

COUNTY OF KENDALL, ILLINOIS
Economic Development Committee

Meeting Minutes
Friday, September 25, 2020

Call to Order

The meeting was called to order by Committee Chair Audra Hendrix at 9:00 a.m.

Roll Call

Attendee	Status	Arrived	Left Meeting
Amy Cesich	Present		
Scott Gryder	Here		
Audra Hendrix	Here		
Matthew Prochaska	Here		
Robyn Vickers	Here		

Others Present: Scott Koeppel

Approval of Agenda – Member Gryder made a motion to approve the agenda, second by Member Prochaska. **With five members present voting aye, the motion carried by a vote of 5-0.**

Approval of August 28, 2020 Meeting Minutes – Member Gryder made a motion to approve the August 28, 2020 meeting minutes, second by Member Prochaska. **With five members present voting aye, the motion carried by a vote of 5-0.**

Committee Business

- *Discussion on C-PACE Program with The Illinois Energy Conservation Authority NFP* – Mr. Koeppel stated that this topic has been discussed for the last two meetings, and that after the last meeting he contacted the Illinois Conservation Authority to clarify questions that the committee had from the last presentation about C-Pace.

Anna Maria Kowalik, from the Illinois Energy Conservation Authority NFP, explained the Commercial Property Assessed Claim Energy financing tool that has been established in Kane, DuPage, Peoria, McHenry, Ogle Counties, and growing the Counties out from the Collar Counties and across Northern Illinois.

Ms. Kowalik stated that C-PACE is an up to 100 percent financing tool of energy efficiency projects, or energy efficiency and savings components of any retro fit or new construction project. It is a debt instrument that is repaid via the tax bill through an assessment line item. The benefits for property owners include a non-course product that is giving them greater benefit of more dollars for less application processes than conventional lending, adds to the bottom line, improves their NOI, and is something that can help reduce the owner equity in the project.

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Committee Question: Can the County add additional restrictions to the program such as project size, industrial versus office space, and set additional restrictions on it so that certain things are either allowed or not allowed.

Mark Pikus from the Illinois Energy Conservation Authority NFP, stated that there are baselines and guidelines, but the County constructs and can customize the program according to their local needs.

Committee Question: What happens with outstanding payments if a property is foreclosed and the taxes are not being paid? Mark Pikus stated that this would be treated as any other delinquent tax and would go through the County Tax Sale. The County would in no way be responsible for any payment of taxes or loan payments, but that delinquency would be the risk on the private capital provider and the investment in the project.

Committee Question: Would there ever be a scenario when the loan would be resolved on a specific property? Mr. Pikus said that there wouldn't be a loan negate, but the risk or loss would be on the private capital provider.

Committee Question: Can the County assess a fee as part of the program to cover the cost because there will be additional work in the County Treasurer's Office, Assessment Office and Clerk's Office Mr. Pikus stated that they recommend a one percent upfront closing cost fee, and a servicing fee charge.

Committee Question: Is there any project management required either from the Contractors, can it be added, and is it necessary? Mr. Pikus stated that there is monitoring that the improvements have been implemented, and that the funds have been utilized properly. The Illinois Energy Conservation Authority NFP receives those monitor reports, but the County does have an oversight committee that is involved in the approval, the specific improvements. But, the County can implement some other type of monitoring system if desired.

Ultimately, the County Board would be assigning the Oversight Committee comprised of County elected officials, the authority to authorize future projects on behalf of the County Board.

The committee asked Mr. Koeppel to meet with the County Clerk, Treasurer, and Chief Assessment Officer prior to the October Committee of the Whole meeting, to explain the program and get their input on the additional work that each office would be facing.

There was consensus by the Committee to forward the item and a draft ordinance to the October 15, 2020 Committee of the Whole meeting, and if it's agreeable to then forward the Ordinance to the State's Attorney's Office for legal review.

- *Discussion of Revolving Loan Fund Pre-Application from Oswego Best Western – Mr. Koeppel reviewed the pre-application from the Oswego Best Western, and said his memo addressed questions that he had regarding the pre-application. Mr. Koeppel reported that*

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the Best Western is requesting a \$200,000 loan to complete a renovation project in the lobby area they began in 2019. They had taken a \$1.8 million from Old Second Bank, but have stalled with completion of the renovation because they were going to utilize revenues that have fallen off this year. They are current on their loan to Old Second, but they did forbearance. There is no certainty of jobs added, this is a job retaining effort.

Mr. Koeppel stated that the New Recapture Strategy has a limit of \$100,000. Mr. Koeppel voiced concerns about hospitality and revenue in 2019, and they estimate a negative \$125,000 this year, and an estimated profit in 2021 of \$140,000.

Discussion of other hospitality loans in the County that failed, what type of collateral the County would require, and whether Best Western has applied for other funding such as CARES Act or other state grants.

The committee wanted Mr. Koeppel to voice the Committee's concerns, get additional information on their plans, if they are prepared to pay off their loan out of forbearance and totally pay it off, and on any grant funding they are waiting on, and consult with Old Second on the applicant and this potential loan.

- *Downstate Small Business Stabilization Program Update* – Mr. Koeppel updated the committee on the submitted applications totaling \$1,086,000, and approved grant funding for small businesses in the County totaling \$242,750. Mr. Koeppel stressed that the state has additional funding to disburse.
- *Discussion of Revolving Loan Fund Payments and Covid-19* – Discussion on the extension of the Revolving Loan fund payments. **There was consensus by the committee to reinstate normal loan schedule and payments as usual.**

Updates and Reports – Mr. Koeppel updated the Committee on the Kendall Fairground Association Application, and said he communicated with the fairgrounds that a refinance doesn't fit the scope of the revolving loan fund recapture plan. Mr. Koeppel also discussed the fairgrounds and concerns about Covid-19. The Fairgrounds reported they have a car show and two outdoor weddings scheduled in the near future, which they said show the promise of the fairground association's ability to repay a loan. After discussions with Mr. Koeppel the Fairgrounds revised their request to \$135,800. Mr. Koeppel reminded the committee that the maximum allowable loan to a private business is \$100,000.

There was consensus by the committee to invite the Fairground Association to the October EDC meeting to share their plans for winter month revenue and their available collateral. The committee also would like the Fair Association to complete an application prior to that meeting.

Chairs Report – None

Items for the October 6, 2020 County Board Meeting - None

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Items for the October 15, 2020 Committee of the Whole Meeting

- *Discussion and Approval of C-PACE Program with The Illinois Energy Conservation Authority NFP*

Public Comment – None

Executive Committee – Not needed

Adjournment - Member Gryder made a motion to adjourn, second by Member Prochaska. **With five members present voting aye, the motion carried by a vote of 5-0.** There being no objection, the Economic Development Committee meeting was adjourned at 10:04a.m.

Respectfully submitted,

Valarie McClain
Administrative Assistant & Recording Secretary