

MINUTES OF SPECIAL MEETING

Champaign County Environment & Land Use Committee	DATE:	July 26, 2007
Champaign County Brookens Administrative Center	TIME:	6:30 p.m.
Urbana, IL 61802	PLACE:	Meeting Room 2 Brookens Administrative Center 1776 E. Washington Street Urbana, IL 61802

MEMBERS PRESENT: Jan Anderson, Chris Doenitz, Matthew Gladney, Brad Jones, Ralph Langenheim, Steve Moser, Carrie Melin, Jon Schroeder (VC), Barbara Wysocki (C)

OTHER COUNTY BOARD MEMBERS PRESENT: None

MEMBERS ABSENT: None

STAFF PRESENT: John Hall, John Dimit (Champaign County Regional Planning Commission), Brent Rose (Champaign County Regional Planning Commission)

OTHERS PRESENT: Randall Moore, Scott Moore, Brian Stromley, Dennis McMillan, David Paulsen, Daniel Paulsen, Jim Meadows

1. Call to Order, Roll Call

The meeting was called to order at 6:30 p.m. The roll was called and a quorum declared present.

2. Approval of Agenda

Mr. Langenheim moved, seconded by Mr. Schroeder to approve the agenda as submitted. The motion carried by voice vote.

3. Public Participation

None

4. CDAP Loan Request – Premier Printing of Illinois d/b/a Printec Press

Mr. Schroeder moved, seconded by Mr. Jones to recommend approval of the CDAP Loan Request –

1 **Premier Printing of Illinois d/b/a Printec Press.**
2

3 Mr. John Dimit stated that there has been a lot of conversation regarding this delayed agenda item. He said
4 that it is a rare occasion for this Committee to review a CDAP Loan Request. He said that there has been
5 some misinformation regarding this loan and he would like to clear up some of those misconceptions.
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7 Mr. Dimit stated that approximately 25 years ago the County started a revolving CDAP fund through the
8 Regional Planning Commission and within that time period 79 loans with a total of over \$10 million dollars
9 of our own financing has been leveraged over that time period by at least another \$50 or \$60 million dollars
10 of private investment. He said that the RPC operates the CDAP loan fund as a business and this loan would
11 come from the assets of that revolving loan fund which is specifically dedicated to lend loans to businesses
12 that provide employment to Champaign County. He said that for the last 15 years the default rate has been
13 2.11% and for the last five years it has been closer to 0%. He said that Busey Bank is a lender that the RPC
14 has done a substantial amount of lending with over the past years. He said that in all of the time that loans
15 have been done with Busey Bank they have been the bank that is most conscientious about bringing the RPC
16 loans which they have completed a thorough analysis upon and in turn the RPC does its own thorough
17 analysis before it is brought before ELUC for approval. He said that in 20 years no default has occurred
18 with any loan from Busey Bank.
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20 Mr. Dimit stated that the proposal which is before the Committee tonight is one of the largest loan requests
21 that is proposed to be loaned to a single entity. He said that the RPC has done several other loans which
22 range from \$750 thousand to \$1.5 million dollars. He said that it is not that unusual for the RPC to deal with
23 this large of an amount of money and the concept of having larger loans is probably going to continue.
24

25 Mr. Dimit stated that the reason why the loan comes to ELUC is because this is a hold over from when
26 ELUC was the parent committee of the RPC. He said that Mr. Rose is present at tonight's meeting to
27 answer any detailed questions and additional information has been provided for the Committee's review. He
28 said that some information that was provided included the names of the businesses involved and was
29 released to the press. He invited ELUC to come to the office to review any protected information that is not
30 available by the *Freedom of Information Act* or to be disseminated to the general public. He assured the
31 Committee that Brent Rose, Loan Officer with a 0% default rate, has reviewed the information and is very
32 confident in recommending this loan proposal to the Committee for a recommendation for approval.
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34 Mr. Dimit said that it is his understanding that there has been discussion that this is money which is being
35 taken from low income neighborhoods to be used for water and sewer and this information is completely
36 false. He said that this is money that is absolutely dedicated to small business.
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38 Ms. Anderson asked how many jobs would be created with this large loan and said that other small printing
39 businesses were concerned that tax money was being used to benefit their competition and put them at risk.
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41 Mr. Rose stated 78 jobs would be created in total by both loans.
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43 Ms. Anderson asked if these would be full-time positions.

