

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

The Economic Development Committee of the DeKalb County Board met on Monday, September 5, 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, Jeff Metzger, Sr., Mr. Haines and Mr. Sands. Others present were Ray Bockman, Margaret Whitwell, Joan Berkes-Hanson, Chris Arms, Peter Collins, City of Geneva, Illinois' Information Technologies Manager, David Siles, Kane County's Chief Technical Officer and Roger Fahnestock, Kane County's Chief Information Officer.

APPROVAL OF THE MINUTES

Moved by Mr. Metzger, Sr., seconded by Mr. Augsburger, and it was carried unanimously to approve the amended minutes from August 1, 2006.

APPROVAL OF THE AGENDA

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

BROADBAND EFFORTS DISCUSSION WITH KANE COUNTY

Chairman Fullerton introduced the guests from Kane County who Mr. Metzger invited to discuss broadband efforts that are taking place in Kane County. They were Peter Collins, City of Geneva, Illinois' Information Technologies Manager, David Siles, Kane County's Chief Technical Officer and Roger Fahnestock, Kane County's Chief Information Officer.

Mr. Fahnestock explained what their experiences have been with broadband. He said that the question has always been with their county board is that technology is always a good tool to attract business, finance institutions and educational offices. The one question that your county is asking is how do you use what you have or what you have invested in to leverage regional development? How do you attract business here? They have in close proximity large business ventures like Randall Road, the DuPage Technical Park, which has a lot of fiber optic infrastructure.

Another area of interest is quality of life aspect, said Mr. Fahnestock. It kind of goes into what Mr. Metzger mentioned about getting services to your citizens, like broadband internet services, services to small businesses, and the business incentives that are out there, like price point, which is "you pay to play." Those are some of the big considerations about how you attract the right businesses, education, and services for your community. What is your IT Department going to do about this? A lot of it comes back to what is being demanded vs. being

able to forecast, “what’s being produced by the commercial carriers?” There was a survey that went out to the communities of St. Charles, Geneva and Batavia, which showed that they were being underserved by all of the carriers that were available to them, he further stated. The 3 communities realized that there were not a lot of alternatives for broadband. They also realized that there needed to be more competition for broadband and provide better services.

Mr. Fahnestock continued by stating that they also asked, what are the communities demanding and how much of our resources do we want to apply to that problem? Kane County does not own the fiber between their buildings. They lease it through the City of Geneva, who leases it from the City of St. Charles. Why doesn’t the county own it? Well, because the cities already owned the fiber and they were constructing it at that time. Mr. Fahnestock said that Kane County decided that they would go play with whoever gave them the best deal. They knew what their needs and requirements were. If they had to own it, that’s great. If they had to lease it and use it, that’s great, too. They also said that if they have to shoot it through the air, that is wireless, then they would do that. They don’t always look at one particular area as always being the correct answer for them. That’s the same with a lot of the businesses. They all know that they want connectivity and that different businesses have different demands.

One of the things that has been beneficial to them has been the NIU Outreach Services. They are helping Kane County now with a study regarding what is being discussed tonight, that is, community development, economic impact, which individuals would benefit from fiber optic backbone structure, said Mr. Fahnestock. What are the service bureaus? What are the costs and revenues from this solution? What is the impact that this service would have on the quality of life issues in these communities? These are some of the questions that they asked themselves when they started the process.

They started the study a year and a half ago regarding the fiber optic and now they are just beginning the impact study and gathering all of the information to back it up. What is this all going to cost Kane County? Mr. Fahnestock explained, that some are intangible things for your community, like electronic classrooms across the entire school district system or multiple school districts, as an example. Mr. Fahnestock said that as of next week some 40,000 students will have access to the Internet. They are dealing with local government, educational offices, health organizations, public safety and first responders, judiciary and circuit clerk are the first service providers that they have dealt with on this project. The private sector is a whole other issue. The county has steered away from this issue because of competition. They are strictly interested in developing services for government, public safety, education, and traditional government roles. To get into competition with one of the major carriers is probably not in Kane County’s interests. The municipalities have different interests in it, but that is not a role for them. The study that they are conducting right now with NIU will touch DeKalb County in some way.

