

**ECONOMIC DEVELOPMENT COMMITTEE
MINUTES
August 1, 2006**

The Economic Development Committee of the DeKalb County Board met on Tuesday, August 1, 2006, @ 7:00p.m. in the Legislative Center's Freedom Room. Chairman Julia Fullerton called the meeting to order. Members present were Jerry Augsburger, Sally DeFauw, Steve Slack and Jeff Metzger, Sr. Those absent were Mr. Haines and Mr. Sands. Others present were Roger Hopkins, Frank Bierlotzger and Haley Murray.

APPROVAL OF THE MINUTES

Mr. Metzger made two small changes to the minutes found on page 2 , 1st paragraph, second to last line, "He has spoken with Mrs. Berkes-Hanson." The other change is found in the second paragraph of page two, second sentence, "Maybe we could get more bang for the buck," said Mr. Metzger.

Moved by Mr. Augsburger, seconded by Ms. DeFauw, and it was carried unanimously to approve the amended minutes from July 17, 2006.

APPROVAL OF THE AGENDA

Moved by Mr. Augsburger, seconded by Mr. Metzger, Sr., and it was carried unanimously to approve the agenda.

**DISCUSSION ON ECONOMIC DEVELOPMENT INITIATIVES
SUBMITTED BY DENNIS SANDS**

Chairman Fullerton said that Mr. Sands passed out a one-page initiative for future economic development policies to the committee a couple of months ago. One of the initiatives proposed was a stated preference for local vendors over vendors from outside the county. Chairman Fullerton indicated that there is a resolution on the table this evening, R2006-47, for the committee's consideration. This resolution states that the county will, where all other things are equal with respect to any proposal put out to bid, prefer to accept the bid from the local vendor. The resolution expresses a preference for a local vendor when all other things are equal. According to the State's Attorney's Office, this measure would be in accordance with the current state of the law.

Mr. Augsburger asked if this resolution had to go to the full board for approval this month? Chairman Fullerton said that it could or the committee could wait a month and send it in September.

Chairman Fullerton said that the policy would apply to any purchase over \$10,000, where the county has to go out to bid and all other things are equal. The policy can be used for the purchase of goods or services.

Mr. Augsburger asked if this meant that we couldn't give a preference except that everything is equal, right? Chairman Fullerton agreed.

Mr. Metzger, Sr., asked Ms. Supple, DeKalb County Board Coordinator, if underneath the \$10,000 bid, does the county have anything between \$1 to \$10,000? Ms. Supple, not that I know of.

Mr. Augsburger said that he feels that the resolution was written to move towards the spirit of what Mr. Sands was saying, explaining to the County what we can do legally, and use it as a reference point.

Moved by Mr. Augsburger, seconded by Mr. Metzger, Sr., and it was carried unanimously to forward the recommendation to the full for approval.

UPDATE FROM THE DEKALB COUNTY ECONOMIC DEVELOPMENT CORPORATION – MR. ROGER HOPKINS

3M/Project Oak Resolution:

Mr. Roger Hopkins, Executive Director of the DeKalb County Economic Development Corporation, approached the committee about two separate resolutions dealing with tax abatements.

The first resolution deals with the 3M/Project Oak issue, which began back in November 2005. Once 3M was able to secure the incentives that they wanted, they proceeded to lease the building and occupy it today. What they are assuring us is that they are going to hire 50 new people to their payroll. They will occupy that building for at least 10 years. It will be leased and 3M will pay the property taxes on the building. They are at around 270 employees and expect to hire 20 more people by the end of the year. The salaries range from \$13 an hour to \$17/\$18 a year.

Mr. Augsburger asked that the county had given a conditional approval of this some time ago, right? Mr. Hopkins said yes. Mr. Hopkins said that he has provided a spreadsheet that identifies what the

impact of the incentives is. It's from the company's perspective of what they will save over 5-years.

Moved by Mr. Slack, seconded by Mr. Metzger, Sr., and it was carried unanimously to forward this resolution to the full board for approval.

Panduit Resolution:

Mr. Hopkins said that what Panduit was facing was a choice of a expanding here in the United States to continually supply their global customers out of the DeKalb facility. This would impact whether or not they put further investment back into the manufacturing facility in the State of Illinois.

Mr. Hopkins said that they did have a risk if they opened up other facilities, that is, if they would be shipped on time, or the transportation provided would be reliable. They did also seek and receive a commitment letter asking for a state income tax credit, employer investment training fund and a grant to help them build a water storage tank. This will allow them to have adequate water pressure for their firefighting and insurance underwriting purposes.

