

## **Minutes of the Executive Committee Meeting**

The Executive Committee of the McLean County Board met on Tuesday, July 10, 2012 at 4:30 p.m. in Room 400, Government Center, 115 E. Washington Street, Bloomington, Illinois.

Members Present: Chairman Sorensen, Members Owens, O'Connor, Gordon, Hoselton, Segobiano, Rackauskas, Butler

Members Absent: Member Bostic

Other Board Members Present: Member Schafer

Staff Present: Mr. Bill Wasson, County Administrator; Ms. Hannah Eisner, Assistant County Administrator; Ms. Jude LaCasse, Assistant to the County Administrator

Department Heads/  
Elected Officials Present: Mr. Craig Nelson, Director, Information Technologies

Others Present: Ken Springer, Project Analyst, Economic Development Council; Mr. David Hales, City Manager, City of Bloomington; Ms. Justine Robinson, Economic Development Coordinator, City of Bloomington;

Chairman Sorensen called the meeting to order at 4:30 p.m.

Chairman Sorensen presented the minutes from the June 12, 2012 Executive Committee Meeting and the May 15, 2012 Stand-up meeting. Hearing no objections or corrections, Chairman Sorensen accepted and placed the minutes on file as submitted.

Chairman Sorensen presented the appointments and resignations.

Motion by Segobiano/Rackauskas to Recommend Approval of the Appointments and Resignations as Recommended by the Chairman.  
Motion carried.

Chairman Sorensen presented a request for approval of an Agreement between DEVNET, Inc. and McLean County for Property Tax Software – Information Technologies.

Mr. Craig Nelson, Director, Information Technologies, stated that there are no material charges to the software or terms of the contract other than pricing. He indicated that Devnet has agreed to a five-year fixed price lock on the County's annual software

maintenance fees by eliminating the annual 5% increase which was built into the original contract.

Motion by Owens/Segobiano to Recommend Approval of an Agreement between DEVNET, Inc. and McLean County for Property Tax Software – Information Technologies.  
Motion carried.

Chairman Sorensen presented a request for approval to purchase 60 Personal Computers under the terms of the Intergovernmental Joint Purchasing Agreement – Information Technologies.

Motion by Gordon/Segobiano to Recommend Approval to Purchase 60 Personal Computers – Information Technologies.

Mr. Nelson advised that this is a standard annual purchase under a contract that has already been bid. He stated this expense is a planned expense and budgeted within the Fiscal Year 2012 budget.

Mr. Segobiano asked if the County is still involved in “State Purchasing.” Mr. Wasson replied that the County evaluates a number of Intergovernmental contracts when making these purchases. Mr. Nelson added that this contract is with the Association of Educational Purchasing Agencies.

Chairman Sorensen called for a vote on the motion.

Motion carried.

Chairman Sorensen asked if there were any additional questions or comments. Hearing none he thanked Mr. Nelson.

Mr. Ben Owens, Chairman, Finance Committee, presented a request for approval of Critical Personnel Hiring Requests – County Administrator’s Office.

Motion by Owens/Butler to Recommend Approval of Critical Personnel Hiring Requests – County Administrator’s Office.  
Motion carried.

Chairman Sorensen asked if there were any questions or comments. Hearing none, he thanked Mr. Owens.

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Ms. Bette Rackauskas, Chairman, Justice Committee, presented a request for approval of Extension of the Illinois Department of Human Services Juvenile Redeploy Illinois Grant SFY 2013 – Court Services.

Motion by Rackauskas/O'Connor to Recommend Approval of an Extension of the Illinois Department of Human Services Juvenile Redeploy Illinois Grant SFY 2013 – Court Services.  
Motion carried.

Ms. Rackauskas presented a request for approval of an Illinois Criminal Justice Information Authority – Juvenile Accountability Block Grant (JABG) – Court Services.

Motion by Rackauskas/Owens to Recommend Approval of an Illinois Criminal Justice Information Authority – Juvenile Accountability Block Grant (JABG) – Court Services.  
Motion carried.

Mr. Segobiano asked if the potential early release of prisoners in State prisons will affect the County Jail. Mr. Wasson replied that it will not specifically affect the County Jail. Chairman Sorensen noted that it may increase the load on County Probation Officers.

Chairman Sorensen asked if there were any additional questions or comments. Hearing none, he thanked Ms. Rackauskas.

Mr. George Gordon, Chairman, Land Use and Development Committee, presented a request for approval of a Resolution of the McLean County Solid Waste Management Technical Committee to fund \$16,000 for a Household Battery Recycling Grant administered by the Ecology Action Center.

