

**BLOOMINGTON - NORMAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS
SPECIAL MEETING MINUTES
THURSDAY, JANUARY 26, 2017
1:00 PM**

I. CALL TO ORDER

Chairman Colee called the meeting to order at 1:05 p.m. Commissioners Kannaday, Hanson, Whisman, Denault, Sender and Allen were present. A quorum was acknowledged. Mr. William Wetzel, legal counsel for the Airport Authority, was also in attendance.

II. NEW BUSINESS

- A. **Request State Legislative Relief in Accordance with the Illinois Airport Authorities Act** - Carl gave the Board a brief background on discussions involving the possible reconstitution of the Airport Authority. As an outcome from a February 2014 strategic planning meeting, it was suggested that the Airport Authority consider looking at restructuring the organization in order to diversify future revenue streams, help CIRA to be more competitive, and importantly to better position the Authority to successfully manage unanticipated financial challenges. Carl noted the best example of this was the proposed loss of federal funding for CIRA's air traffic control services in 2013. In turn leading to the Authority to filing suit against the FAA in federal court while also beginning to plan how these new costs could be absorbed. Following this discussion, Staff was directed in the fall of 2015 to reach out to the Springfield office of Hinshaw Culbertson to do a study on restructuring the organization to include expanding the tax base to include all of McLean County, similar to what was previously done in Peoria County, Dupage County and Crawford County. Concurrently, Staff also began reaching out to state legislative officials and representatives from the McLean County Farm Bureau to make them aware of what was being considered. From these discussions it was determined the Governor's office was not open to this idea at that time and further discussion should be tabled until a later time. The item was raised again by the Public Policy committee in the fall of 2016. In response, it was requested Staff review/refresh the original Hinshaw Culbertson materials and provide the Board with an update.

The members then began discussing the merits of reorganization, noting such a move would accomplish several important goals, including; 1) expanding the Airport Authority's territory beyond the corporate limits of Bloomington and Normal to all of McLean County --- reflecting the airport's regional economic value and taxing equity, 2) enabling the Board to adjust revenues to better respond to short/intermediate crisis', 3) ensuring reliable access to proper capital funds absent federal/state uncertainty, and, 4) strengthening the Board's ability to enhance the airport's competitive position.

Recognizing the property tax implications of widening the tax base, the Commissioners discussed and expressed their interest to collect the same level of property taxes that have historically been collected. It was noted this would result in residents of Bloomington and

Normal experiencing a decrease in their taxes (approximately \$20/\$150,000 value) while county residents outside Bloomington-Normal would now pay a tax (approximately \$47/\$150,000 value).

It was then discussed how similar actions were taken and benefitted the Peoria Airport, the Dupage Airport, and the Crawford County Airport in the southeastern part of the state. Should this move be completed, the current board would be dissolved with all property/rights/obligations being transferred to the new organization. The overall structure of the Board would remain with seven (7) members. However, while the City and the Town would still appoint two (2) commissioners each, McLean County would then be able to appoint its three (3) members from anywhere in the county instead of within the current City/Town limits. In this instance, each of the appointing bodies would be able to reappoint their existing members or appoint someone new. In the event the total population of McLean County should ever increase above the 300,000 level, the number of Board members would be increased to nine (9).

During this discussion it was noted by Commissioner Sender the timing of such a move is now in order to have a bill filed for legislative consideration this spring.

Commissioner Hanson inquired if there has been any significant tax abatements done by the Airport Authority in the past five years. In response, Carl reported the Authority typically abates approximately \$1.1 million dollars each December/January as a part of the PFC bond program. Additionally, it was noted the Authority abated approximately \$948,253.00 in accordance with a bond ordinance in 2009. During this discussion, several members also highlighted the many site specific abatements provided to attract and support business investment in the community.

Commissioner Allen commented the Airport Authority needs to put itself in the best position possible to compete. Noting that failure to do that would result in the airports decline and inability to support the community.

Building upon this comment, Commissioner Whisman expressed concern the Authority needs to be in a position to protect itself from potential cuts in federal and state transportation funding, which would directly impact CIRA and its ability to compete. Ms. Whisman also noted the competitive positioning of the airport is important to all of McLean County as the airport doesn't simply serve the metro area and any decline in the airport's competitive ability would also impact the rural community.

Mr. Wetzel noted that should the Board go forward with this, to be prepared for feedback and possible resistance to the idea.

Commissioner Kannaday noted the Airport Authority's finances and capital capabilities are stable right now and while there isn't an interest/need to increase tax revenue at this time, this idea should move forward in order to give the Authority the flexibility it will need to be successful in the future.

The next steps were discussed, should the Board decide to move forward with this, would be to reach out to the Authority's local legislators advising them the Board would like to pursue this and to ask them for their help in drafting the legislation. Concurrent with this, Staff was

requested to further review and coordinate strategy with legal counsel (both LBBS and Hinshaw Culbertson) to ensure the accuracy of the proposed process, language and figures.

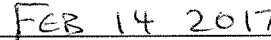
Commissioner Denault made a motion to continue the process to reconstitute the Airport Authority and starting the process of informing legislators and having them ask the Legislative Reference Bureau to revisit the development of language for a bill, in conjunction with having Staff nail down message points. The motion was seconded by Commissioner Kannaday and upon a roll call vote; Commissioner Kannaday, aye, Commissioner Hanson – aye, Commissioner Whisman - aye, Commissioner Sender - aye, Commissioner Allen – aye and Chairman Colee - aye, the motion unanimously passed.

III. ADJOURNMENT

There being no other business to come before the Board, upon a motion being made, seconded and approved, the January 26, 2017 special meeting of the Bloomington-Normal Airport Authority adjourned at 2:10 p.m.



Secretary



Date