

**ECONOMIC DEVELOPMENT COMMITTEE
MINUTES
December 5, 2006**

The Economic Development Committee of the DeKalb County Board met on Tuesday, December 5, 2006, @ 7:00p.m. in the Legislative Center's Freedom Room. Chairman Eileen Dubin called the meeting to order. Members present were Ken Andersen, Julia Fauci, Jeff Metzger, Sr., Mike Stuckert, Pat Vary and Steve Walt. Others present were Roger Hopkins, Paul Rasmussen and Steve Milner.

APPROVAL OF THE MINUTES

Moved by Mr. Metzger, Sr., seconded by Mr. Stuckert, and it was carried unanimously to approve the minutes from November 2006.

APPROVAL OF THE AGENDA

Chairman Dubin said that she would like to amend the agenda to reflect a Property Tax Abatement proposal and she would like to combine items 5 and 6.

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

PROPERTY TAX ABATEMENT PROPOSAL -

Chairman Dubin turned the meeting over to Mr. Roger Hopkins, Director of the DeKalb County Economic Development Corporation. Mr. Hopkins said that he was here this evening to present a property tax abatement proposal for Project Nine (see sheet attached). He gave a summary of the history of property tax abatement proposals in the County, which began in 1999 and explained Park 88 to the committee.

He said that we did do incentive packages for 3M, Target, and Panduit and now this request is the fourth (4th) project under the City of DeKalb's Property Tax Abatement Proposals.

He, therefore, is bringing the project forth to the County for the abatement request. The City of DeKalb has Intergovernmental Agreements on property tax abatements with other local taxing bodies to participate in it, too.

Chairman Dubin asked Mr. Hopkins if all proposals from Park 88 are warehousing? Mr. Hopkins said yes.

Mr. Rasmussen from the City of DeKalb said that there are criteria that need to be met by these companies in order to get the abatement, which is 90, 80, 70, 60, 50 split over 5 years for warehousing. One of the criticisms that they have received is that there is a major university here in DeKalb to attract knowledge based companies. So there is an additional track on this intergovernmental agreement that says if you bring in a knowledge-based company (electronics firm, computer firm, etc.) and you have the criteria for the building size and employment threshold, you will get a 90, 90, 80, 70, 60 split. They are trying to create an additional incentive for those knowledge-based companies.

Chairman Dubin said that this proposal was discussed in the City Council and there was concern over the salary level, is this correct? Mr. Rasmussen said that Alderman Kapitan raised a question about the \$14.00 on the average. Mr. Rasmussen said that the average hourly rate is \$14.00 and nothing lower than \$12.00 an hour.

Ms. Fauci asked if the criteria covers health insurance? Mr. Rasmussen said that is part of the criteria.

Ms. Fauci said that she feels that it is unfair to discuss this issue this evening since the committee only received the materials today. Could we table this and discuss it next month?

Mr. Bockman, County Administrator, said that the County's position does support the community with these abatements, not the companies. It probably won't have an affect on the project criteria but it will have an effect on our relationship with the community.

Ms. Fauci asked, this is warehousing, who are they?

Mr. Milner, said that the company will be warehousing and is a well known company. He further stated that this company is a Fortune 100 company. This company may help out those 5,000 people who are unemployed in DeKalb County with those \$14.00 an hour jobs.

Ms. Vary said that she has a couple of problems with these tax abatements: 1.) that we give tax abatements with taxpayer's money to huge corporations, and 2.) she wants to know who the companies are and if they will treat the employees well.

Mr. Milner said that we are competing with many other cities and states for these projects. He also said that this is a Fortune 100 company that any community would like to have in their town.

Mr. Rasmussen stated, for example with the Target tax abatement proposal - the 140 acres purchased for the project was a cornfield that was paying \$1500 a year in property taxes. With the 90% abatement in the very first year the taxes that went to the school district were around \$65,000. By year six, they will pay \$750,000 on that same acreage. But if the property would have been left as a cornfield, it would have generated \$1500. You are talking about a tremendous amount of tax increase, said Mr. Rasmussen.

Ms. Vary said why do we need to start an abatement at 90% why not 70%, 60%, 50%?

