

HISTORY OF THE PUBLIC BUILDING COMMISSION

Overview

The Public Building Commission of McLean County, Illinois (“PBC”) was formed by action of the McLean County Board on September 12, 1967. Illinois statutes provide that the governing body of any municipality that has three thousand (3,000) or more inhabitants or any County Seat or the County Board of any County may organize a Public Building Commission. The statutes further provide that any municipal corporation having the power of taxation under the laws of the State of Illinois and whose area of jurisdiction lies within the territorial limits of the County Seat may join in the organization of a Public Building Commission. Accordingly, the City of Bloomington, the District 87 School Board, the Bloomington/Normal Water Reclamation District, and the Bloomington/Normal Airport Authority chose to join McLean County in the organization of the PBC. The statute goes on to provide that the County Board shall appoint five (5) Commissioners to the PBC and each of the other four (4) municipal corporations joining in the formation of the PBC shall appoint one (1) Commissioner.

The PBC has no taxing power. However, it does have the power to enter into lease agreements, leasing buildings, and other facilities, to McLean County, the City of Bloomington, the District 87 School Board,¹ the Bloomington/Normal Water Reclamation District, and the Bloomington/Normal Airport Authority. The PBC has the further power of selecting land within the County Seat or within the County as a site to be acquired for the construction of buildings that would be used by the County, the City of Bloomington, the District 87 School Board, the Bloomington/Normal Water Reclamation District, and the Bloomington/Normal Airport Authority. The PBC also has the power to enter into an agreement with McLean County, the City of Bloomington, the District 87 School Board, the Bloomington/Normal Water Reclamation District, and/or the Bloomington/Normal Airport Authority in its/their capacity as tenant in a building owned by the PBC pursuant to which agreement the tenant obligates itself to pay all or part of the operation and maintenance expenses of the building.

Once a lease has been entered into, the PBC has the ability to issue the revenue bonds necessary to finance the acquisition, construction, and/or renovation of the facility. At the time that the bonds are issued by the PBC, the municipal corporation that leases the building from the PBC levies the taxes necessary to meet all of its annual lease obligations to the PBC. All of the bonds issued by the PBC are revenue bonds tied to the revenues received under the terms of the lease agreement with the municipal corporation occupying the building.

Commissioners

At the PBC’s initial meeting, Commissioners drew lots to determine the length of their first

¹ As a result of changes in the law concerning public school finance, the District 87 School Board does not have the ability to utilize the PBC to fund the acquisition, construction, and/or renovation of buildings.

(1st) term. This ensured that the Commissioners would serve staggered terms for the life of the PBC.

McLean County – Original Term of 5 Years

Richard T. Dunn: January 22, 1968 to March 8, 1968
G. Fred Dick, III: May 7, 1968 to October 1, 1973
John L. Morel: February 5, 1974 to December 24, 2021
Memuna Lee: April 14, 2022 to present

McLean County – Original Term of 4 Years

George L. Farnsworth: October 1, 1968 to July 12, 1999
George A. Farnsworth: October 1, 1999 to September 30, 2022
Michael O’Grady: October 1, 2022 to May 5, 2023
Michael Johnson: July 13, 2023 to present

McLean County – Original Term of 3 Years

Kenneth L. Carpenter: October 1, 1968 to October 1, 1971
Clyde Killian: October 1, 1971 to October 1, 1976
Warren L. Miller: October 1, 1976 to October 10, 1978
Elmo Franklin: October 10, 1978 to May 1, 1983
John R. Winteroth: May 1, 1983 to July 1, 2003
Eugene R. Salch: July 1, 2003 to September 30, 2010
William A. Zimmerman: October 1, 2010 to present

McLean County – Original Term of 2 Years

Louis L. Williams: October 1, 1968 to August 10, 1979
Judson Chubbuck: February 5, 1980 to September 30, 1995
Thomas W. Novosad: October 1, 1995 to present

McLean County – Original Term of 1 Year

James H. Turner: October 1, 1968 to March 15, 1979
Melvin D. Schultz: April 10, 1979 to September 30, 2014
David A. Schultz: November 18, 2014 to present

