



East Central Illinois Economic Development District

Approved as Distributed
Quarterly Meeting Minutes
Friday, December 4, 2009
J. Dimit Meeting Room – CCRPC
9:00 a.m.

County	Present	Absent	Organization
Champaign	Barbara Wysocki – Chair		Champaign County Board
Champaign	Chris Kaler		Rantoul Chamber of Commerce
Champaign		Seamus Reilly	Parkland College Institutional Advancement
Douglas	Brian Moody – Treasurer		Tuscola Econ Dev ED
Douglas		Lloyd Murphy	Tuscola Natl Bank
Douglas	Rachael Crane		Arcola Chamber of Commerce
Vermilion	Todd Lee (proxy)	Vicki Haugen	Vermilion Advantage
Vermilion		Jim McMahon	Vermilion Co Board Chair
Vermilion		Bill Donahue	Asst. State’s Attorney
Iroquois	Ken Barragree – Vice Chair		Iroquois Development Assoc
Iroquois		Roger Dittrich	T & D Metal Products
Iroquois	Jim McCray		Iroquois County Board
Piatt	Steve Gaines		Village of Mansfield
Piatt	Mike Wileaver		Piatt County Board
Piatt	Joe Streit		Parkland College Business Training
Ford	Randy Ferguson		Ford County Board
Ford	Diane Johnson		Gibson City Chamber of Commerce
Ford		Rick Bowen	Ford County Board

Others: Erik Kotewa (CCEDC), Callie McFarland (City of Monticello Comm Dev)
CCRPC Staff: Cameron Moore, Susan Chavarria, Kathy Larson, Paul Fish, Beth Brunk

Minutes

I. Call to Order

Chair Barb Wysocki called the meeting to order at 9:04 a.m.

II. Roll Call – Sign-in Sheet

Roll was taken by written record and a quorum declared present.

III. Approval of Minutes

A. *Friday, September 4, 2009*

Mr. Barragree would like to review the minutes sooner than the current quarterly basis. Ms. Chavarria responded that she would try to e-mail them out sooner.

Mr. Gaines motioned, seconded by Mr. Lee to approve the minutes from September 4, 2009. Upon vote, the motion carried unanimously.

IV. Approval of Financials

- A. *Balance Sheet and Income Statement from October 1, 2008 to August 31, 2009*
- B. *Balance Sheet and Income Statement from October 1, 2008 to September 30, 2009*
- C. *Balance Sheet and Income Statement from October 1, 2008 to October 31, 2009*

Mr. Lee moved for approval of the financials. Ms. Crane seconded. Upon vote, the motion carried unanimously.

Mr. Barragree asked if Ms. Chavarria could provide more detail on the Administrative Expenses in the Income Statement. Mr. Moore explained that the majority of the money is used for salary and benefits for Ms. Chavarria and Ms. Larson to administer the ECIEDD. Ms. Chavarria will break down the costs and provide the detail to Mr. Barragree.

V. **New Business**

A. *ECIEDD Introduction/Refresher*

With some new board members in attendance, introductions were made by all the participants at the meeting. Ms. Chavarria made a brief presentation on the background/purpose of ECIEDD, Economic Development Administration (EDA) requirements, 2010 work plan and member benefits.

In 2000, ECIEDD was formed with Champaign, Douglas and Iroquois Counties as a non-profit entity. The additional counties of Piatt Ford and Vermilion Counties have yet to be officially added to the ECIEDD by EDA due to some administrative problems. The ECIEDD has one year to resolve all the compliance issues and then the three-county expansion will be considered by EDA. Mr. Moore is hopeful that the recognition of ECIEDD as a six county district will occur at the beginning of the federal fiscal year, 10/1/10.

Ms. Chavarria delineated the **EDA requirements** as follows:

- Comprehensive Economic Development Strategy (CEDS) annual update
- Semi-annual project update and financials
- Year-end financials
- Specific Board composition
- Specific CEDS Committee composition
- Financial collaboration form participating counties
- At least one annual meeting open to the public

An annual \$53,628 planning grant is received from EDA which must be equally matched in local funds from all six counties resulting in an annual planning budget of \$107,256. The EDA will move to a 3-year contract for planning grants once the ECIEDD has proven it can be compliant. Ms. Chavarria noted that all the quarterly board meetings are open to the public.

