



# Economic Development Committee

215 S. East Street

Carlinville, IL 62626

<http://www.macoupincountyil.gov/>

## Regular Meeting

### ~ Minutes ~

Wednesday, May 8, 2019

6:00 PM

County Board Room

#### I. CALL TO ORDER

PRESENT: Armour, Lewis, Reiher, Rull, Schmidt, Vojas, Dragovich, Duncan

ABSENT: Starr

#### II. AGENDA ITEMS

##### 1. Macoupin Valley Bike Trail Presentation

Representatives from the Macoupin Valley Bike Trail were present to discuss their bike trail project. They are hoping have trail connecting Virden to Girard. They have already done significant fundraising towards the project, but would be applying for a new grant at the end of the year that requires a government sponsor. Dragovich suggested having them reach out the Public Health Department to discuss working with them on the grant and having the County serve as their sponsor.

##### 2. Revolving Loan Fund Application

Adam Tallman of Gillespie presented on his application for a revolving loan. He owns three business, Farmers Insurance, Dingers of Gillespie which is a indoor batting cage business and On the Fringe an indoor golf simulator. He had recently purchased the old Drew Ford building and renovated it for these three businesses. He was seeking \$57,000 loan. He would use the loan for these improvements:

- Opening 'Dugout' off the south part of Dingers for parents to sit and watch practice and allow for equipment storage.
- Paint the building and gutters to cover the stained logo
- Pay for the labor of new sidewalks
- Solor panels
- A/C unit in Dingers to suck humidity out
- New signage
- Working capital

Tallman has existing debt in loans for the building and batting cages, but he believes the profit from the insurance company covers the expenses for the businesses and the other two businesses are in addition to. He said he would have no problem with a second option lien being put on the building for collateral.

Motion by Schmidt, seconded by Vojas to approve granting a 5 year loan of \$57,000 with 5% interest being given to the Adam Tallman.

<b>RESULT:</b>	<b>MOTION TO RECOMMEND [UNANIMOUS]</b>
<b>MOVER:</b>	Larry Schmidt, Member
<b>SECONDER:</b>	Roberta "Sissy" Vojas, Member
<b>AYES:</b>	Armour, Lewis, Reiher, Rull, Schmidt, Vojas
<b>ABSENT:</b>	Starr

3. ITS Bike Trail Presentation  
No one from the ITS Bike Trail was present.
  
4. Enterprise Zone Renewal Application  
Dragovich discussed that the current enterprise zone will expire next year. Due to the changing requirements since our zone was approved in the early 1990s, it is nearly impossible for us to apply on our own successfully. This contract would bring along a company who has done many successful applications for other areas. Should we agree to it, we would pay \$4,000 a month for the next year and a half for a total of \$60,000. If our application is successful, we would pay an additional \$30,000. The city of Carlinville has already pledged \$25,000 towards that cost. The goal would be to get the other cities and villages to pledge \$1 per person towards the application cost.

## CONSULTING SERVICES AGREEMENT

This agreement dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (this "Agreement") is between the **City of Carlinville** and **Macoupin County** ("the Units of Government") having its principal place of business at 550 North Broad Street, Carlinville, Illinois, 62626, and **WCR Enterprises, LTD.** ("Consultant"), an Illinois company having its principal place of business at 811 South Lytle Street #604, Chicago, Illinois, 60607. In consideration of the mutual promises made herein, the parties agree as follows:

1. **Duties.** Consultant shall perform the services for the Units of Government described in Exhibits A and B (the "Consulting Services").
2. **Term.** This Agreement shall continue for eighteen (18) full calendar months beginning June 1, 2019. The first fifteen (15) months will be Phase I and the following three (3) months will be Phase II. Phase II services will only be required if the application is approved for designation by the Illinois Enterprise Zone Review Board.
3. **Coordination.** The parties recognize the efficacy of avoiding excessive or contradictory contacts with various government and quasi-government agencies. Accordingly: (a) the Units of Government shall advise Consultant of any other persons or entities engaged to perform services similar to, or that may conflict with, the Consulting Services, and (b) Consultant will advise the Units of Government of consulting arrangements it has with third parties that may conflict with the Consulting Services it is providing the Units of Government.
4. **Compensation.** Consultant agrees to perform the Consulting Services for the fees set forth on Exhibit C. If the Units of Government's need for services change during the term of this Agreement, the parties will in good faith negotiate changes in the Consulting Services described in Exhibits A and B and fees shown in Exhibit C.
5. **Standard of Care.** Consultant agrees that in connection with any Consulting Services performed under this Agreement: it is in the business of performing the Consulting Services, including assistance with economic development, business consulting, legislative and government representation services and has expertise in said business and it will perform such Consulting Services with due diligence consistent with sound consulting practices, and any agents or personnel employed by Consultant will meet the same standards as apply to Consultant. Notwithstanding the foregoing, the Units of Government acknowledges and agrees that, due to the nature of the Consulting Services, Consultant does not guarantee that the Consulting Services shall result in any specific outcome, and Consultant shall not be obligated or liable for loss of use, loss of profits, business interruption or other consequential, indirect, direct, special, incidental, punitive or any other damages whatsoever with respect to delays in, or failure to achieve any such outcome.
6. **Assignments.** This Agreement may not be assigned by either party without the prior written consent of the other (such consent not to be unreasonably withheld or delayed) and shall be binding upon, and inure to the benefit of the parties hereto and their heirs, successors and assigns. Notwithstanding the foregoing: (a) Consultant shall have the right to subcontract such portions of the Consulting Services as it shall determine to

