

ECONOMIC DEVELOPMENT COMMITTEE
MINUTES
August 2, 2005

The Economic Development Committee of the DeKalb County Board met on Tuesday, August 2, 2005, @ 7:00p.m. in the Administration Building's Conference Room East. Chairman Jeff Metzger called the meeting to order. Members present were Julia Fullerton, Steve Faivre, Steve Slack, Dennis Sands, Jerry Augsburger and Sally DeFauw. Others present were Kim Kubiak, Ray Bockman, Gary Hanson and Doug Dashner.

APPROVAL OF THE MINUTES

Moved by Mr. Slack, seconded by Mr. Faivre, and it was carried unanimously to approve the minutes from July 2005.

APPROVAL OF THE AGENDA

Moved by Mr. Faivre, seconded by Ms. DeFauw, and it was carried unanimously to approve the agenda.

ROUNDTABLE DISCUSSION ON COUNTYWIDE TOURISM

Chairman Metzger said that unfortunately he did not find out until today that the committee has no one else attending the meeting tonight for the tourism issue but the DeKalb Area Conversion and Visitors Bureau (DACVB). There was a new letter submitted by the Sycamore Chamber of Commerce today, said Chairman Metzger. He met with Rose Treml, Executive Director from the Sycamore Chamber today to clear up any confusion over the letter mailed out on 6/21/05 and the one mailed out today. Unfortunately there were some miscommunication problems between themselves and their Executive Committee along with the Executive Director of the Sycamore Chamber. Their letter states that while they support the efforts of the DeKalb Area Convention and Visitors Bureau, they at this time, until the criteria described in their letter is met, do not feel that they can support the County giving financial support to the DACVB for a countywide tourism project. They will not be here this evening to participate in the discussion so they wanted to pass this letter along to us.

He spoke with Mr. Bockman, DeKalb County Administrator, because he and Mr. Hanson, Deputy County Administrator, are the finance experts for the county, because they have not been able to participate in the discussion yet, he thought that it would be appropriate to invite them to the meeting this evening and give their perspective on what we are discussing this evening.

Mr. Bockman said that the County's Code states that it creates the possibility of you funding these activities. It supplies you with an ordinance that you can impose a levy and collect a 5% room tax throughout the county to be used for tourism. The bad news is that it won't apply to any city that has imposed a parallel tax. Both the cities of Sycamore and DeKalb, after speaking to both City Managers, do impose the 5% room tax. Their current collections

equals \$160,000 for the City of Sycamore a year and about the same for the City of DeKalb and they mainly use the money to help support tourism efforts in their communities. Because they are both home ruled communities, unlike us, they do not have to use those monies for only that purpose. If we collect it, it's the only thing that we can use the money for. We couldn't enter into an agreement with the two cities. We could enter into agreements with convention authorities, exposition authorities, etc., all this to promote tourism. In his opinion, it doesn't make much sense for the County to get involved in this, with the exception, that is, if the cities came to the County and asked us to get involved in this. Then they would withdraw their tax and we (the County) would impose the tax countywide. I would then advise you to do it, to start your own bureau and hire a director, and run the countywide bureau yourself. Again, talking to City Managers, they don't seem to be interested in doing this, that is, withdrawing their tax. His opinion is that the County should not do this. He thinks that this activity has plenty of funding and that the County should use the reserves from the General Fund dollars for activities that the County is compelled to provide, that being administration of justice, public health, etc.

Chairman Metzger said originally this evening we wanted to hear from other communities to get their input on this issue, other than DeKalb. Because they are not here, he would not feel comfortable to speak on behalf of those other communities. However, since we are all here this evening, and we are still holding the meeting, he asked if anyone had any questions.

Mr. Faivre asked if we have any idea what the 5% balance for the County would be? Mr. Bockman said that he didn't think very much. He further stated that he was told that there were 294 beds in the City of Sycamore, a slightly smaller amount in the City of DeKalb, none in the rural areas in the County. Mr. Faivre said, that this would need a community effort behind it before the County was involved and he did not feel, at this time, that there was any.