Mr. Metzger, Sr., asked Mr. Fahnestock when will Kane County finalize their

agreement with NIU? Mr. Fahnestock said that actually it is going through the Full County Board. His administration committee has already approved it. They collected the monies to fund it from the Regional Office of Education, the Health Department, the Circuit Clerk's Office and NIU. The project itself involves phase 4 and 5 with NIU and connecting with them and the NIU net. They have contracted with NIU currently. The cost of doing a study like this will amount to a total amount of \$35,000, of which, \$10,000 will be kicked in by NIU, who proposed the idea to Kane County.

Mr. Bockman asked if part of the study is to help identify the existing infrastructure? Mr. Fahnestock said that no, actually, they know the existing infrastructure through the municipalities. They have approached Comcast and AT&T about a partnership with providing a service of one-gigabit service that would amount to thousands of dollars a month per connection. The cost for construction of the north/south fiber is estimated to amount to \$1.5 million dollars, said Mr. Fahnestock.

Mr. David Siles, Kane County's Chief Technical Officer, said that they look at it as a strategic infrastructure investment. As you go north and south on the map it shows that we would pick up the municipalities, health organizations, schools, fire district buildings, and government buildings. NIU will be running fiber optic west on Route 38 to the City of DeKalb. NIU will eventually be able to hook up Kane County then, once this has been done. Route 47 is the next development area for Kane County. It is developing fast and a lot of families are moving out there.

Mr. Bockman asked how the County will retire the cost of this? Mr. Fahnestock said that this is part of the study - how much will it cost? They are also looking at revenue sources. One of the areas for grants that they will be looking at is bio-terrorism, public safety, and homeland security funding.

Mr. Haines asked if there is anything in the study that addresses the anticipated or real economic development?

Mr. Fahnestock said that their interests in doing this for the service bureaus, does not tie into commercial development - it is another issue. He has worked with several different people to build a tech park and drive things home with technology. There is an instant gratification thing where a community will build a tech park and everyone will want to locate their business there. The reality is that it is very competitive and their investment would eventually payoff, but that it will not happen over night, said Mr. Fahnestock. He continued by stating that the tech park was another project that was funded through a federal appropriation, whereby the principals spent \$35 million dollars to develop that site. How long will it take to recover that amount? How many tenants have moved in? One so far, that he knows of. You need the client before you build it if you want SBC and AT&T to come out because they will not come out and build fiber optic without tenants - they want delivered services.

Mr. Bockman said that it would be different if you are the only ones in the U.S. that have this level of service. However, even after you are done investing in it,

then you are competing with San Diego, Big Sur, Boulder, Colorado, cities that are more attractive than your own.

Mr. Fahnestock said that the cheapest and easiest way to hook up with fiber optic that is running to Chicago. They have spoken with IDOT and the Tollway about sharing costs along I-90, I-39 and I-88 to create rings around Kane County, the western suburbs and towns west of Rte. 47.

Mr. Fahnestock said that when he started with Kane County four years ago, one of the biggest problems he identified was Internet service. The county had a T1 line that was being used through the Regional Office of Education, it wasn't even owned by the county. It was one of the first thing that they identified as a service area that needed enhancement. They looked at all of their options and spoke with Comcast, AT&T/SBC to see what their charges were. They were looking at a 45meg connection that would equal \$6,000 a month. They were talking with the Illinois State Sentry Network (ISSNetwork), who the Regional Office Of Education was hooked up to and approached them to see what they had. They would start out the county government at 768K of bandwidth, which is fractional T1 speed. Mr. Fahnestock said that his department then asked "if Kane did it differently and aggregated the requirements of the schools, and if Kane County reached you at your network instead of you coming to us, what would that cost?" We could contract someone to run the fiber optic connection into the ISSNetwork and have a point-to-point contact. They found Comcast would contract them for a point-to-point fiber optic connection for about \$2700 a month. That point to point connection would be serviced by the ISSC Network and in exchange for providing the fiber optic backbone to get to the network, the schools would aggregate their bandwidth and put it on that fiber. The county's requirements for bandwidth went from 768K to 100meg. We get bandwidth and the schools get Internet, that's the tradeoff, continued Mr. Fahnestock.