Bloomington/Normal Water Reclamation District – Original Term of 5 Years

Robert D. Randall: October 1, 1968 to November 11, 1970
John T. Dickinson: November 11, 1970 to March 17, 1987
Charles W. Heins: March 17, 1987 to February 8, 1988
Doug E. Williams: February 8, 1988 to September 30, 1998
Paul G. Lawrence: September 30, 1998 to May 13, 2002
Adam R. Funk: May 13, 2002 to September 30, 2018
James A. Fruin: November 13, 2018 to present

District 87 – Original Term of 4 Years

A. Royce Evans: October 1, 1968 to September 30, 1982
Everett G. Carlton: October 1, 1982 to September 1, 1986
John F. Harris: September 1, 1986 to present

Bloomington/Normal Airport Authority – Original Term of 3 Years

John R. Winteroth: October 1, 1968 to April 4, 1970
Charles H. Salch: April 14, 1970 to March 6, 1980
Paul Theobald: April 8, 1980 to October 1, 1981
Ernest L. Hoffman: October 1, 1981 to October 6, 2009
John M. Zeunik: October 6, 2009 to April 1, 2017
Terry L. Reid: July 11, 2017 to present

City of Bloomington – Original Term of 2 Years

Nathaniel B. Morey: October 1, 1968 to October 1, 1970
Edward Dirks: October 1, 1970 to September 30, 1977
Robert W. Rush: December 13, 1977 to December 31, 2013
Thomas M. Good: February 10, 2014 to September 13, 2018
Robert B. Fazzini: January 14, 2019 to present

Public Building Commission Projects

Old Airport Terminal

The PBC's first (1st) bond issuance was to cover the cost of construction of the Central Illinois Regional Airport's "old terminal building," which was subsequently expanded in the mid-1970s. The issuance was for approximately five hundred thousand dollars and 00/100 (\$500,000.00) and the Airport Authority entered into a lease with the PBC to pay the bond's outstanding interest and principal. These outstanding amounts were paid in full in January 1982. In February 2006, the PBC conveyed legal title to the "old terminal building" to the Bloomington-Normal Regional Airport Authority.

Law and Justice Center

The Law and Justice Center was constructed by the PBC in 1976 with an eight million five hundred thousand dollar and 00/100 (\$8,500,000.00) bond issue. The Law and Justice Center first (1st) opened on December 27, 1976 and McLean County leased the original four- (4) story structure containing eight (8) courtrooms, the County Jail, and civil defense offices from the PBC. The County's lease payments covered the cost of the bond's interest and principal as well as the cost of operation and maintenance. The Law and Justice Center was expanded in 1988 by adding three (3) floors to accommodate County offices that were still housed in the Old Courthouse, constructing two (2) pods to modernize the McLean County Jail, and building a public parking deck adjacent to the facility. This expansion was financed by the PBC through the issuance of twenty million dollars

and 00/100 (\$20,000,000.00) in bonds and the existing lease with McLean County was extended and amended to increase the rents sufficiently to repay the new bond debt and cover operation and maintenance expenses. The PBC refinanced approximately nineteen million one hundred thousand dollars and 00/100 (\$19,100,000.00) of outstanding bonds in September 1991. In 1997, the PBC used excess funds to complete unfinished space on the fifth (5th) and sixth (6th) floors and to add two (2) elevators. The Law and Justice Center bonds were paid in full in November 2015.

Abraham Lincoln Memorial Parking Deck

The Abraham Lincoln Memorial Parking Deck was constructed in 1988 as a part of an intergovernmental agreement between the PBC, McLean County, and the City of Bloomington. Two million eight hundred ninety-nine thousand one hundred thirty-six dollars and 00/100 (\$2,899,136.00) of the bonds issued as part of the 1988 addition and renovation project to the Law and Justice Center covered the parking deck's contract price. Pursuant to the intergovernmental agreement, upon construction's completion, the City of Bloomington was entitled to all of the revenue generated from the parking deck's operation and was tasked with operating and maintaining the parking deck from said revenues. The PBC retained ownership of the parking deck. This arrangement was to last until January 1, 2008, at which time ownership and operation and maintenance responsibilities reverted to the City and County. On November 6, 2001, the PBC issued eleven million dollars and 00/100 (\$11,000,000.00) in bonds partly to construct two additional levels on the parking deck (this bond issue is discussed in more detail in the "Government Center" Section, below). As a part of this project, the life of the intergovernmental agreement was extended to January 1, 2022.

