

COMMITTEE REPORT

COMMITTEE: Development & Planning
CHAIRPERSON: Ron Mapes
DATE/TIME: May 8, 2006. 7:00 p.m.

PRESENT:

Baranski
 Berlage

Hasken
 Kluesner

Mapes
 Stoffregen

Other Board members:

Others: Pat Leitzen-Fye, Dennis Guenzler, Marvin Wurster, Jim Harkness

MINUTES

Meeting was called to order by chairperson Mapes at 7:00 p.m.

1. New Business

- a) Application for revolving loan fund by Elizabeth Nursing Home. Jim Harkness reported that the Elizabeth Nursing Home has been working for some time with Medical Associates to put a satellite office on their campus to serve both the residents and the community. Both boards of directors have approved the project and now they are working on the funding phase. Some of the infrastructure such as telephone and housekeeping is already in place and will be able to share. Harkness commented on the importance of rural health care. He also presented a letter of support from Dr. Crist of Medical Associates. The cost estimate is around \$140,000 for the project. It will be a 1400 square foot building with the ENH building the shell and Medical Associates will finish the interior. It will be connected to the nursing home with an additional outside entrance. They hope to have clinic hours in Elizabeth at least four days per week. The ENH has 49 beds in the nursing home, 23 assisted-living units and hope to add independent living (duplex/townhomes) on their 7.5 acre campus. There are approximately 75-80 employees. At least 90% of their residents see Medical Associates' physicians. Harkness reported that they also spoke with the Freeport Health Network at the beginning of this process, but it makes sense to partner with Medical Associates at this time. Vince Hasken noted that this facility would be beneficial to the County employees on Medical Associates HMO. He also asked about how many new jobs would be created. Medical Associates plans to staff the clinic with a physician, nurse and a receptionist. Job retention will be a plus. The committee discussed the MA clinic in Hanover that closed. The ENH will have a 3-5 year contract with Medical Associates. If MA would choose not to stay the clinic could be converted to assisted-living units at a later date.

Dennis Guenzler reported for the Jo Daviess County Development Corp (CDC). The committee has reviewed the application to ensure that it meets the criteria. The committee also recommends revising the criteria for the revolving loan fund since they believe that there have been no

revisions to the program for quite a few years. The threshold for job creation/retention is \$5000 and that amount is no longer meaningful. Some state programs allow \$25,000 for jobs. The CDC feels that there is a lot of merit to the Elizabeth Nursing Home project and following some extensive discussion they recommend the County funding the amount of \$35,000 at the rate of prime minus 2%, a 10-year term with a 20-year amortization, and the note is callable on demand if Medical Associates pulls out and the funding needed for other projects. The CDC has approved an additional \$35,000 from their own funding with the same terms as recommended to the County. This will give the ENH \$70,000 of gap funding. The committee discussed the proposal, including the benefit of keeping the spending for medical services within the County rather than going to Iowa or Stephenson County. This will support other economic development efforts in the area. The CDC noted that lending out this money will be a better return on investment than having the money sitting in a savings or CD account.

Hasken made a motion to recommend a loan from the Jo Daviess County Revolving Loan Fund to the Elizabeth Nursing Home for \$35,000 at the variable rate of prime minus 2%, a 10-year term with a 20-year amortization, and the note is callable on demand. The committee feels that granting this application will support future economic development efforts for the area. Terry Stoffregen seconded and the motion passed.

Elizabeth State Bank is the primary lender and will handle the bookkeeping for both the CDC loan and the Jo Daviess County loan.

2. Citizens' Comments
3. Board Member Concerns

The committee discussed the revolving loan fund guidelines and it will be discussed at the next Development & Planning Committee meeting.

Meeting was adjourned at 7:40 p.m. following a motion by Merri Berlage and seconded by Stoffregen.