Mr. Haines asked if the system that you are describing right now is primarily a public service system? Mr. Fahnestock said yes, public funded and grant funded. They did first approach AT&T and Comcast for a public/private partnership and they have not really shown any interest in talking to the County on it. Delnor and Mercy Hospital are very interested in talking to Kane County when they get to that point. Mr. Fahnestock further stated that private partnership has not been the driving point that Kane County has chosen.

Chairman Fullerton and the committee thanked Mr. Fahnestock, Mr. Stiles and Mr. Collins for their very informative presentation.

DISCUSSION ON THE PROPOSAL TO EVALUATE EXISTING COMMUNICATION NETWORKS IN THE COUNTY

Chairman Fullerton opened up the meeting to discussion on what the committee just heard from the Kane County representatives and compared their comments to the proposal from NIU on broadband.

Mr. Haines said that he was less inclined to do anything yet on this proposal. He feels that we are moving way too fast too soon. He feels that this is not this committee's issue since it is not an economic issue according to Kane County and how he interpreted what they said.

Chairman Fullerton said that it seemed to her when Kane County was talking about economic development they were talking about a market participant, something we will never be. We are looking at the by products that would come out of it.

Mr. Haines said that he is one of the critics on economic development in DeKalb County on warehousing. One of the things that have been discussed in this committee is that maybe if we had better infrastructure for high tech then we could be that research and development corridor instead of the warehouse corridor. What Kane County is saying is that this won't do it and they are in a far denser setting than us.

Mr. Sands said that he found interesting that SBC and AT&T would not get involved in the project. To him that sent a red flag up right away. He feels that if it is such a good idea, why wouldn't they go out and do it?

Mr. Haines said that they do it after the people do it because they don't want to speculate. He also said that he just doesn't feel that the tech interest isn't there yet.

Mr. Slack said that he was discouraged about the fact that the DuPage Tech Park is developing so slowly.

Mr. Bockman said that he has never seen this as an economic development issue. When you find the business that needs that 100megabyte connection you still have to convince them to choose you over any other place in the world. You are competing with Austin, Texas, San Diego, California, Big Sur, California, and Boulder, Colorado. You still have to ask yourself why are they picking Sycamore, Illinois? That's who we would be competing with.

Ms. Joan Berkes-Hanson, said that we have built a robust infrastructure that meets our demands. It is what we need. We are at a T1 connection and share information with the world on the Internet. They have found that there is an increasing number of employees who need more access to their files from home.

After further discussion, it was Moved by Mr. Haines, seconded by Mr. Augsburger, and it was carried unanimously to not approve the proposal for broadband.

EXEMPT EMPLOYEE EVALUATION – SUPERVISOR OF ASSESSMENTS

The committee then discussed the evaluation of Ms. Margaret Whitwell, Supervisor of Assessments.

Mr. Haines said that he was very impressed with her annual report.

Mr. Bockman said that Ms. Whitwell had completed the Standard Work Plan and the Professional Development Plan.

Mr. Sands asked Mr. Bockman to review the salary increases again for him. Mr. Bockman said that the exempt employees are entitled to a career step. The Executive Committee will determine the amount in November.

Mr. Sands said that it also states that in addition to this step they are eligible for a second raise? This would be for an exceptional employee? Mr. Bockman said yes, that's correct.

Chairman Fullerton said, so it would be COLA, and Merit plus Extra? Mr. Bockman said yes.

Moved by Mr. Haines, seconded by Mr. Metzger, and it was carried unanimously to concur with Chairman Tobias' recommendation for Ms. Whitwell to receive one Career Step and to forward this recommendation to the Executive Committee for consideration.

Before adjourning, Chairman Fullerton notified the committee about a meeting that Judy Barr Topinka is holding and if anyone is interested in attending it to contact the county board office.

ADJOURNMENT

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

Respectfully submitted,

Chairman Julia Fullerton

Mary C. Supple, Secretary

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