Juvenile Detention Center

The McLean County Juvenile Detention Center was constructed by the PBC in December 1993 for approximately four million three hundred thousand dollars and 00/100 (\$4,300,000.00). The PBC did not issue bonds to finance the construction of the Juvenile Detention Center as it was able to utilize surplus funds that had been earned from the investment of previous bond issues. Ownership of the thirty-one thousand (31,000) square-foot facility reverted to the County shortly after the completion of construction.

On or about May 17, 2016, the Commission extended the County a six hundred thousand dollar and 00/100 loan in the form of a Capital Improvement Agreement. Portions of these funds were utilized to replace the roof on the Juvenile Detention Center. Pursuant to the terms of the Capital Improvement Agreement, the County is repaying this sum in installments of forty-five thousand dollars and 00/100 (\$45,000.00) per year beginning in 2017 and ending in 2026.

Hundman Building

The Hundman Building was acquired by the PBC in April 1996 for one million one hundred

thousand dollars and 00/100 (\$1,100,000.00). The PBC funded subsequent renovations at the cost of an additional one million six hundred thousand dollars and 00/100 (\$1,600,000.00). The PBC thereafter leased the building to McLean County for one dollar and 00/100 (\$1.00.00) a year. In 2003, the PBC financed renovations to the exterior of the Hundman Building by furnishing McLean County with a three hundred fifty thousand dollar and 00/100 (\$350,000.00) loan, which was paid back through a thirty-five thousand dollar and 00/100 (\$35,000)-a-year lease agreement that the County entered into with the PBC. The lease began on January 1, 2004 and terminated on December 31, 2013.

On or about September 17, 2019, the Commission extended the County a four hundred thirty thousand four hundred ninety-two dollar and 00/100 (\$432,492.00) loan in the form of a Second Capital Improvement Agreement. These funds were utilized to modernize both elevators in The Hundman Building. Pursuant to the terms of the Second Capital Improvement Agreement, the County is repaying this sum in installments of forty-three thousand forty-nine dollars and 20/100 (\$43,049.20) per year beginning in 2020 and ending in 2029.

E-911 Center

On May 7, 1996, the PBC issued three million one hundred thousand dollars and 00/100 (\$3,100,000) in bonds for the construction of a centralized Enhanced 911 Dispatch Center. These bonds were for a term of ten (10) years. A site was leased by the PBC from the Bloomington/Normal Airport Authority for the construction of the facility. The PBC leased the E-911 Center to McLean County for twenty-five (25) years with rent sufficient to repay the outstanding interest and principal on the bonds. The lease commenced on May 1, 1996 and was set to terminate on April 30, 2021. However, the County made its final lease payment on October 1, 2005, at which point the E-911 Center became self-funding. The County currently leases the site directly from the Airport Authority.

Government Center

The PBC issued eleven million dollars and 00/100 (\$11,000,000) in revenue bonds for the acquisition and improvement of the Government Center, adjoining parking lots, and the improvement of the Abraham Lincoln Memorial Parking Deck on November 6, 2001. The Government Center itself was purchased for three million four hundred ninety-five thousand dollars and 00/100 (\$3,495,000.00). These facilities were jointly leased to McLean County and the City of Bloomington, which municipal corporations were charged rent in an amount sufficient to repay the interest and principal on the bonds and cover the cost of operation and maintenance. The lease commenced on October 1, 2002 for a twenty (20)-year term. On January 1, 2004, the PBC issued an additional two million six hundred thousand dollars and 00/100 (\$2,600,000.00) in bonds to further fund the abovementioned acquisition and improvement.

On or about May 17, 2016, the Commission extended the County and City a six hundred thousand dollar and 00/100 loan in the form of a Capital Improvement Agreement. Portions of

these funds were utilized to replace the roof on the Government Center. Pursuant to the terms of the Capital Improvement Agreement, the County is repaying this sum in installments of forty-five thousand dollars and 00/100 (\$45,000.00) per year beginning in 2017 and ending in 2026. The City is repaying this sum in installments of fifteen thousand dollars and 00/100 (\$15,000.00) per year beginning in 2017 and ending in 2026.

McLean County Museum of History

On March 4, 2003, the PBC financed renovations to the Museum's bell tower cupola by extending McLean County a one million two hundred thousand dollar and 00/100 (\$1,200,000.00) loan, which loan was repaid by McLean County through a ten- (10) year lease agreement with the PBC that provided for rent sufficient to repay the debt.

