

MINUTES OF THE CITY OF MOUNT CARROLL PUBLIC HEARING HELD ON TUESDAY, JUNE 22, 2010 AT 7:30 P.M.

Mayor Bates called the meeting to order at 7:34 p.m.

An attendance sheet was passed around the room to have for the record.

Ms. Sharon Pepin, Community Funding and Planning Services, addressed the audience and provided the following information and report.

The City of Mount Carroll is holding a second Public Hearing to provide information on the Kraft Building Renovation Project that is nearing completion. The first public hearing was held January 27, 2009, prior to the City submitting the Community Development Assistance Program (CDAP) grant application to the Illinois Department of Commerce & Economic Opportunity (DCEO).

The City applied for a Flexible Opportunity grant, which is geared towards economic development and the elimination of slum and blight. The grant application was submitted on March 16, 2009, and the City received word in May that it was awarded a \$180,000 CDAP grant; with a one-year contract which ends June 30, 2010. No grant modifications were necessary. The overall project was estimated to cost \$369,000 and was being funded with the City securing \$180,000 in grant funds and the Mt Carroll Community Development Corporation (CDC) securing a \$99,000 grant from USDA Rural Development's Rural Business Enterprise program, and the CDC securing a loan from the City's revolving loan fund in the amount of \$90,000.

The Kraft Building Renovation Project entailed the complete rehabilitation of the main floor of the former Kraft building, a historic landmark in the City's downtown district. This project will allow the building to be used as a visitor / welcome center and a new business incubator.

An Environmental Status Checklist was prepared and the project was determined to be Categorically Excluded per 24 CFR 58.35(a)(3)(ii), in that the facilities are in place and will not be changed in size or capacity by more than 20% and the activity does not involve a change in land use, such as non-residential to residential, commercial to industrial or from one industrial use to another. The determination was confirmed with DCEO prior to work starting on the project, and the City received a written environmental clearance letter from DCEO in June, 2009.

The project was bid out in July, with two bids received, both of which were above the architect's estimate and above the funding available to complete the project. After several meetings with representatives from the various funding agencies, the architect and the CDC, the project was re-advertised for bid in September, 2009. A total of five bids were received on October 23, 2009, with Loescher Heating & Air Conditioning being the lowest bidder that complied with all the required bidding items. A Notice of Award in the amount of \$268,156 was provided to Loescher Heating on November 18, 2009.

A Pre-Construction Meeting was held on November 18, 2009 that reviewed the various DCEO and USDA requirements, with information and forms provided to the prime contractor. Rehabilitation work commenced in early December 2009 with a scheduled substantial completion date the first of May 2010.

Loescher Heating & Air Conditioning had a number of subcontractors on the Kraft building project. Payroll reports were received and reviewed for the prime contractor as well as subcontractors on the project. The required prevailing wage rates were paid. On-site employee interviews were conducted.

Christopher Fye & Associates was the CDC's architect for all design and construction observation work associated with the Kraft building renovation project. Community Funding & Planning Services performed the grant administrative duties for the City's portion of the project. The administration fee was \$5,000 and was paid with CDAP grant funds. Administrative duties include environmental review, DCEO contract review, on-going correspondence with DCEO staff, CDAP contract wording in bid specifications, prevailing wage rate determinations, pre-construction meeting grant guideline requirements, correspondence with prime and sub-contractors regarding CDAP forms and payroll reporting, review payroll reports, conduct on-site interviews, quarterly project status reporting, quarterly financial status reporting, annual HUD Performance reporting, record keeping of project leverage components, overall financial management, public hearing, and close-out reporting.

The grant contract ending date is June 30, 2010. Since the project is essentially complete except for a few punch list items, the City is eligible to close-out the grant. All CDAP grant funds have been drawn down and a project Close-out Report and Grantee Evaluation Report have been prepared and will be submitted to DCEO.

The final payment application for the project will be submitted by the end of June, which will be for \$18,200.55, which will be paid with the remaining USDA Rural Development funds and the remaining revolving loan funds.

A representative of DCEO may conduct a monitoring visit to ensure that the project was done in accordance with DCEO grant guidelines. If a visit is conducted, Community Funding & Planning Services will attend the monitoring visit.

Based upon the data gathered from the community-wide income survey that was completed by the City in 2004, this project will benefit at least 62% low-to-moderate income families throughout the City. This project will also address the elimination of slum and blight by rehabbing the building, which is a second DCEO national objective.

Questions / Comments

Mr. Lou Schau, Mount Carroll Community Development Corporation (CDC), was in attendance and reported that the final items to finish on the first floor were the placement of some of the trim, installing the remaining doors, to complete the refinishing of the floor, and complete the architect's last punch list items. He noted that they had met all of the Illinois Historic Preservation Agency's specifications for the new windows.

Alderman Cooper asked about when the exterior work would be done. Mr. Schau noted that they would start on that once the first floor was completed inside. The colors for the exterior painting had all been picked out as well.

Mr. Schau reported that Ann Dougherty of Learn Great Foods had moved her presentation

equipment into the building, the CDC office and Welcome Center would be housed here, the Farmers Market vendors were planning to have some of their products in the main floor, and they were working on another contract with another business.

Ms. Sharon Pepin expressed her appreciation to the council for their support with this project.

Mayor Bates commented that this building is the “Heart of the Downtown” and he expressed his appreciation to Mr. Schau and Mr. John Swiech for keeping this project together by coordinating all of the construction and the volunteer efforts. He noted that there were other businesses in the downtown such as the Mt. Carroll Café, Mirror Democrat newspaper office and the Pharmacy Center that have done or were planning exterior painting of their buildings.

Alderman Bergren commented that he had heard some criticism about the cost of this project, but he did not feel we would have been able to wait for a developer to do this type of project.

Mayor Bates stated there was a lot of volunteer work in the beginning getting the building cleaned out and the community involvement made it work. The City helped as well by investing in the purchase of all of the replacement windows at this time.

Alderman Cooper asked about a permanent record of the volunteers involved. Mr. Schau noted that some sort of a recognition plaque was being considered.

Mayor Bates commented that this was a project that was three years in the making and there was much community involvement.

Mayor Bates adjourned the meeting at 7:57 p.m.

The Mount Carroll City Council approved these minutes at the July 13, 2010 regular meeting.

Julie A. Cuckler
City Clerk & Collector
City of Mount Carroll