Chairman Fullerton asked how long the state income tax credit runs for, is it just for one year? Mr. Hopkins said that it runs for ten years and they will be monitored by the State of Illinois.

How many employees do they currently have? Mr. Hopkins said that they have about 180 employees in DeKalb and several thousand worldwide.

Mr. Hopkins further explained that the total investment here far exceeds the real estate investment - \$30 to \$40 million dollars over the near-term and long-term.

Mr. Hopkins said that the total abatement figure is \$661,312. He further explained that the total revenues that the county as a local taxing body will receive are around \$316,000 for the first five years.

Mr. Slack said that the problem that he has with the petitioners for the abatement is that they never really explain why they need the abatement. Have they ever indicated why they need this?

Mr. Hopkins said that Panduit explained to him that it is the cost of doing business and building a facility here. They indicated that there would be about a \$10 million dollar gap, he further stated. They are trying to close that gap. In other areas like Eastern Europe and China

they can operate their facility with less mechanization and employees with lower wages.

The only jobs that they saw that were at risk were manufacturing jobs outside of DeKalb County, said Mr. Hopkins. They made a strong statement locally that none of the jobs here were at risk at all. They wanted to assure their employees with this statement.

What it gets for us is significant new investment, fancier equipment, and local employees will be paid more for improved skills to operate this equipment.

Mr. Slack said that he believes that the County has made a commitment to pay for the interchange at the Tollway for Panduit already, which is a primary transportation hub for Panduit already. He feels that we are already contributing significantly to the corporation by providing them with much more than they are asking for here. Seems to him that the county has already gone to the taxpayers and said, this is what we are asking to do, to keep Park 88 as a viable operation and to keep the business park there as a viable operation.

Mr. Hopkins said that Panduit currently contributes about \$42,000 a year directly to the county based on assessments and the taxes that they pay at their current facility.

Mr. Metzger, Sr., asked if there is some form of an equation that we can use to be consistent with these abatements? These are both good companies. Is there some way for the county to be consistent to award abatements?

Mr. Hopkins said that in the case of this decision, your competition is somewhere else in the world. With 3M we would be competing with a community in the U.S. or another community within our region.

Chairman Fullerton said that the county board has discussed the idea of criteria before, but we made a decision that we did not to adopt specific criteria because we did not want to be boxed in. We wanted to be able to consider each individual project by itself by its own merits.

The committee asked Mr. Hopkins if Panduit could negotiate any lower than this? Mr. Hopkins said that he has been told that this would be a firm amount because they have already negotiated down to this figure.

Mr. Metzger, Sr., asked Mr. Hopkins if Panduit has been offered any incentives? Mr. Hopkins said that when they bought their property

they bought it right on the heels of the Nestle's purchase. They were able to take advantage of a lot of the infrastructure improvements on behalf of Nestle's, including the commitment to build the full interchange at the Tollway. But Panduit made it very clear that they did not need the other half of the interchange as part of their business because all of their plants were in Will and Cook County. Panduit has not previously received any incentives from the county.

Moved by Mr. Augsburger, seconded by Mr. Metzger, Sr., and it was carried to forward this recommendation to the full board for consideration. Those voting yes were Ms. Fullerton, Mr. Metzger, Sr., and Mr. Augsburger. Those voting no were Ms. DeFauw and Mr. Slack. Motion passed.

Mr. Hopkins then passed out a one-page document (see sheet attached) regarding the Metro Economic Growth Alliance of Chicago. He said that his office is going to participate in this group. DeKalb County is not part of some of the State's planning efforts for the Chicago metro area. We are part of the Chicago metro area regarding the Federal Government.

One of the issues that they have been concerned about is that there has been no proactive marketing of the Chicago metro area in recent times. The State of Illinois has developed marketing plans for every part of Illinois except the Chicago region. The one excuse that they have been given is that the Governor wants some sort of Capital Plan showing a plan for the Chicago region. Mr. Hopkins feeling is to create some momentum so that they become a point of entry and facilitator for investment in the region.

DeKalb County along with Grundy, Kane, Kankakee, Will, DuPage, Lake, and Cook Counties will actively market it as we think it should be. This replaces the golden corridor, the I-90 corridor, and the I-88 corridor too.

ADJOURNMENT

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

Respectfully submitted,

Chairman Julia Fullerton

Mary C. Supple, Secretary

G:Economic Development Committee Minutes 080106.doc