

ILLINOIS INTERNATIONAL PORT DISTRICT

Record of Proceedings of the REGULAR BOARD MEETING

July 17, 2009

The regular meeting of the Board of Directors of the Illinois International Port District was held Friday, July 17 2009, at 9:30 a.m., at the Illinois International Port District, 3600 E. 95th St., Chicago, Illinois and was presided over by Chairman William Braasch. In the absence of William Dart, Secretary, Anthony Ianello, Executive Director, called the roll, and the following Directors were present: Cary Capparelli, William Murphy, Daniel Alvarez, Charles Bowen, Paul Jenkins, Dean Maragos, and Samuel Evans. Mr. Fitzmaurice was absent. Mr. Ianello reported that the Chairman was present and a quorum was present.

Also present: James McConnell, Neal and Leroy; Frank Kudrna, Kudrna & Associates.

General public present: None

Board Meeting Minutes – June 19, 2009

The Minutes of the June 19, 2009 Board Meeting were presented, and a Motion to approve the Minutes was made by Mr. Murphy, seconded by Mr. Evans, and passed unanimously.

REPORTS OF STANDING COMMITTEES

Executive Committee

There was no meeting.

Agreements and Leases Committee

Mr. Murphy reported on the Minutes of the Agreements and Leases Committee Meeting held on July 14, 2009.

Mr. Maragos requested information from Counsel McConnell regarding the Emesco litigation. Emesco has been granted a time extension to pull all files to be copied. The final hearing date is now November 24, 11 months following the Summary Judgment.

Counsel McConnell reported that due to the fact that the FTZ Board has been burdened with numerous applications for zone status, they are implementing a pilot program to expedite the process. In the past, a Grantee had to delete acreage from one site in order to add it to another. Under the new program, the Grantee will have 2,000 acres that can receive FTZ status at their discretion. We will fill out an application and pay a one-time fee of \$1,600, to enter this program. In return, we will no longer have to pass a formal Resolution for each FTZ application, and we will require an applicant to begin operating

within three years or lose the FTZ designation. Also, we will require a \$5,000 application fee which will be refunded only if the applicant activates within 120 days. This will reduce the amount of speculators (consultants, developers) who apply for FTZ status without actually having an operator on board. FTZ 22 will now encompass 12 counties in and around Chicago.

In response to Mr. Maragos' question as to whether this will help MARAD's trade initiative, Mr. Ianello explained that the two were actually not related.

Legislative Committee

There was no report.

Marketing Committee

Mr. Capparelli's suggestion for a waterfront tour of the Port District was discussed. Mr. Ianello contacted a local company which would charge \$2,000 for the tour. Mr. Capparelli offered the name of another company that might be more cost efficient. Mr. Ianello will contact this company and will poll Board members as to when they would be available for the tour.

Homeland Security Committee

Mr. Kudrna reported on current projects (see attached report) that are underway. The Finance Committee approved a change order of \$78,411 for power extension lines to be run on the west side of Lake Calumet, as this is encompassed in our Homeland Security Grant. He also reported that we are currently seeking other types of grant funding.

Finance and Personnel Committee

In the absence of Treasurer Oelerich, Mr. Ianello reported on the Minutes of the Finance and Personnel Committee Meeting of July 14, 2009 where the Port income statement, Harborside income statement, consolidated income statement, balance sheet, and check register for the month of June, 2009 were presented to the Board for review and discussion. A Motion was made by Mr. Bowen to accept the financial statements, seconded by Mr. Alvarez, and passed unanimously.

Treasurer's Report

There was none.

UNFINISHED BUSINESS

Mr. Murphy brought up the subject of the 3rd golf course expansion and requested that a letter be sent to the Mayor informing him that we were going ahead with the project. The Mayor previously approved the project two years ago, and when Mr. Murphy spoke

to Lori Healey, who was representing Mayor Daley at a Mayors' conference, she expressed surprise that we were not moving ahead.

Mr. Braasch stated that we would have to revisit financing of the project before proceeding. Mr. Bowen supported formalizing Mr. Murphy's suggestion in the form of a Motion to write the letter. Mr. Jenkins concurred. Mr. Maragos related that he had spoken to Suzanne Malec (Dept. of Environment), and he thought it would be more proactive to meet with these people before proceeding. Mr. Ianello was reluctant to re-open this issue once again to community and environmental groups and Board members reiterated that these meetings had previously taken place and it was not in the Port's best interest to start from the beginning again.

Mr. Kudrna stated that this is project could be a big link to obtaining the Olympics in Chicago, as there is the potential for golf as an Olympic event. Also, one of the elements of construction costs that we could help alleviate is taking the clean fill from the city's construction sites for the Olympics and using it for the new course.

Mr. Braasch suggested that he try to obtain a direct meeting with the Mayor before we send a letter; however other Board members did not want to wait. Therefore Mr. Murphy's motion to write a letter to the Mayor was seconded by Mr. Jenkins, and the only opposing vote was from Mr. Maragos who wanted to involve environmental groups in the process again.

NEW BUSINESS

An article regarding the name of our former governor appearing on the grain elevators appeared in the Chicago Tribune this week.

ADJOURNMENT

The next meeting will take place on Friday, August 21, 2009 at 3600 E. 95th St., Chicago, IL.

There being no further business, a Motion to adjourn was made by Mr. Jenkins, seconded by Mr. Evans, and passed unanimously.

William J. Braasch
Chairman

William F. Dart
Secretary