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Mr. Dimit stated yes. He said that the State requires the RPC to either retain or create one new job for every \$20 thousand dollars that we lend.

Ms. Anderson asked what type of wages would be involved with these jobs.

Mr. Dan Paulsen, President of Printec Press, LLC, stated that the average wage would range between \$35 - \$85 thousand dollars per year.

Mr. Dimit stated that the average wage would be \$17 per hour.

Mr. Jones asked why Busey Bank was not taking on the whole loan.

Mr. Dimit stated that in using the RPC's program a lower interest rate is available which makes this deal more bankable and it also allows them to be more aggressive on how they negotiate.

Mr. Jones asked if the entire deal goes away if the loan is not recommended for approval.

Mr. Dimit stated that at this point and time it is highly likely that the deal would go away if the loans are not recommended for approval.

Mr. Jones asked if this is federal money.

Mr. Dimit stated yes.

Mr. Jones asked if the County is on the hook.

Mr. Dimit stated that the loan fund is on the hook. He said that the County government will never touch the general revenue dollars. He stated that the RPC started with \$1.5 million in capital and it has been built up to \$3.5 million. He said that the fund has grown by repeated lending and sometimes it is loaned to high risk clients and sometimes it is loaned to businesses that are not so high risk. He said that this is what is done to keep the money moving and to keep the integrity of the fund. He said that if the money is kept in the bank and sits and collects interest it is not doing anyone any good. He said that when he hired Brent Rose he charged him to get the money out and fully utilized.

Mr. Langenheim stated that he heard from a constituent regarding the competition and unfair advantage that Printec Press will have if these loans are approved. He said that the constituent believed that this new business could cause the demise of the University of Illinois Printing Services.

Mr. Dimit stated that the RPC occasionally uses the University of Illinois Print Services and some of the companies that are included in this deal. He said that it is very interesting that the companies that are involved in this deal came to the RPC and complained bitterly about the unfair competitive advantage that the University of Illinois Printing office has therefore what we have is a leveling of the playing field. He

1 said that we all know that the University of Illinois Printing Office would have a tremendous advantage over
2 private sector printing and the reason that this deal may need to come out is because of the entry of the
3 University of Illinois Printing Office into this kind of competitive environment.
4

5 Ms. Melin asked if the reason that the three businesses needed to combine is because they were not able to
6 survive on their own.
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8 Mr. Randy Moore, Vice-President of Premier Printing, stated that the U of I Printing Services does have a
9 very competitive advantage in comparison to the smaller companies. He said that when the information was
10 released Mr. Crouse was considerably worried and discussed the situation with his staff. He said that Mr.
11 Crouse's staff was extremely thrilled when they understood that after Mr. and Mrs. Crouse's retirement they
12 would be placed in a very stable situation. He said that the new company will be a stronger and more stable
13 company. He said that recently a Springfield printing company was bought out by an out-of-state of
14 company which kept the same clientele but dismissed the employees and disbursed the equipment. He said
15 that they would like to keep the taxes and employment within Champaign County.
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17 Mr. Dimit stated that it is important to understand that the RPC is working with three locally owned
18 businesses and the surviving company will be locally owned and operated.
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20 Mr. Gladney asked what the percentage was for loan approval by the County.
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22 Mr. Dimit stated that to date no CDAP loan has been denied by the County and that is because they go
23 through a very stringent review process. He said that not every loan is brought before the Committee for
24 approval and that is because once it comes to ELUC it is in the public eye therefore they are screened before
25 they get here.
26