Mr. Augsburger asked how do other smaller communities react to this issue? Ms. Kubiak said that she has 13 seats open for her board and that 8 are filled currently. She sent an invitation to all the communities about these openings and this committee meeting and they were interested in the board seats but she just couldn't get them to come this evening to this meeting.

Mr. Bockman said that there is a food and beverage tax too. He continued by stating that he doesn't know of how the communities are levying the food and beverage tax though.

He further stated that in order to be State qualified the DACVB has to have all communities support it. Ms. Kubiak said that the DACVB was designed to operate independently and as an area wide bureau. However, currently the DeKalb Chamber of Commerce is housing them because they do not have the funds to do that yet. Several committee members said that there were some communities that did not want to join because of the DeKalb Chamber of Commerce's involvement in it.

Ms. DeFauw asked Mr. Hanson if the County has the money for it? Mr. Bockman and Mr. Hanson both agreed that you would if you felt it was a top priority.

Ms. Fullerton asked if this is an issue that we should put off for a while? Chairman Metzger said that we need the Cities of DeKalb and Sycamore to come forward, outside of this committee, to show support.

Mr. Sands said that he feels that Sycamore is confused, about what is needed to get this operation to be self-sufficient. In order to get more money you need a separate agent, and to get a separate agent, you need the money to do so. It is like a Catch 22, he said. He further stated that Winnebago County, when they first started their tourism bureau for the first two years, they went through the cities until they received enough money to branch out and be self-sufficient.

Mr. Sands said that what DeKalb is trying to do is a great job, but that they are saying that they cannot pursue it without more funds, and Sycamore is saying that we are not going to give you funds until you separate yourself from DeKalb Chamber of Commerce - they are going around in a circle. That's why he feels that we are being premature here.

Mr. Bockman said that they already have \$300,000.00 appropriated to them to fund this activity. They collect \$300,000 a year and \$100,000 is appropriated to this activity, either they see something that we don't or they have a different vision in it then we do. Why would we take on something more on our platter and take on tourism when someone has \$200,000 in the well. Mr. Sands said, well you can't tell Sycamore and DeKalb how to spend their money. Mr. Bockman said correct.

Mr. Sands moved to go into Executive Session for the purpose of personnel. The motion failed for the lack of a second. Mr. Sands continued by expressing his concerns that each community, especially the smaller ones, need to build up their tourism. He feels that if we can help our communities that we should.

Mr. Slack said that we need to have a dedicated revenue source, no doubt about it. He visits CVB's all over the place and feels that Kankakee and Lake Counties both do a wonderful job. He doesn't know, however, if they started with cities and branched into the county. It is his understanding that it was a county initiative to begin with. If this proposal, with all respect, came from another place other than DeKalb, it probably would have more life to it. But because it comes from DeKalb, and immediately struck a harsh cord with Sycamore, which was unfortunate, that's what going to happen. The notion of an area wide CVB seems legitimate and logical, he honestly feels, that outside of DeKalb, with all respect to Sycamore, and outside of Sandwich, he doesn't feel that we have the destination to make this work. We surely don't have the hotel space yet either to work. He feels that those two communities, Sandwich and Sycamore, have the most potential as tourist attractions.

We have been talking a lot about agritourism, which we should have, he feels should be an area that the county could be promoting with some kind of dollars. However, he said, it comes back to the designated revenue source, and he feels that the county doesn't have it from the General Fund. The letter from Sycamore, he felt, said that same thing, that Sycamore is not opposed to the concept, they just don't want DeKalb to have the major control over it. He just can't support it until these criteria are met and he feels that once that is done, that the DACVB has a better chance getting it done.

The committee agreed to table this issue for future discussion when there is more information available and when the DACVB has a more organized group to come to the County, then the committee will have a better opportunity to discuss it further.

ADJOURNMENT

Moved by Ms. Fullerton, seconded by Mr. Faivre, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

Jeffery Metzger, Chairman

Mary C. Supple, Secretary