Mr. Moody asked if increasing the ECIEDD from a 3- to 6-County district would increase the amount of the planning grant from EDA. Mr. Moore confirmed that the size of the EDD does not affect the amount of the grant. It has been the same \$53,000 per district for the last 25 years. Ms. Wysocki commented that agriculture is the industry that all six counties have in common and wondered if this could be an area of concentration for the ECIEDD. Ms. Chavarria agreed but noted that a focus of the EDA is on job creation. Mr. Moore stated that other programs like the USDA World Development Administration may be a fit for agriculture opportunities. RPC can be a resource to connect applicants to various financing options as Mr. Moore also has ties with a state venture capital board.

Ms. Chavarria discussed ECIEDD **2010 member benefits** as follows:

- 60 free labor hours annually per county which can be used by member agencies or municipalities
- Economic Impact Modeling upon request
- Asset building retreat
- Industries and products list for 6 Counties
- New CEDS
- Community Ventures Network membership

- Research, grant applications, data requests

In spring 2010, staff has tentatively planned a retreat focusing on asset building within the 6-county area. Its format will be similar to the East Central Open Retreat at Allerton Park in 2008.

Ms. Chavarria noted that the Economic Impact Model has received limited use thus far. ECIEDD members can request a scenario, and RPC staff will run the model and send the output in a short timeframe. Mr. Lee asked if the model could provide a breakdown per county per turbine as in the case of the wind projects. Ms. Chavarria responded that with information on industry and employment/payroll numbers, the model could provide an average per turbine. Mr. Moore commented that the Economic Impact Model can provide a regional or individual county perspective. The modeling has shown that even the smallest project can have positive impacts on surrounding counties.

Ms. Chavarria solicited ideas from the Board on what else staff can do for ECIEDD members. Mr. Kotewa inquired how the ECIEDD could communicate more economic or educational opportunities to RPC staff thereby providing more transparency for the group. Ms. Chavarria had instituted a county update at the quarterly ECIEDD Board meetings to inform members of new developments. Ms. Chavarria also suggested the formation of a quarterly newsletter for members to highlight any information the counties bring to her. In addition, Ms. Chavarria will forward to ECIEDD members an EDA quarterly publication which has information on economic development.

Mr. Barragree wondered how open communication will be between counties competing for the same companies. Mr. Moore responded that if a company is talking to one county; they are surely talking to other counties as well. In his experience, companies drive the process by deciding the criteria. As companies try to leverage their offers, open communication with neighboring communities can actually save money by knowing what incentives have been offered. Mr. Lee commented that a company which locates in a neighboring community is a win for everyone in this regional marketplace. Ms. Chavarria pointed out that in accordance with the Open Meetings Act, the quarterly Board minutes are made public on the website within one week after approval. If a member wishes to keep a conversation on a company private, it should not be discussed at the Board meeting. Ultimately, it is up to the ECIEDD members on how much information they want to share.

B. 2010 Meeting Calendar

Ms. Chavarria explained that the quarterly Board meetings are scheduled on the first Friday on the month for March, June, September and December.

Mr. Wileaver moved for approval of the 2010 Meeting Schedule. Mr. Lee seconded. Upon vote, the motion carried unanimously.

C. Work Program through 9/30/10

Staff has outlined the following **2010 work plan**:

- Advertise ED activities and educational opportunities
- Facilitate information exchanges
- Facilitate information forums for members
- Create and maintain funding sources database
- Inventory existing businesses and their products in 6-County area
- Continue improving website, www.eciedd.org
- Create a regional profile for 6-County area
- Continue economic impact modeling
- Continue data acquisition and analysis
- Create a regional GNP report
- Revise governing Board composition
- Review public involvement procedures
- Complete all EDA reports
- Completely overhaul 2007 CEDS

- Assist agencies with grant opportunities
- Work toward 6-County ECIEDD with EDA
- Improve coordination and communication within and beyond our District boundary
- Market ECIEDD member benefits to municipalities in our District

Ms. Chavarria stated that it was an aggressive list, and staff is working hard to support the ECIEDD.

D. CEDS Update

Ms. Chavarria reported that the CEDS needs to be finalized in July or early August 2010 to allow time for a 30-day public comment period and approval by the ECIEDD Board. The Board members received a handout of the CEDS 2010 Work Plan requirements and estimated timetable. Three CEDS Committee representatives from Douglas and Ford counties have yet to be finalized by the December 31, 2009 deadline, a compliance requirement by EDA. The first meeting is set for January 2010, and Ms. Chavarria anticipates another four CEDS Strategy Committee meetings through September 2010. The discussions will concentrate on the existing conditions and then the prioritization of goals and objectives from a regional perspective. This document will replace the 2007 CEDS.

