

Grants Committee Meeting

October 14, 2015

MINUTES

Members Present:

Joseph Kassly, Jr., Chairman
Rick Vernier, Vice Chairman
June Chartrand
Oliver Hamilton, Sr.
Roy Mosley, Jr.
Ken Sharky
John West

Members Excused:

Staff Present:

Terry W. Beach, Executive Director
Connie DeRousse, Fiscal Manager
Jennifer Little, Administrative Assistant

Chairman Kassly called the meeting to order at 5:30 p.m. in the IGD Administrative Conference Room.

Attendees rose and recited the Pledge of Allegiance.

Chairman Kassly asked if there were comments from the public on the agenda. There was no public comment.

Upon a motion by Mr. Mosley and a second by Mr. Sharky the minutes from the September 22, 2015 Grants Committee meeting were approved unanimously.

Upon a motion by Mr. West and a second by Mrs. Chartrand the letter from the Grants Committee Chairman to the County Board Chairman transmitting the payroll and expense claims for the month of September, 2015 was approved unanimously.

Upon a motion by Vice Chairman Vernier and a second by Mr. Mosley the Check Register Summaries for the pay periods in the month of September, 2015 were approved unanimously to be placed on file.

There were no questions concerning the Community Services Group report being placed on file.

There were no questions concerning the Community Development Group report being placed on file.

There were no questions concerning the Workforce Development Group report being placed on file.

Upon a motion by Mr. West and a second by Mrs. Chartrand, the Community Services, Community Development and Workforce Development Group reports were approved unanimously to be placed on file.

Resolutions

- A. Chairman Kassly introduced a resolution authorizing the St. Clair County Board Chairman to submit a Section 108 Loan Guarantee (Loan Pool) application to the U.S. Department of Housing and Urban Development (HUD). Mrs. Chartrand offered a motion to approve and Mr. West seconded the motion.

Terry Beach explained HUD's Community Development Block Grant Program [CDBG] allows states, large cities, and large urban counties to apply for the Section 108 Loan Guarantee Program. The County has not applied in the past; however, Chairman Kern has agreed to pursue the application to HUD. Mr. Beach further explained the Section 108 program is a loan pool; the County can apply for five times the amount of our annual allocation which is approximately \$3.2 million in CDBG funding; rounded down to \$3 million times five (5) years for a total of \$15 million in loan funds. Mr. Beach stated funds are placed in a pool for us to draw down to make large economic development loans for projects that are game-changers; projects still have to meet one of the three national objectives of the CDBG program: serve low-to-moderate income neighborhoods/residents; eliminate slums or blighting influences; or serve a particular urgent need.

Mr. Beach explained a 108 project has similar criteria to a CDBG grant given to a city for a sewer project being it has to be in an eligible area. The program is for areas that show distress; may be used for a developer who wants to take over an abandoned industrial plant; for significant housing development such as senior or multi-family development. He stated the private sector must be involved. Mr. Beach reiterated funds have to be paid back; it is not a grant. The County will not fund 100%; the purpose is to provide gap financing. Projects will be consistent with our Consolidated/Five-Year plan.

There will be a loan committee chaired by Mr. Beach; Connie DeRousee, Christina Anderson, one Grants Committee member, one member of the Economic Development Committee, and one or two bankers with experience in large scale development. Mr. Beach explained the County will take a first position on an intercreditor agreement to protect our collateral as we are only providing gap financing; monthly payments will come back to us from the borrower; we will then repay HUD. If there is a default on the project overall, the amount is deducted from future years allocations. HUD has encouraged the County to apply. Mr. Beach distributed a brief summary of the Section 108 program; the resolution will go to the Economic Development Committee and then to the County Board.

Mr. Sharkey asked Mr. Beach if he felt .2 over LIBOR was a good rate. Mr. Beach responded by explaining LIBOR is the London Interbank Offered Rate. Two options are being considered; the LIBOR rate or a fixed-percentage rate.

Mr. Mosley inquired about leveraging the dollars of other entities within the County; will there be a priority based upon the leveraging of the dollars; with those dollars being leveraged, is there any protection for those entities that require those dollars to do other work. Mr. Beach responded other entities involved would not be public sector rather banks, lenders, consortium of lenders, and private money; possibly SBA, U. S. Department of Commerce, EDA, new market tax credits, and other treasury-like programs. Mr. Beach stated an application will be developed for borrowers and projects to come to us; the local community will be required to sign off on it to ensure the project is a priority for the city or village; we will work closely with the municipality. The County will advertise and prioritize to be certain a project will have a significant impact.

Mr. West noted there has been no default to date under this program in the United States. Mr. Beach responded the County will be very judicious in selecting big projects.

Mrs. Chartrand asked Mr. Beach what he sees accomplished through the program. Mr. Beach responded with examples: reuse and cleanup of industrial sites into miniature business parks with light manufacturing; wholesale/trade distribution; the conversion of a building to senior housing where the ground floor is retail.

Mr. West asked if this is only in certain areas of the County. Mr. Beach explained every community may not qualify for this program as they may not have a \$30 to \$40 million project coming to their town. Mr. West asked if the Carson area in O'Fallon where homes have been torn down would qualify. Mr. Beach responded it has to be a business that has a mechanism to pay the County back as it is a loan. Mr. West asked what if a developer wanted to build on that County property. Mr. Beach responded as long as it is not single-family and the parcel is big enough. Mr. West asked if a "Parson's Place" development would qualify. Mr. Beach stated a project such as that would be ideal for Section 108.

Vice Chairman Vernier called for a vote to approve; the motion was approved unanimously.

Old Business

New Business

A. An alternative date was discussed for the November Grants Committee meeting as offices are closed on Wednesday November 11th in honor of Veterans Day. A tentative date was set for Monday November 9th at 5:30 p.m.; Jennifer Little will call members to confirm their availability.

B. Director's Report

- Mr. Beach informed members the LIHEAP program has started. He informed members if they receive complaints from constituents in regards to the phone system, there is nothing that can be done; it is due to heavy call volume. Applications are being taken; clients are being seen on the third floor of the IGD building. The program will open to everyone December 1st. He added 40% of LIHEAP funding was cut as it was based on state funding through the PIPP program. LIHEAP is also lacking full staff due to the hiring freeze.
- Mr. Beach reminded members IGD is active on social media through facebook; Economic Development also has a facebook page as well as a Twitter account; documents have been updated on the County website. The 5-Year Comprehensive Plan is available on the County website as is the Annual Report.

Other Comments

Adjournment

Chairman Kassly entertained a motion to adjourn. On a motion by Mr. Mosley and a second by Vice Chairman Vernier, Chairman Kassly adjourned the meeting at 5:51 p.m.