others provided, however, that (i) such subcontracting shall not relieve Consultant of the primary responsibility for the performance of the Consulting Services, and (ii) Consultant shall advise the Units of Government of all such subcontracting within five (5) days.

- 7. **Confidential Information.** During the term of this Agreement, each party will provide the other with information that has been identified as confidential (the "Information"). Each party agrees to treat the Information supplied by the other party as confidential and, for a period of three years from the date of receiving any Information, not to disclose such Information to any third party, without prior written consent, (other than its directors, officers, employees, affiliates and advisors who been advised of the confidential nature of the Information) unless required to do so pursuant to applicable law (after, in each case, and to the extent permitted, giving the supplying party an opportunity to lawfully object to the production of same). A party shall not be required to treat any Information as confidential that is or becomes publicly available (other than through a breach by that party of this clause 7) or that it receives from a third party on a non-confidential basis.
- 8. **Independent Contractor.** It is the intention of the parties that the relationship existing between them shall be that of independent contractor and vendor and vendee, and that nothing herein contained or done pursuant hereto shall constitute Consultant as the agent of the Units of Government for any purpose whatsoever.
- 9. **Excuses for Nonperformance.** Either party hereto shall be excused from its obligations hereunder if its performance thereof is delayed or prevented by any circumstances reasonably beyond such party's control, including, but not limited to, acts of God, fire, explosion, riots, strikes, labor disputes, voluntary or involuntary compliance with any law, order, regulation, recommendation or request of governmental authority.
- 10. **Compliance with Laws.** Consultant shall comply with all applicable laws and regulations of local, state, and federal governments relating to performing the Consulting Services, including but not limited to the "Illinois Lobbyist Registration Act."
- 11. **Notices.** Any notice to be given under this Agreement shall be in writing and shall be deemed given upon receipt or refusal of delivery by the other party at the following addresses (or to such other address as either party may, from time to time, specify to the other in writing):

**The Units of Government Attention:**

Honorable Deanna Demuzio  
Mayor, City of Carlinville  
550 North Broad Street  
Carlinville, IL 62626

**CONSULTANT Attention:**

Warren Ribley  
WCR Enterprises, LTD.  
811 South Lytle Street, #604  
Chicago, IL 60607

Attachment: enterpriszonecontract (1982 : Enterprise Zone Renewal Application Contract)

Honorable Mark Dragovich  
Chairman, Macoupin County Board  
215 S. East Street  
Carlinville, IL 62626

**12. Other Conditions.**

- a. This Agreement constitutes the entire understanding between the parties relating to the Consulting Services and supersedes and replaces any and all prior agreements, whether written or oral, that may exist between them with respect thereto. This Agreement may be amended only by an instrument in writing signed by both parties.
- b. The Exhibits attached hereto are hereby incorporated by reference and made a part of this Agreement as if fully set forth herein.
- c. This Agreement shall be governed by, and construed in accordance with the laws of the State of Illinois, without regard to the conflict of laws provisions thereof.
- d. Except as expressly provided herein, no party assumes any duty hereunder to any other person or entity that is not a party to this Agreement. This Agreement shall not be construed to provide any benefit to any third party.
- e. Any provision or provisions hereof, or any portion thereof, found to be unenforceable or prohibited by law will be ineffective only to the extent of such unenforceability or prohibition and no other provision of this Agreement will be invalidated thereby.

IN WITNESS WHEREOF, the parties have executed this Consulting Services Agreement by their duly authorized representatives as of the date identified above.

**The Units of Government**

**WCR Enterprises, LTD.**

By: \_\_\_\_\_

By: \_\_\_\_\_

**Mayor Deanna Demuzio**

**Warren Ribley**

By: \_\_\_\_\_

**Chairman Mark Dragovich**

Attachment: enterpriszonecontract (1982 : Enterprise Zone Renewal Application Contract)

## EXHIBIT A

### Scope of Services

#### Scope of Work A - The Enterprise Zone Process

The following list provides a general overview of the work to be done for the the Units of Government to be placed in a new Illinois Enterprise Zone (EZ). It is not meant to be all-inclusive.

