted by:

Michelle L. Sadler, Office Manager
Kankakee County Planning Department