Mr. Moody asked if ECIEDD Board members would also serve on the CEDS Strategy Committee. Ms. Chavarria responded that there were no overlapping members between the two committees, and RPC will keep this Board apprised of the CEDS progress. There will be two people selected from each county on the CEDS Strategy Committee. Mr. Moody noted that the ECIEDD members can also contact their county CEDS Committee representatives to get updates.

E. Employer Inventory of 6-county Region

Ms. Chavarria received a list from Mr. Kotewa that includes 14,000 businesses in the 6-county area. Ms. Chavarria asked what initiatives the Board would like to see using this information. This list can be sorted by county or business type for ECIEDD member use only. Mr. Moody suggested a cluster analysis across the region that could illuminate unrecognized strengths. Ms. Chavarria stated that the cluster analysis is a requirement of the CEDS and would be completed. Mr. Kotewa thought a comparative advantage analysis would be helpful to identify strengths and compare those to the competition. Mr. Kotewa knew companies do that type of analysis but did not know the cost. Ms. Johnson asked if the list could identify supply chains within our region. Ms. Chavarria responded that the list could be sorted by manufacturers but it also has gaps in its information. Outside of personal calls to each company, it would be hard to accurately classify the supply chain for the entire manufacturing subset. Mr. Kotewa commented that each company already has their own person doing this. Trying to manage a supply chain database on a macro level would be difficult. Mr. Kotewa suggested a regional trade show to raise supply chain awareness.

Mr. Lee felt that agriculture is the number one driver of the region's economy. The large ag-corporations like ADM, Cargill, Monsanto and Pioneer have a presence in this area due to research and development with the University of Illinois. Mr. Kotewa suggested including a representative from the University of Illinois College of ACES (Agriculture, Consumer & Environmental Sciences) to keep the ECIEDD group informed of opportunities with the large agricultural firms. Ms. Chavarria will contact a representative from the College of ACES as an additional resource at the spring CEDS Committee forum.

In addition to the development of new business, Mr. McCray noted that retention and succession strategies of existing companies should also be a primary concern. Mr. Moore agreed, citing studies that indicate it costs ten times more to create a job at a new business than helping existing companies create one. Mr. Moody wondered if a regional retention/recruitment tool to highlight home-grown businesses at an annual recognition banquet may be successful. Ms. Johnson added that she has developed recognition and appreciation of local businesses in her community by organizing entrepreneurial workshops with home-based companies and e-mailing a monthly newsletter. Mr. Moody mentioned a program geared toward high school kids to advertise the advantages of successful businesses in smaller communities. Ms. Wysocki expressed the importance of local media attention on businesses in the newspaper and radio interviews.

Mr. Streit liked the approach to focus on what businesses are in the region and to keep growing them. He asked if the ED people have examples of best practices in business retention. Ms. Wysocki stated that the next meeting could be an exchange on what works to maintain community businesses. Mr. Moore commented that if that is the direction the Board would like to pursue, staff will see what they can put together for a forum.

Mr. Moody left the meeting.

F. County Economic Development Updates

i. Champaign

Mr. Kotewa reported that Champaign is working on a workforce availability study update. Instead of developing the underemployment study from a worker's profile, they are looking to coordinate with Ameren to get an employer's perspective.

ii. Douglas

No update

iii. Ford

Ms. Johnson reported that Gibson City is a finalist for an Eco Manufacturing, a plasma gasification recycling facility. She also inquired about obtaining an economic impact study for the closure of the Paxton airport. Ms. Chavarria will see if the model has an applicable business type to run a scenario.

iv. Iroquois

Mr. Barragree is hopeful that favorable wind farm zoning will be approved today for Iroquois County. He is in the process of organizing focus groups to better facilitate communication between communities and assess needs.

v. Piatt

Mr. Streit thanked Ms. Chavarria for the grant-writing assistance in applying for a \$500,000 grant for a 1.5 mega-watt wind turbine outside of Atwood. The turbine would reduce significant energy costs for the partnership of Village of Atwood, Atwood Hammond School District, Monticello Water & Sewer, Piatt County Courthouse and Piatt County Jail. Ms. McFarland reported that City of Monticello has a working Business Retention & Expansion (BRE) plan pending city council approval. Mr. Gaines stated that Mansfield has received a \$250,000 grant for street improvements. Also, Mr. Gaines intends to voice his opposition to the closure of the Farmer City Race Track as this would negatively impact the businesses in Mansfield.