#### Phase I

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1. Consultant will immediately begin analyzing the local geographic area to determine how the new EZ boundaries should be drawn and how the local labor market area should be defined. Consultant will make every effort to do this in a manner that allows for the highest application score. At the same time Consultant will keep the local political realities in mind. The eleven EZ qualifying criteria are as follows:
  - A.) **Unemployment** - All or part of the local labor market area has had an annual unemployment rate of at least 120% of the State's average unemployment rate for the most recent calendar year or the most recent fiscal year as reported by the Illinois Department of Employment Security;
  - B.) **Job Creation** - Designation will result in the development of substantial employment opportunities by creating or retaining a minimum aggregate of 1,000 full-time equivalent jobs due to an aggregate investment of \$100,000,000 or more, and will help alleviate the effects of poverty and unemployment within the local labor market area;
  - C.) **Poverty** - All or part of the local labor market area has a poverty rate of at least 20% according to the latest data from the U. S. Census Bureau, 50% or more of the children in the local labor market area are eligible to participate in the federal free lunch or reduced-price meals program according to reported statistics from the State Board of Education, or 20% or more of the households in the local labor market area receive food stamps according to the latest data from the U. S. Census Bureau;
  - D.) **Disaster** - An abandoned coal mine or brown field (as defined in Section 58.2 of the Environmental Protection Act) is located in the proposed zone area, or all or a portion of the proposed zone was declared a federal disaster area in the 3 years preceding the date of the application;
  - E.) **Downsized** - The local labor market area contains a presence of large employers that have downsized over the years, the labor market has experienced plant closures in the 5 years prior to the date of the application affecting more than 50 workers, or the local labor market area has experienced State or federal facility closures in the 5 years prior to the date of the application affecting more than 50 workers;
  - F.) **Vacancy** - Based on data from Multiple Listing Service information or other suitable sources, the local labor market area contains a high floor vacancy rate of industrial or commercial properties, vacant or demolished commercial or industrial structures are prevalent in the local labor market area, or industrial structures in the local labor market area are not used because of age, deterioration, relocation of the former occupants, or cessation of operation;

- G.) **Tax Base** - The applicant demonstrates a substantial plan for using the designation to improve the State and local tax base, including income, sales, and property taxes;
- H.) **Infrastructure** - Significant public infrastructure is present in the local labor market area in addition to a plan for infrastructure development and improvement;
- I.) **Training** - High schools or community colleges located within the local labor market area are engaged in ACT Work Keys, Manufacturing Skills standard Certification, or other industry-based credentials that prepare students for careers; and
- J.) **Assessed Value** - The change in equalized assessed valuation of industrial and/or commercial properties in the last 5 years prior to the date of the application is equal to or less than 50% of the State average change in equalized assessed valuation for industrial and/or commercial properties, as applicable, for the same period of time; and
- K.) **Diversity**- Demonstrates a substantial plan for using the designation to encourage (i) participation by businesses owned by minorities, women, and persons with disabilities as defined in the Business Enterprise for Minorities, Women and Persons with Disabilities Act, and (ii) the hiring of minorities, women and persons with disabilities.
2. To assist in meeting certain qualifying criteria, Consultant will work with the area businesses to determine the amount of additional capital investment and new jobs might be created/retained over the next several years.
  3. Consultant will examine commuting patterns within the area both in terms of each individual company, where their employees reside, the proximity of their vendors, as well as general commuting patterns within the area to help further establish benefit to the region.
  4. Once the EZ boundaries and labor market have been optimized Consultant will have private discussions with officials from the potential the Units of Government involved as well as key local businesses and local economic development officials.
  5. An Enterprise Zone Resolution or Ordinance as well as an Intergovernmental Cooperation Agreement must be drafted and approved by all of the local governments and taxing bodies involved in the EZ. Consultant will assist in drafting the Enterprise Zone Resolution or Ordinance and Intergovernmental Cooperation Agreement. Discussions prior to the meetings and attendance at the meetings will be necessary to achieve success, where Consultant will brief committee members and attend committee meetings and full board meetings for each of the governmental entities involved, when necessary.
  6. A public hearing must be held for purposes of previewing the boundaries of the EZ and the labor market area. Consultant will coordinate this meeting and compile a transcript.
  7. Consultant will brief the local legislators on the development of the EZ Application and work to obtain their full support for the proposal.
  8. Applications for the new EZ will be completed and submitted to DCEO by December 31, 2019. Consultant will submit the EZ Application by the December 31, 2019 deadline

and meet with the EZ Program Manager at the time of submittal to insure all documents are complete and in proper form.