Mr. Rasmussen said that they had put a lot of work and energy into the Lowe's development agreement so that when Target came in - the project was able to move very quickly because of that work. That was an important lesson to be learned, if they can cut the time down, it is a huge incentive to companies.

Mr. Milner said, that it can result in the company choosing to move to a new building or leasing vacant space in the areas. He further stated that this deal has got to be delivered to the company by this August. If they don't move by this August they will be in trouble because they have to get out of other leases. Their landlord could make them stop distribution. This is the reason that we can't release the name.

Mr. Bockman said that there is a cure for that, in the case of 3M, we adopted a Resolution of Intent. This stated that we did not know who the company was, but when we did find out who they were, and we approved of them, then the County would adopt the tax abatement.

Mr. Metzger said that he would like to have a question and answer type material drawn up for this committee, because these questions that are being asked tonight are the very same questions that are asked over and over again. It would help this committee to have that information.

Mr. Andersen stated that he was in favor of this tax abatement because it helps to create jobs and economic vitality for the community. We know that it is a good company since it's a Fortune 100 company. He sees it as a win-win.

Mr. Bockman said that he does recommend this proposal to the committee.

After further discussion, Ms. Vary moved to send the proposal to the full board with a neutral recommendation, and it was seconded by Ms. Fauci. Discussion followed.

Chairman Dubin said that what we are doing is sending it to the full board without any recommendation for the full board to make a decision.

Ms. Vary changed her motion to send it to the full board with no recommendation.

Mr. Bockman explained to the committee that what the committee turned down last time was an offer to participate with the other taxing bodies on a specific agreement. That agreement had an approval mechanism that people didn't favor here because of the timeline. At the time that we did turn that down we said to bring the project to us and we will decide on them on an individual basis. He recommended that one of the criteria that we should look at with any community, is if the other taxing bodies in the community are participating? In this case they are.

Ms. Fauci asked, even Kishwaukee College? Mr. Bockman said yes, they had participated in all of them, 90, 70, split for two years. Ms. Vary said that is what she was trying say, could we do this?

Mr. Bockman said that you could take a position as a County rather than support the individual community, you are going to adopt a policy, for example, Kishwaukee College, and that if the taxing bodies in any town in the County that agrees to a tax abatement, the County would agree to it too, but at your rates, not the community's.

Ms. Vary withdrew her motion.

Moved by Mr. Andersen, to accept the proposed property tax abatement so that it aligns with the rest of the taxing bodies and to forward it to the full board with a positive recommendation. Failed due to lack of a second.

Moved by Ms. Fauci, seconded by Mr. Walt, to recommend a 90/70 split over two years with a clawback, and with the assurance that Project Nine will deliver on the jobs they promise to fill, that the salary rates are accurate, and that there are insurance benefits, and it was carried unanimously to forward this motion to the full board for approval.

Mr. Metzger said that this committee should look at the standardization on this issue and to draw up some sort of long-range plan for the committee to refer to.

DUTIES AND GOALS OF THE COMMITTEE AND PAST YEAR'S

ACTIONS AND RESPONSIBILITIES

Chairman Dubin asked Mr. Metzger, who was on the committee last year, what their goals, actions and responsibilities were?

Mr. Metzger said that the committee looked at broadband issues. They were beginning to look at ethanol businesses, agri-businesses, starting up vineyards, and high tech companies.

Ms. Fauci said that she would like to look at the medical district that is beginning to build up in DeKalb.

The committee also talked about the transportation needs of the county, like a good bus system. Ms. Vary suggested that we should look at a shuttle service going from DeKalb to Elburn for the use of the new train station. They also spoke about new technologies like nano-technology that they might want to take a look at.

SETTING A MEETING DATE AND TIME

The committee agreed to meet on the second (2nd) Wednesday of every month @ 7:00p.m., therefore, their next meeting will be January 10, 2006 @ 7:00p.m. in the Legislative Center's Freedom Room.

ADJOURNMENT

Moved by Mr. Metzger, Sr., seconded by Ms. Fauci, and it was carried unanimously to adjourn the meeting

Respectfully submitted,

Chairman Eileen Dubin

Mary C. Supple, Secretary