On or about January 5, 2021, the Commission extended the County a six hundred twenty-six thousand eight hundred dollar and 00/100 (\$626,800.00) loan in the form of an Amended Third Capital Improvement Agreement. These funds were utilized to replace the roof and repair the gutter system at the Old County Courthouse. Pursuant to the terms of the Amended Third Capital Improvement Agreement, the County is repaying this sum in installments of sixty-two thousand six hundred eighty dollars and 00/100 (\$62,680.00) per year beginning in 2022 and ending in 2031.

Law & Justice Center Expansion Project

On October 6, 2015, the PBC issued forty-three million five hundred twenty-five thousand dollars and 00/100 (\$43,525,000.00) in revenue bonds to fund the construction of an approximately eighty thousand (80,000)-square-foot addition to the McLean County Jail as well as renovations to the existing Jail (the PBC received a two million seven hundred sixty-eight thousand five hundred sixty-five dollar and 23/100 (\$2,768,525.23) premium as a part of this issue). As the Jail is a part of the Law & Justice Center, this project formally became known as the "Law & Justice Center Expansion Project."

The Law & Justice Center Expansion Project arose out of McLean County's recognition that the existing Jail did not contain adequate or appropriate housing units for detainees suffering from mental impairments and/or mental illnesses. The County also identified a need for the Jail to contain additional housing for its female detainees. As a result of the foregoing, in 2014, McLean County retained Dewberry Architects of Peoria, Illinois and Mark Goldman & Associates of Atlanta, Georgia to perform a Jail Needs Assessment Study, which Jail Needs Assessment Study was ultimately finalized on March 17, 2015. The Jail Needs Assessment Study contained four (4) different expansion options and the PBC committed to financing the option outlined in the preceding paragraph at the anticipated cost of forty-five million dollars and 00/100 (\$45,000,000.00).

Site excavation work for the Law & Justice Center Expansion Project began during the second (2nd) week of January 2017 and construction began in the spring of 2017. The Law & Justice Center Expansion Project reached substantial completion in September 2018 and was finished in the summer of 2019. The Law & Justice Center Expansion Project added an additional one hundred

thirty-four (134) beds to the Jail's existing two hundred thirty-four (234) beds.

In conjunction with the issuance of the bonds mentioned above, the PBC entered into an Amended and Restated Lease Agreement with McLean County and the City of Bloomington on or about July 30, 2015. The Amended and Restated Lease Agreement combined all prior PBC-County and PBC-County-City leases into a single, uniform lease. Under the Amended and Restated Lease Agreement, the County and City make rental payments to the PBC in an amount to cover each entity's respective bond payments and facility operation and maintenance obligations. The Amended and Restated Lease Agreement's term is from July 30, 2015 to December 31, 2034.

The PBC and McLean County subsequently amended the County's rental payments as set forth in the Amended and Restated Lease Agreement in large part to finance the bonds associated with the Law & Justice Center Expansion Project. This amendment occurred on or about October 6, 2015 and set McLean County's annual rental payments to the PBC at ten million dollars and 00/100 (\$10,000,000.00). The ten million dollar and 00/100 (\$10,000,000.00) payments from McLean County far exceed its anticipated debt service and operation and maintenance obligations to the PBC, but were levied in order to meet unanticipated costs. At the time, both the PBC and County committed to entering into annual amendments to the Amended and Restated Lease Agreement that would set McLean County's rental payment at its debt service obligation plus actual operation and maintenance costs.

Elevator and Animal Control Shelter Projects

On February 9, 2022, the PBC closed on the sale of seven million six hundred sixty thousand dollars and 00/100 (\$7,660,000.00) in revenue bonds to fund the modernization of eleven (11) elevators in the Law & Justice Center and Old Courthouse as well as the construction of a new Animal Control Shelter. The Commission received a nine hundred fourteen thousand five hundred sixty-two dollar and 80/100 (\$914,562.80) premium as a part of this issue.

In conjunction with the issuance of the bonds mentioned above, the PBC entered into a Second Amendment to the Amended and Restated Lease Agreement with McLean County. Under the Second Amendment, the County makes rental payments to the PBC in an amount to cover its respective bond payments and facility operation and maintenance obligations. The Second Amendment extended the Amended and Restated Lease Agreement's term between the Commission and County out to 2041.