

## La Salle County grants Ottawa bond wish

11/04/2009, 1:02 am

Charles Stanley, [charless@mywebtimes.com](mailto:charless@mywebtimes.com),  
815-431-4063



**Photo: Charles Stanley**

Andrew Hamilton, executive director of the Upper Illinois River Valley Development Authority addresses the La Salle County Board.

The La Salle County Board gave unanimous approval Tuesday to a key element in Ottawa's plan to provide additional water and sewer lines to its industrial park and gain ownership of the long-vacant downtown Jordan Block.

Ottawa's plan calls for extending water and sewer lines east through the Heritage Harbor Ottawa development to the industrial park. The bonds will be jointly repaid by the city and Heritage Harbor, and Heritage Harbor will turn over the Jordan Block to the city.

In one last minute wrinkle, just before the authorizing vote, County Board member Russell Boe, R-Ottawa, sought and received

a promise from Ottawa Mayor Robert Eschbach that he would sit in on discussions between the county and Heritage Harbor representatives to resolve issues about maintenance of Canal Road, which serves Heritage Harbor.

With the County Board's vote, nearly \$2.5 million in low-interest bond authority was granted to Ottawa as part of the award of \$7 million in Recovery Zone Economic Bonds available to the county through the federal stimulus program.

Bond authority also was granted to Peru in the amount of \$3.8 million and La Salle in the amount of \$697,000, also for infrastructure projects.

"I congratulate the County Board for recognizing this is a great deal for all three cities," Ottawa's Economic Development Director Reed Wilson told The Times.

"In Ottawa's case it's going to create 20 to 30 jobs within the next month or two."

The advantage of the bond authority is that it will allow the municipalities to receive a 45 percent rebate on their bond interest from the federal government.

"A unit of government can borrow at a tax exempt rate now," said Andrew Hamilton, executive director of the Upper Illinois River Valley Development Authority.

"What this rebate does is allow them at a rate even lower than what they can currently get on a tax exempt basis."

Hamilton was present for a related piece of County Board action.

His agency, UIRVADA, which has its office in Ottawa, is a general development agency serving Bureau, Grundy, Kane, Kendall, La Salle, Marshall, McHenry and Putnam Counties. UIRVDA issues bonds that can finance capital improvements and can reduce the rate of interest.

In another federal stimulus bond program for

private businesses, La Salle County has the authority to provide \$10.5 million in low-interest funding through Recovery Zone Facility Bonds.

But rather than administer the program itself, the La Salle County Board voted unanimously to allow the UIRVDA to add La Salle County's \$10.5 million to the allocations of the seven other UIRVDA counties to create a joint \$76 million allocation.

Hamilton said the larger amount would provide more project flexibility for the region.

La Salle County Board Chairman Jerry Hicks, D-Marseilles, told The Times the \$10.5 million allocation would still be earmarked for projects in La Salle County. If none materialized, it could be transferred to a county that needed it. By the same token, he noted, if an additional allocation was needed it could be sought from another county's unused portion. In any event, Hicks said, it saved the county from having to administer the program.

**Freeman: 'Where do small businesses go?'**

When Andrew Hamilton, executive director of the Upper Illinois River Valley Development Authority, explained that for cost reasons bond issues work best in amounts of \$1.5 million or higher, it raised a question from Randy Freeman, R-Lostant. "Where do small businesses go? "I've got people that approached me saying 'There's no place for us at the table because we're not asking for enough money.' "It's a fact that throughout the United States that the people who are creating the jobs are at the smaller businesses..." "We have two businesses in our small community that make harnesses. They employ 10 to 50 people. They've been creating jobs. They don't need \$1 million. They have no place to put \$1 million. But they could use maybe \$100,000. Where's their place at the table? Is there a place for them at the table?"

Hamilton had a ready answer. "That's perfect. I'd love to talk to them because we do have resources available for them through the Upper Illinois River Valley Community Development Corporation. "Several banks within a five-county area created a for-profit bank community development corporation. "Basically, all the banks pooled a couple million dollars of funding available for smaller projects.

He said while UIRVDA seeks projects of approximately \$1.5 and above, there was a gap for smaller projects. The focus of the CDC is on small to medium size firms who require capital for technology, modernization, physical rehabilitation of their structures, or cash flow to make them more economically viable. Loans emphasize job retention and provide a vehicle for gap financing when conventional lenders are unable to meet the financing needs of the small businesses "The big benefit that they have is in their flexibility, they are not a federal program.

Freeman had a follow up question. "Where do they fall on breaks on interest? "These big projects, they're going to get a 45 per cent rebate on interest. Again, here we go with the small businesses: There's not going to be any breaks." But Hamilton said there could be low interest. "Do you recall the Brownie Products Company in Gundy County? They manufacture bakery type goods. They received a \$200,000 loan through the CDC at an incentive rate, which is lower than what a conventional rate was at that time, because we wanted them to do their expansion in Grundy County as opposed to Tennessee." Hamilton can be phoned at 866-325-7525. The web site is [www.uirvcdc.com](http://www.uirvcdc.com).