27 Mr. Dennis McMillan, Busey Bank, stated that the loan process includes two loan committees and the Small
28 Business Association and all three of these entities have to approve this loan structure. He said that Mr.
29 Moore previously mentioned that the approval of this loan would not include the disbursement of people.
30 He said that with this deal comes the purchase of approximately \$4 million in equipment which is equipment
31 that makes certain services available that are not currently available.
32

33 Mr. Dimit stated that he needs to amend his previous answer in that one loan has been denied.
34

35 Ms. Melin asked if there was any guarantee as to how long these jobs will be held in Champaign County.
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37 Mr. Dimit stated that they have two years to create or retain the number of jobs that they require and if at
38 anytime the number of jobs drops the RPC reviews the outstanding amount of the loan versus the amount of
39 current jobs, using the 1 per \$20,000 calculation. He said that for instance if they reduce the loan down to
40 \$500,000 and they have less than 25 jobs then the RPC would have the right to call that portion of the loan.
41 He said that the company would have the right to appeal that decision due to market situations such as a
42 down time in the economy and all printing companies in town are experiencing a reduction in employment.
43

7/26/07

AS APPROVED JANUARY 14, 2008

ELUC

1 Mr. Moser asked if the County is second in line for the loan are we also second in line for security.

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3 Mr. Dimit stated yes.

4

5 Mr. Moser asked if Busey Bank is ahead of the County.

6

7 Mr. Dimit stated that the Small Business Association is ahead of everyone.

8

9 Mr. Schroeder asked how much will be left in the CDAP loan account if these loan requests are approved.

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11 Mr. Dimit stated that there will be approximately \$400 thousand left in the loan fund and repayment will
12 come back at a rate of \$20 thousand dollars per month. He said that there is additional money in Springfield
13 which is available but this money has to be fully utilized prior to accessing up to an additional \$750
14 thousand dollars per year to place in the revolving loan fund.

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16 Mr. Schroeder asked how many loan requests are anticipated in the future.

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18 Mr. Rose stated that there are 3 or 4 solid requests that will use up the available funds therefore leaving
19 opportunity for the RPC to request the additional \$750 thousand.

20

21 Mr. Dimit stated that once the RPC receives the additional \$750 thousand dollars that money stays with the
22 RPC and becomes part of the revolving loan fund for future loans.

23

24 Mr. Schroeder asked if this money is State or Federal.

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26 Mr. Dimit stated that it is federal money which comes from the Community Development Block Grant
27 Funds. He said that it is called CDAP at the State level.

28

29 Ms. Wysocki asked the Committee if there were any additional questions for Mr. Dimit or Mr. Rose and
30 there were none.

31

32 Ms. Wysocki asked for a roll call vote.

33

34 **The roll was called:**

35

36 **Ms. Anderson-yes**

Mr. Doenitz-yes

Mr. Gladney-yes

37 **Mr. Jones-yes**

Mr. Langenheim-no

Mr. Moser-yes

38 **Mr. Melin-yes**

Mr. Schroeder-yes

Ms. Wysocki-yes

39

40 **The motion carried.**

41

42 **5. CDAP Loan Request – Premier Printing of Illinois d/b/a Printec Press**

43

1 **Mr. Jones moved, seconded by Mr. Doenitz to recommend approval of the CDAP Loan Request –**
2 **Premier Printing of Illinois d/b/a/ Printec Press.**

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4 Ms. Wysocki asked the Committee if there was any discussion regarding this loan request and there were
5 none.

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7 **The motion carried by voice vote with one opposing vote.**

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9 Ms. Wysocki thanked the Committee for their great questions regarding the CDAP loan requests.

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11 **6. Other Business**

12
13 **None**

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15 **7. Adjournment**

16
17 The meeting adjourned at 6:57 p.m.

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Respectfully submitted,

Secretary to the Environment and Land Use Committee