9. Following the December 31, 2019 deadline, DCEO will begin reviewing all applications, eliminating the ones not meeting the required criteria and scoring the remaining applications. During this time, Consultant will be in contact with the DCEO review team and assist with any clarifications or provide additional information.
10. Once the applications are scored Consultant will ensure that the members of the "Enterprise Zone Board" are fully apprised of the merits of the EZ application. The Board has until September 30, 2020 to approve the application. DCEO has until December 31, 2020 to certify the new zone for fifteen years with the possibility of a ten-year extension for a total of 25 years.

## Phase II

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Following the Units of Government Certification as a Zone, Consultant will work with the State program manager and Zone Administrator to transition from old EZ to new, seek clarifications, insure program compliance and obtain program updates. Assistance will also be provided to inform businesses as to the benefits related to the new EZ. Consultant will also monitor additional State programs to determine potential applicability to the EZ businesses.

## EXHIBIT B TIMELINE

### Enterprise Zone Timeline

#### Phase I

- March 2019 – Begin Developing the Application, formulate criteria strategy.
- May 2019 – Evaluate and formalize Local Labor Market Area.
- July 2019 – Review draft ordinances, gather local infrastructure project information.
- August - September 2019 - Conduct meetings with Local Officials and area businesses on their capital investment plans, vendor information.
- October – November 2019 – Hold public hearings and adopt local ordinances.
- November – December 15, 2019 – Finalize draft application.
- December 16 – December 31, 2019 – Verify with DCEO staff application is complete & submit any necessary supplemental information.
- December 31, 2019 – Applications Due, along with any supplemental information.
- January 1, 2020 – Begin EZ Promotional Efforts.
- June 30, 2020 – Applications Deemed Qualified or Unqualified.
- July 15, 2020 – Local Legislators Notified.
- By September 30, 2020 – Applications Approved or Denied.

#### Phase II

- October 1 – December 31, 2020 – Assistance with EZ transition.
- January 1, 2021 – New Enterprise Zone Certified.

## EXHIBIT C

**Compensation**

CONSULTANT shall receive the following compensation for services as defined in this Agreement:

1. Monthly Retainer. Consultant shall receive a fixed fee monthly retainer of four thousand dollars (\$4,000) for a period of fifteen (15) months for Phase I services beginning June 1, 2019. Thereafter, Consultant shall invoice The Units of Government at the beginning of each new month. Provided the application is approved by the Illinois Enterprise Zone Review Board, Consultant would provide Phase II services for a period of three (3) months beginning October 1, 2020 for a monthly retainer of ten thousand dollars (\$10,000) per month.
2. Fiscal Agent. The Units of Government shall designate a Fiscal Agent and advise Consultant of such for purposes of invoicing.
3. Expense Reimbursement. Consultant shall be reimbursed for all reasonable and documented out-of-pocket pre-approved expenses. These expenses are likely to be related primarily to mileage reimbursement and shall not exceed two thousand dollars (\$2,000) for the life of the contract.
4. Additional Units of Government. The Consultant and Units of Government understand that time is of the essence in beginning the services to be performed herein. Consultant understands and agrees that the Units of Government intend to reach out to other units of government to become a party to this agreement and / or take responsibility in providing a portion of the compensation to Consultant under this Agreement and Exhibit C. However, if such efforts are unsuccessful, the Units of Government agree to fulfill the compensation in full as outlined in this Exhibit C. Consultant agrees to assist in these efforts and take any necessary steps to amend this agreement to reflect such payment arrangements.
5. City of Carlinville. Consultant agrees and understands that the City of Carlinville will be responsible for \$25,000 of the compensation due to the Consultant.

Payment Schedule: The Consultant and Units of Government agree to the following Payment Schedule outlined on the next page.

**PAYMENT SCHEDULE**

**Phase I**

June 2019- \$4,000  
July 2019- \$4,000  
August 2019- \$4,000  
September 2019- \$4,000  
October 2019- \$4,000  
November 2019- \$4,000  
December 2019- \$4,000

**Phase I**

January 2020- \$4,000  
February 2020- \$4,000  
March 2020- \$4,000  
April 2020- \$4,000  
May 2020- \$4,000  
June 2020- \$4,000  
July 2020- \$4,000  
August 2020- \$4,000

**Phase II**

(Payable only if EZ is designated)

October 2020- \$10,000  
November 2020- \$10,000  
December 2020- \$10,000

Attachment: enterpriszonecontract (1982 : Enterprise Zone Renewal Application Contract)