

**ECONOMIC DEVELOPMENT COMMITTEE  
MINUTES  
November 1, 2005**

The Economic Development Committee of the DeKalb County Board met on Tuesday, November 1, 2005, @ 7:00p.m. in the Legislative Center's Freedom Room. Vice-Chairman Steve Slack called the meeting to order. Members present were Julia Fullerton, Jerry Augsburger and Sally DeFauw. Mr. Sands and Mr. Metzger were absent. A quorum was present. Others present were Ray Bockman, Doug Dashner, Jeff Whelan, Roger Hopkins, Margaret Whitwell and Christine Johnson.

**APPROVAL OF THE MINUTES**

Moved by Mr. Augsburger, seconded by Ms. Fullerton, and it was carried unanimously to approve the minutes from August 2005.

**APPROVAL OF THE AGENDA**

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

**PUBLIC COMMENT**

There were no public comments this evening.

**TAX ABATEMENT REQUEST - PROJECT OAK**

Vice-Chairman Slack introduced Mr. Roger Hopkins, Executive Director of the DeKalb County Economic Development Corporation, to explain the Project Oak issue to the committee members. He wanted to point out that in the case of Project Oak the developer would derive no benefit from a tax abatement except that he would get a tenant to fill his building. The plan for the project is approximately 14-acres that would be carved off of the former Catepillar -Barber Green property site and set up for a 200,000 plus square foot building. This would initially employ about 60 people. The company wishes not to indentify itself because they are in the process right now of trying to go through the hierarchy of the company to gain approval for the project. He hopes to be able to reveal who they are by December 2005 or January 2006.

The company right now is trying to decide about consolidating a number of operations from a variety of locations. The wages stipulated in the proposal are wages that would be paid on a straight time basis.

They do expect the company to have considerable overtime. This would equal a wage earning potential in the \$40,000 plus range a year. The company provides their with employees both medical and a health package.

Mr. Hopkins said that the company would agree to sign a 15-year lease. The infrastructure is in place pretty much, although the developer will be financing sewer and sanitary into his facility from Barber Green Road. The company hopes to make a decision by the 10<sup>th</sup> or 12<sup>th</sup> of November, because they would like to be in the facility by July 2006.

He has made a couple of changes to the original spread-sheet that he supplied the committee. The initial sheet said it would be a 16-acre site and now they have advised him that it would be a 14-acre site. The Sycamore School Board, about a week ago, approved the project consistent with their policy, based on the points awarded from about 10 different criteria. It was approved at a category 3-point total which meant that it was eligible for a 75% abatement in year 2 and a 50% abatement in year 3. Sycamore's maximum abatement would be 90% in year 2, 75% in year 3 and 50% in year 4.

This property also lies in the City of DeKalb and they have a boundary agreement with the City of Sycamore. The City of DeKalb will share in the revenue with the City of Sycamore.

Vice Chairman Slack said that the DeKalb City Council approved this abatement with a Letter of Intent. He then asked Mr. Bockman to explain what this means. Mr. Bockman said that they have potentially reserved the right to revisit their decision to make the abatement after they find out who the company is. They do have the right to rescind the later if the company turns out to be something that it's not.

**Moved by Mr. Augsburger, seconded by Ms. DeFauw, and it was carried to forward the motion to accept the Letter of Intent from Project Oak, and to forward this recommendation to the full board for approval.**

Ms. Fullerton asked how many other communities have they been looking at? Mr. Hopkins said that he believes the communities are around the Rockford area and the western suburbs.

Mr. Whelan wanted to know why they weren't looking at Park 88? Mr. Hopkins said that the developer in this case, Century 21, is one of the development partners of Park 88. They proposed a site in Park 88 and apparently it did not have the economic capabilities that the Barber Greene site does.

Mr. Haines said that he was concerned that in some areas of the county it seems like we are looking at ways to impose impact fees on new homeowners and then at the same time we are proposing to abate taxes for new corporations. It's like we are looking at ways to increase revenues at the expenses of the new homeowners and then give tax breaks to new corporations that move into the county. This is at a time when we are looking at raising referendum money to improve the quality of life through the forest preserves and construct a new jail.

Mr. Hopkins said that he doesn't know how you are going to attract more people to move here if there are no places to get jobs. Unemployment in DeKalb County is 1% under the State rate, which is attractive to people. Last year the new businesses that moved here created 300 to 400 new jobs. We are down to 150 jobs this year. C.C.I. brought in forty (40) new jobs and hope to create about fifty (50) more jobs in the next 5 to 6 years. He feels that we are not creating job growth and breadth of companies at the industrial level that we should be.

Mr. Bockman said that when the County abated taxes a couple of years ago one of the things that the County looked at was the existing distribution of real estate values in DeKalb County compared to other places. We found that DeKalb County had a disproportionate percentage of its real estate portfolio of residential values. Those residential homeowners are bearing a disproportionate burden of the total tax liability. From a public policy perspective, despite some people may not understand it, this is America, we don't have borders, people will move here and find it an attractive place to live, which leaves an open invitation for other citizens of the United States to live here with us. What does one do to slow the rapid growth of one portion of the real estate balance, and yet encourage another portion that is unrepresented. This is the best that we can come up with. There is competition for this type of growth with other communities, he said.