vi. Vermilion

Mr. Lee noted that wind companies and other power generating projects are able to qualify for the high impact business zones which provide a sales tax exemption on the building materials. The Illinois Department of Revenue has more details on this exemption. With all the energy projects slated for 2010, Mr. Lee is concerned with the Midwest Independent System Operators (MISO) ability to add them to the electrical grid, a process that used to take two years. Mr. Lee also recommended the book, Caught in the Middle: America's Heartland in the Age of Globalism by Richard Longworth.

VI. Old Business

A. EDD Board & CEDS Strategy Committee Composition

Ms. Chavarria handed out the updated list for the ECIEDD Board, ECIEDD Board Proxies and the CEDS Strategy Committee. It is critical for continued EDA funding to fill in the empty spots on the Board and CEDS Strategy Committee by December 31, 2009. The pending Board candidates must have documented county board approval from their respective county board chair. The Proxies can be selected by the ECIEDD Board members and each county needs at least one but not more than three representatives. Ms. Chavarria will follow up with the counties that still have vacancies to be filled.

B. Update on Free Labor Hours Usage

Ms. Chavarria reported that for the last fiscal year, the six counties used a total of 131 hours out of a total of 360 hours. Two thirds of the time was left unused. A new 60 hour limit for free labor hours was established on 10/1/09. Any request to use the labor hours must have permission from the respective county board chair.

Mr. Moore left the meeting.

Mr. Barragree asked if the counties could roll their unused hours into the new balance. Ms. Chavarria will only honor those requests that she received before the end of the fiscal year on 9/30/09 that were not yet completed. Ms. Wysocki inquired if counties could borrow from one another. If the county board chair gives the permission, Ms. Chavarria will allow the exchange of hours from one county to another.

C. Demographic Profiles for ECIEDD Counties

Ms. Chavarria has completed the profiles for Champaign, Vermilion and Iroquois counties. Douglas, Piatt and Ford counties need to review the profile for any revisions and add photos or logos so Ms. Chavarria can finalize the project.

D. Community Ventures Network(CVN) Update

Ms. Chavarria explained that the \$6,500 annual membership to the CVN has expired for 2009 and asked the Board if it should be continued. Mr. Kotewa thought that the companies that are highlighted at the forums were usually start-up companies looking for funding. With the current economy and the time lag that usually accompanies business decisions, Mr. Kotewa suggested continuing the membership for another year. Ms. Chavarria noted that the CVN membership can become part of the local cost match to help sell the ECIEDD to the county boards.

Mr. Wileaver moved for approval continued membership in the Community Ventures Network for 2010. Mr. McCray seconded. Upon vote, the motion carried unanimously.

Mr. Barragree asked for a summary of the companies that were showcased at the forums.

E. USDA Intermediary Relending Program (IRP) Announcement

Champaign County Regional Planning Commission (CCRPC) was approved by the USDA to administer a \$1 million revolving loan program, \$750,000 from USDA and a \$250,000 match by CCRPC. The money can be used for a business or municipality in the 6-county region to increase economic activity and employment in rural communities with populations less than 25,000. The maximum loan amount per project is \$250,000 and a minimum 25% match is required. Other non-USDA funding programs can be used for the match. Ms. Chavarria anticipates the rates will be in the 4% to 5% range, and the money can be used for community development projects, infrastructure and start-up costs for a business including the purchase of land/building or working capital.

The 9 member loan approval committee will be comprised of a banker from each of the 6 counties and representatives from economic development and higher education. Applicants that are drawing down the initial \$750,000 will be reviewed by the CCRPC loan review committee and USDA. Final loan disbursement may take from 3 to 6 months. After \$750,000 has been spent, the approval process will be faster as the USDA will no longer evaluate the individual loan requests. Details of the IRP loan program are on the ECIEDD website. Ms. Larson has mailed out 40 brochures of the program to various entities in the region.

VII. Public Participation

None

VIII. Adjournment

Mr. Lee moved to adjourn the meeting. Mr. Streit seconded. Upon vote, the motion carried unanimously. Ms. Wysocki adjourned the meeting at 11:10 a.m.