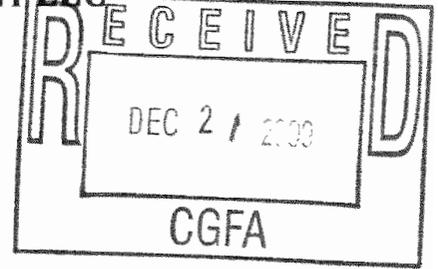


TRANSITIONAL DEVELOPMENT COMPANY, LLC

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December 17, 2009

Senator Jeffrey M. Schoenberg
Co-Chairman

Representative Richard P. Myers
Co-Chairman

State of Illinois
Commission on Government
Forecasting and Accountability
703 Stratton Ofc. Bldg.
Springfield, Illinois 62706

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Commission on Government
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Re: *Jessie “Ma” Houston Adult Transition Center in Dixmoor, Illinois*

Dear Senator Schoenberg and Representative Myers:

I am the sole owner of Transitional Development Company, LLC, lessor under a lease with the State of Illinois Central Management Services for the 39,800 sq. ft. building facility housing the *Jessie “Ma” Houston Adult Transition Center* located in Dixmoor, Illinois (the “*Jessie “Ma” Houston ATC*”). The Using Agency for this facility is the Illinois Department of Corrections.

This letter is a reply to the Illinois Department of Corrections’ official recommendation to your commission for the closure of the *Jessie “Ma” Houston ATC*. The recommendation is dated October 26, 2009 and entitled Proposed *Jessie “Ma” Houston Adult Transition Center Closure* (“IDOC Proposal”).

IDOC Misrepresentation of Facts

The IDOC Proposal contains misrepresentations of significant and material facts regarding the *Jessie “Ma” Houston Adult Transition Center*. Specifically:

- *Jessie “Ma” Houston ATC* does **not**, as asserted in the IDOC Proposal, have any “infrastructure issues”. This property was designed and built in 1999 and is barely 10-years old. It is in good to excellent condition as any inspection will reveal.
- *Jessie “Ma” Houston ATC* was **not**, as asserted in the IDOC Proposal, built on a landfill. Transitional Development Company is in possession of a Phase I

Environmental Report prepared on this property in 1999 by the environmental engineering firm of Eckland Consultants, Inc. which expressly contradicts this assertion.

- *Jessie "Ma" Houston ATC* is **not**, as asserted in the IDOC Proposal, a 130 bed facility. It is a 200 bed facility designed, built and operated as such until IDOC began to use a significant portion of its dormitory living space for storage of beds and furniture.
- The Safety and Sanitation Report attached to the IDOC Proposal as evidence of the negative condition of the facility **is over 2 years old** (dated December 5, 2007). The items listed in the report were generally normal wear and tear items and were promptly repaired and remediated.
- The real estate taxes on the property did **not**, as asserted in the IDOC Proposal, "cost IDOC over \$1.0 million" last year. The real estate taxes have **never been** over \$1.0 million at any time during the initial 10-year term of the lease. In fact, the 2008 real estate taxes were actually \$759,796. Currently pending is a case at the State Property Tax Appeal Board for the 2008 tax year seeking additional property tax relief. The request for the 2008 tax liability before the State Property Tax Appeal Board is \$630,000. If successful a \$278,000 tax refund for the 2008 tax year could be issued. The goal in 2009 is to reduce the total tax liability to approximately \$449,000.

It is disappointing that IDOC has misrepresented these facts.

Economic Impact Analysis Does Not Justify Closure

The IDOC Proposal states that it contracted with the Institute of Rural Affairs at Western Illinois University to conduct a joint economic impact analysis on the regions surrounding Kankakee MSU (women's minimum security facility also recommended for closure) and *Jessie 'Ma' Houston ATC*. According to the IDOC Proposal, the analysis concluded that "[c]losure of the two correctional facilities [Kankakee MSU and *Jessie "Ma" Houston ATC*] will result in losses of economic output activity totaling approximately \$3.4 million, and sixteen full-time jobs and more than \$840,000 in employee compensation and proprietary income associated with entities that conduct business with the two correctional facilities. At the same time, the increase in staff and inmates that will transfer to nearby correctional facilities located within the target region of the analysis will experience some growth in economic activity *not detailed here.*" [emphasis added]

Western Illinois University's report clearly sets forth the negative economic impact that closure and relocation of the *Jessie "Ma" Houston ATC* will have on the surrounding region. However, the report **does not** offer any data to support how the target region will benefit. We submit that evidence supporting a negative

economic impact without a corresponding positive impact is more probative of **not closing or relocating** the facility than closing and/or relocating it.

Mayor Keevan Grimmet of the Village of Dixmoor testified at the December 8, 2009 public hearing in Peotone, Illinois before your Commission that twenty-five percent (25%) of Dixmoor's revenues are derived from the real estate taxes paid by *Jessie "Ma" Houston ATC*. A closing and relocation of this facility would have a devastating effect on the operating revenues of the Village of Dixmoor and a corresponding devastating effect on the Village's ability to provide services to its residents.

Alternatives

Consolidate MSU into Jessie "Ma" Houston ATC

In the event of the closure of the women's Kankakee Minimum Security Unit in Kankakee, Illinois ("MSU"), *Jessie "Ma" Houston ATC* is designed and fitted to accept those female inmates and their programs currently located at MSU. MSU is a 200-bed facility. *Jessie "Ma" Houston ATC* is a 200-bed facility. MSU is dedicated to female inmates. *Jessie "Ma" Houston ATC* was originally a Community Correctional Center for female inmates. While the current *Jessie "Ma" Houston ATC* is currently being operated as an Adult Transition Center for male inmates, in 1999, it was originally designed, built and operated as Transition Center for female inmates.

Conclusion

Jessie "Ma" Houston ATC should not be closed and/or relocated. The evidence submitted by the Illinois Department of Corrections in support of their recommendation is tainted with misrepresentations of material facts. Any reliance on these misrepresentations leads to a fundamentally flawed analysis and conclusion. Additionally, the economic impact analysis conducted by Western Illinois University at the request of the Illinois Department of Corrections is more supportive and probative of **not** closing and relocating *Jessie "Ma" Houston ATC*.

Therefore, on behalf of Transitional Development Company, LLC, I respectfully request that you recommend that the *Jessie "Ma" Houston ATC* **not be closed**.

Sincerest regards,



John H. Bradshaw
Managing Member
Transitional Development Company, LLC

cc: Senator Bill Brady
Senator Michael Frerichs
Senator Matt Murphy
Senator Dave Syverson
Senator Donne Trotter

Representative Patricia Bellock
Representative Kevin McCarthy
Representative Elaine Nekritz
Representative Raymond Poe
Representative Al Riley