Mr. Haines said that industrial growth begets home growth. To give inducements for growth at a time when many residents are concerned about the fast growth. Mr. Bockman said that the growth that everyone is concerned about is residential growth. Mr. Bockman explained that factories do not get built in the middle of nowhere and then people move to it. He further explained that it happens where, first comes the residential development, then comes commercial, then comes industrial growth.

Mr. Slack said that in the south of this State you will find places opening up in a town and then people move into that town to work there. Then the manufacturing plant will close down and go someplace else

leaving people without jobs. We do have both of these types of pressures that we are being marketed by developers that this is a nice place to live, and people believe it. Now we are in this cycle where we can expand our taxbase to take the pressure off the taxpayer's back and give them relief.

Mr. Augsburger said that he wonders if people are moving into our county to live here but may work somewhere else.

Mr. Whelan said that his concern is on the County's roads and infrastructure. Where do we get the money to resurface roads? Mr. Bockman said from these same taxpayers. Our assumption is that our rate is properly set and our ability to capture growth as it arrives is critical to keeping up with that infrastructure. When we were given tax caps by the State's General Assembly and by the voters of this community the relief that was given was as growth occurs we could raise our base and that's a way to meet our infrastructure and service needs as the community grows. Our assumption is that an impact fee is a one-time charge to cover services that are delivered before the first tax payments are made. If you have an ongoing problem then you have a rate problem.

Mr. Slack asked Mr. Hopkins that as the Executive Director of the I-39 Corridor, what happens if a company looks at DeKalb and it's not chosen and then they look at Rochelle and say maybe that may do, at what point is it your responsibility to cut your losses? Mr. Hopkins said that when they organized I-39 Corridor it is a marketing consortium. When companies look at this region they try to make sure that they look at the whole region as an option instead of only focusing on Will County, Wisconsin, whatever. They have been successful and competitive on most of their projects. This year the Economic Development Corporation will spend over \$100,000 for marketing purposes.

Mr. Slack said that because of your position you know what the incentives are for DeKalb and Rochelle. How do you juggle this because you know both sides? How do you serve us as well as serve Rochelle and serve us better. Mr. Hopkins said that they all decided to market cooperatively, which means that we will win more companies to move here by competing regionally more often this way.

Mr. Bockman said that if you get enough prospects into a region the assumption is that we will get more interest than if we just stood on our own. Mr. Slack said then it's the same as McDonald's on one corner and Wendy's on the other. Mr. Bockman said, exactly.

Mr. Haines asked how did we go from looking for research and development projects to warehousing? Why are we giving inducements to warehouses instead of to research and development companies?

Mr. Bockman said that that we need to take a step back and look at the scale of the community. There's not enough warehouses in North America to fill up the space that we have available. Secondly, when you consider that many of these same community analysts have in their minds what the right price is and then they balk at what we pay for the warehouses. I think that they have no concept as to what an asking price should be for a R & D facility that 4000 communities are competing for. Competition is unbelievable for these companies, said Mr. Bockman.

Ms. Fullerton asked Mr. Hopkins what the unemployment rate is currently? Mr. Hopkins said that he thinks it is around 4.7% or 4.8%.

**The motion carried with 4 yes votes by Ms. Slack, Ms. Fullerton, Mr. Augsburger and Ms. DeFauw. The 1 no vote comes from Mr. Haines.**

#### **DISCUSSION OF A FUTURE ECONOMIC DEVELOPMENT WORKSHOP**

Ms. Fullerton said that she talked about it with the committee and that she and Mr. Metzger were supposed to get together and discuss it and they never did. Maybe we want a workshop for only board members and then branch out to the community, she suggested. Vice-Chairman Mr. Slack said that by what we heard this evening from Mr. Hopkins this evening that maybe we may want to give the other board members an opportunity to also ask questions to Mr. Hopkins. He suggested that the committee table the issue for this evening and to bring it back for their next meeting and be willing to discuss the issue then. He would like the committee to discuss the direction that they want to go in the future at next month's meeting, too.

#### **EXEMPT EMPLOYEE EVALUATION - SUPERVISOR OF ASSESSMENTS**

Mr. Bockman stated that this is a housekeeping item at this point in time. The exempt employee evaluation system requires that annually, all exempt employees complete a professional development plan and complete all the elements of their standard work plan. That annual standard work plan completion is a dual determination that he has to sign off on for their oversight committees. You are Ms. Whitwell's oversight committee. His letter certifies to the committee that he finds that Ms. Whitwell did complete her professional plan and had a very good year on completing her standard work plan, too.

Ms. Whitwell explained that her responsibilities with the township assessors as elected officials have a responsibility to get all of their work done in a timely fashion. She did have some problems with a township last year because they did not allow for funds.

They are looking at a minimum of \$75 million in new construction for this year that's assessed value. If you look at that figure times three (3) we are up to a very large number, she continued.

They will have an appraisal program online that will help all the townships, which is a new project her department is working on. They are also looking at trying to put the County's maps online in a more timely manner.

Mr. Bockman said that Ms. Whitwell's department is very critical to all of the county departments. Things are getting better every year.

The committee was in concurrence that Ms. Whitwell completed her plans.

Before adjourning, Vice-Chairman Mr. Slack welcomed Mr. Haines to the committee as a new county board member.

## **ADJOURNMENT**

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

Respectfully submitted,

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Steve Slack, Vice-Chairman

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Mary C. Supple, Secretary