

**ECONOMIC DEVELOPMENT COMMITTEE
MINUTES
April 11, 2007**

The Economic Development Committee of the DeKalb County Board met on Wednesday, April 11, 2007, @ 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., Pat Vary and Steve Walt. Mr. Stuckert was absent. Others present were Doug Dashner, Roger Hopkins, and Paul Rasmussen.

APPROVAL OF THE MINUTES

Moved by Ms. Fauci, seconded by Mr. Walt, and it was carried unanimously to approve the amended minutes from March 2007.

APPROVAL OF THE AGENDA

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

REVIEW OF QUESTIONS SUGGESTED FOR COMPANIES REQUESTING TAX ABATEMENTS FOR LOCATING, EXPANDING, ETC., IN DEKALB COUNTY.

Chairman Dubin said that last month the committee took the review questions and made changes to them. She is wondering if there are any suggestions that the committee may have?

Chairman Dubin said that she would like to change item #14 by adding "If not do they have a prevailing wage statement in job recruitment?"

Ms. Vary said that she feels that the committee should be looking at defining principles like, we really want to attract the retail and knowledge-based industries; we want incentives to be in line with attractiveness and business; we want environmentally friendly industries/retail; and we desire industries to add substantially to tax contributions, jobs and quality of life for County citizens.

She also proposed three different ranks for the abatements. They are: 90/80/70/60/50 for highly desired industry/retail companies; 90-90-80-70-60 for highly desired knowledge-based industry; 90-70-50 for medium scoring industries; and 0 for low scoring industries, (see her suggestions attached to these minutes).

Under County's contribution on Ms. Vary's sheet of suggestions, the committee added job training to the list.

Mr. Andersen suggested that under Quality of Life, he said that lower taxes would help with the quality of life in the County because people will have

more money to spend, with more money to spend they will help contribute to the economic vitality of the County.

On the second page Ms. Vary grouped all of the questions into various categories, for example, Company Description, Jobs, Contribution of the Company to the County and Impact to the County. And the third page includes questions that we would be asking Mr. Roger Hopkins.

Chairman Dubin asked Mr. Hopkins if when a company comes into the county do they fill out some sort of forms?

Mr. Hopkins said that they will fill out what they are looking for, questions about labor force, etc.

Mr. Metzger, Sr., asked, how successful has our program been? He would like to know this. So far, we have no measurement now. Can we also look at the last three years, when the tax abatement policy was adopted and the three years after it?

Chairman Dubin suggested that we should also ask, how did we lose the company?

Mr. Walt said that he would check Grundy County's Tax Abatement Agreement paperwork since he is the one that handed out the materials and he could check with his source.

Chairman Dubin then suggested that maybe the committee needed to start a sub-committee to review all of the materials that the committee has so far on the tax abatement issue.

Mr. Walt said that his concern is that we, the County, gave an incentive to 3M Company when they already decided to come here, it was a housewarming gift. He said that in the Grundy County Tax Abatement Agreement it states that if a company is going to pay "X" amount of money, in this agreement it states that they need to prove it on a yearly basis or you lose it. Why can't we do that?

Ms. Vary said that we do, it's called the clawback.

Mr. Metzger said that we need to find a comfort zone on this issue because we have been all over the place on this item. We need to gather as much information as we can to make an informed decision and say we either do the abatement, not do it, or maybe do more. We all need to be comfortable with the tax abatement agreement.

It was agreed that the committee would check Ms. Vary's list of suggestions and cross check it with the tax abatement draft questions and answers list. They feel that they also need to write a mission statement. They want to group the questions and they want to add some type of verification. Mr.

Metzger, Sr. and Chairman Dubin will work on the list and comeback with a final document for next month.

Ms. Fauci asked if the committee should add a rating of the businesses, do we wish to add that in? Mr. Metzger said that if we go that way we need to be very specific on how we rate.

TAX FOR INDUSTRIAL PROJECTS WITHIN CITY OF DEKALB

Mr. Herb Rubin said that he was here tonight to speak about the history of tax abatements in the City of DeKalb. He said that he chairs the economic development committee for the City of DeKalb.

He said that the list that he is hearing about tonight is good to get to the next stage of attracting businesses. The community needs to incubate small businesses, get the knowledge-based businesses. We need to help them get started.

Chairman Dubin said that we need incentive money to help develop these small companies that provide good jobs for students.

Mr. Rubin said that the County needs to be consistent all the way across with the 2-tier system consisting of warehousing and knowledge-based companies.

Mr. Metzger, Sr. asked how do we manage the 2-tier system?

Mr. Rasmussen said there are various foundations that will give money to entrepreneurial businesses, like the Kauffman Foundation.

Mr. Rubin said to think of the tax abatement agreements as a investment to get these businesses to move here.

Mr. Metzger asked Mr. Rubin if he had ever had a situation where you threw out the incentives and a company came back and asked for more? How do you handle that?

Mr. Rubin said yes, it is tricky because now you have entered into a bargaining arena.

Chairman Dubin asked what do you do if you have three different sites that the company is looking at?

Mr. Rubin said that you would need someone like Mr. Hopkins who would know of two or three comparable sites to show them.

Mr. Rasmussen said that there are other incentives that would attract these new businesses, which would be a Hyatt-type hotel/with, a ballroom. He also said that the number of incentives that have been laid out for different

kind of things may or may not involve the County, but they will trigger if the right “fish” comes along, with the right lure.

Mr. Hopkins said to remember that when you are reviewing the Grundy County Tax Abatement Agreement that you may have different objectives than their county. Do you want to attract high quality jobs, etc.?

The committee thanked everyone present for sharing their expertise with the committee this evening.

Before adjourning the committee agreed to discuss the review of Resolution #R2007-52 at their next meeting.

ADJOURNMENT

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

Respectfully submitted,

Chairman Eileen Dubin

ED:mcs

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