Motion by Gordon/Segobiano to Recommend Approval of a Resolution of the McLean County Solid Waste Management Technical Committee to Fund \$16,000 for a Household Battery Recycling Grant administered by the Ecology Action Center.  
Motion carried.

Mr. Gordon presented a request for approval of the Regional Planning Service Agreement with the McLean County Regional Planning Commission (July 1, 2012-June 30, 2013).

Motion by Gordon/Hoselton to Recommend Approval of the Regional Planning Service Agreement with the McLean County Regional Planning Commission (July 1, 2012-June 30, 2013).  
Motion carried.

Chairman Sorensen asked if there were any questions or comments. Hearing none, he thanked Mr. Gordon.

Mr. Stan Hoselton, Chairman, Transportation Committee advised that the Transportation Committee brings no items for action to the Executive Committee. He pointed out that the Transportation Committee went on their annual field trip on Tuesday to see bridges and roads.

Chairman Sorensen asked if there were any questions or comments. Hearing none, he thanked Mr. Hoselton.

Ms. Diane Bostic, Chairman, Property Committee, was unable to attend the meeting. Chairman Sorensen advised that the Property Committee had no items for action.

Chairman Sorensen asked if there were any questions or comments. There were no questions.

Mr. Bill Wasson, County Administrator, indicated that he included in the packet an informational item regarding a potential request from the Economic Development Council for an Ordinance to amend the boundaries of the Bloomington/Normal/McLean County Enterprise Zone in order to cover approximately 177 acres of property centered around 101 N. Main St., Bloomington, Illinois. He reminded the Committee that Board members had asked that this type of information be provided earlier in the process.

Mr. Wasson asked Mr. Ken Springer, Project Analyst, Economic Development Council, to review the item.

Mr. Springer introduced Ms. Justine Robinson, Economic Development Coordinator, City of Bloomington; and Mr. David Hales, City Manager, City of Bloomington.

Mr. Springer advised that this project is in the proposal phase at this time and no formal process has begun. He indicated that this proposal would seek to expand the boundaries of the Enterprise Zone to cover about 55-56 blocks of central downtown Bloomington.

Mr. Springer stated that, initially, the EDC was approached by the City of Bloomington because the City of Bloomington had been approached by several property developers within the downtown district that had redevelopment projects that were either in process

or in discussion phases and they were looking for ways that the City could help make those projects more financially viable. He noted that redeveloping older properties can be very expensive. Mr. Springer indicated that the City identified an Enterprise Zone as a potential tool to help some of these projects get started.

Mr. Springer advised that this is a different type of request than what has been brought forward traditionally to the municipalities. Typically, EDC has done Enterprise Zone expansions for single projects, such as Bridgestone and One Earth Energy. Mr. Springer pointed out that this proposal would be an expansion of the Zone to create an open area that would affect multiple businesses. He indicated that there are currently three additional open areas of Enterprise Zone in the community, including the original Enterprise Zone located in west Bloomington, Empire Business Park across from the Airport, and Uptown Normal areas in 2007.

Mr. Springer stated that there are a number of potential projects that could take advantage of the Enterprise Zone, including:

- Residential redevelopment project located at 115 E. Monroe;
- Redevelopment on the site of the former Coachman Motel;
- Redevelopment project at 303 E. Washington (former Illinois Healthcare Building);
- Redevelopment at 110 North Madison (former Elks Lodge);
- Redevelopment at 120 North Center (Commerce Bank Building).

Mr. Springer noted that the developer wants to redo the upper floors of the 115 E. Monroe space to turn it into residential apartments. He indicated that the Enterprise Zone's Building Materials tax exemption could benefit that effort.

Mr. Springer informed the Committee that the Bloomington/Normal/McLean County Enterprise Zone still has ample free territory to be deployed for expansion projects such as this. He noted that, at present, the Zone comprises only 6.4529 square miles of the total 13 square miles the County is allotted by state law. By adopting this ordinance and thereby amending the Zone's boundaries to include 173.8 acres, the total remaining zone territory will be 6.276 square miles. Mr. Springer cautioned that this figure does not include the effects of the proposed One Earth Energy, LLC Enterprise Zone amendment which is currently pending approval by the State. He stated that once this proposal is approved, additional territory will be added back into the reserve tank of the Zone.

Mr. Butler asked what other benefits are associated with the Enterprise Zone that come from the state. Mr. Springer responded that there are several benefits. He noted that the benefit most used is the building materials exemption, which is the one that companies seek most often. This exemption is on the sales tax of building materials

purchased in Illinois. Mr. Springer stated that there are other benefits including:

- An investment tax credit that is worth one-half of one percent for depreciable equipment that is put into service in an Enterprise Zone;
- Jobs tax credit for hiring low income workers, which is \$500 per worker hired full-time;
- Exemption of the State's natural gas tax.

Mr. Springer stated that there are a number of exemptions and credits, and projects can take advantage of or all or only those benefits that work for them.

Ms. Rackauskas commented that this type of request appears to be closer to the true nature of what the Enterprise Zone was originally intended.

Mr. Owens asked if the projects will be dealt with directly through the City of Bloomington and not need to come back to the County once the Enterprise Zone is approved by the County. Mr. Springer replied that, with the exception of the building materials exemption, it is solely between the State of Illinois and the project; there are no local incentives built into an Enterprise Zone. He added that the one exception to that rule is the building materials exemption that must get certified by the local zone administrator, which is the EDC office. Mr. Springer stated that the Enterprise Zone is designed to be equal access to everyone in the Zone.

Mr. Owens suggested that once the area is designated as an Enterprise Zone, more potential projects may be identified. Mr. Springer agreed, noting that an Enterprise Zone by itself is not a huge incentive, but it is a reasonable performance-based incentive that can be used to get some of those projects started.

Ms. Schafer asked if the building materials tax exemption has to be used within one year. Mr. Springer replied that the building materials tax exemption stays active until the Enterprise Zone itself expires, which will be in 2015.

Mr. Segobiano and Mr. Butler expressed similar concerns with the Enterprise Zone, noting that it is somewhat unfair for some people to receive a tax break and others do not.

Mr. Owens stated that the tax break is only on the tax on the building materials in order to make improvements on the buildings. He noted that the property tax on the redeveloped property will go up. Mr. Springer pointed out that on the 115 E. Monroe project, it is estimated that the property taxes will increase by \$40,000 per year. For a project that may get \$50,000 in a one-time sales tax benefit, will reap annual returns in local property taxes.

Mr. David Hales, City Manager, City of Bloomington, indicated that the City would appreciate the support of the County Board on this potential Enterprise Zone designation for Downtown Bloomington. He agreed with Ms. Rackauskas that this is more in line with the initial purpose of an Enterprise Zone.

Mr. Hoselton asked Mr. Springer what would be the minimum amount of money that he would entertain an enterprise zone would do. Mr. Springer replied that some guidelines were set a few years ago that defined three benchmarks. Projects needed to meet two of the three guidelines in order to be considered for an Enterprise Zone expansion, namely:

1. Retain or increase 100 jobs;
2. \$10 million in new capital investment; or
3. Net tax impact of \$100,000.

Mr. Springer advised that, over the years, the EDC has tried to hold very tightly to those criteria, but, beginning in 2008, some projects were put forward that may not have met all of those criteria. He indicated that the criteria are not part of the original Enterprise Zone Ordinance; rather, they are guidelines under which EDC operates. Mr. Springer noted that one of the reasons why an Enterprise Zone is being considered for downtown Bloomington is because there are multiple projects that if taken in aggregate, would meet the requirements.

Mr. Hoselton asked if these individual projects are included in the Enterprise Zone request that goes to the state. Mr. Springer replied that in the application, the EDC would point out the potential projects, particularly the ones that are most likely to happen, but would indicate that other future development projects may be included in the future that couldn't be named at the time of the application.

Chairman Sorensen called for a motion to go into *Executive Session* to discuss the Annual performance Review of the County Administrator.

Motion by Segobiano/Gordon to Recommend the Executive Committee go into *Executive Session* at 5:00 p.m. to discuss the Annual Performance Review of the County Administrator with the Committee Members and the County Administrator.  
Motion carried.

Motion by Sorensen/Segobiano to recommend that the Executive Committee return to *Open Session* at 5:54 p.m.  
Motion carried

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Chairman Sorensen presented the June 30, 2012 bills as recommended and transmitted by the County Auditor for payment. The Fund Total is \$652,262.49 and the Prepaid Total is the same.

Motion by Segobiano/Hoselton to recommend approval of the Executive Committee bills for June 30, 2012 as presented to the Committee by the County Auditor.  
Motion carried.

There being no further business to come before the Committee, the Executive Committee meeting was adjourned at 5:55 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary