

**ECONOMIC DEVELOPMENT COMMITTEE
MINUTES
February 14, 2007**

The Economic Development Committee of the DeKalb County Board met on Wednesday, February 14, 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., Mike Stuckert, Pat Vary and Steve Walt. Others present were Doug Dashner, Roger Hopkins, Paul Rasmussen and John Hulseberg.

APPROVAL OF THE MINUTES

Moved by Mr. Andersen, seconded by Ms. Vary, and it was carried unanimously to approve the amended minutes from January 10, 2007.

APPROVAL OF THE AGENDA

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

COMMENTS FROM THE CHAIR

Chairman Dubin said that she recently met with Ms. Michelle Michaels of the Illinois Department of Commerce and Economic Development. Chairman Dubin said that she invited Ms. Michaels to attend our next committee meeting.

Chairman Dubin then notified the committee about grants from the State that Ms. Michaels mentioned to her. There are two currently funded ones: a.) the first one is the Economic Development for a Growing Economy (EDGE), which would be for large corporations that create at least 25 new jobs and b.) Employer Training Investment Program (ETIP). Neither includes retail or non-for-profit organizations.

She said that when she reviewed the Illinois Report Card, the State received an A for business, B for Development Capacity and a D for a category that measures the performance of the economy for citizens. The performance score is based on employment, earnings and job qualities, equity of income distribution, quality of life, and resource efficiency, etc. The interesting fact is that over the last 3 years, Illinois has only added nearly 158,000 jobs, which is the best in the Midwest. Our unemployment rate statewide is 4.1% and in DeKalb it's about 3%. In some ways we are doing quite well, she further stated.

Chairman Dubin also mentioned that she and Mr. Andersen went to the University of Illinois Extension Workshop on leadership. She and Ken felt it was worth the time to attend. The topic was Economic Development in Illinois.

TAX ABATEMENT ISSUES

Abatement Request from the City of DeKalb

Chairman Dubin said that when Mr. Hopkins came in December to discuss Project 9 she and most of the committee was unaware of the Intergovernmental Agreement for Tax Abatements with the City of DeKalb.

Project 9, (which we know now know is 3M) is being brought back to discuss it further and vote on it.

Mr. Walt said that if you read the original resolution from 2003 it would seem it really is of no concern to us as a committee. It gives the Chairman of the Board the authority to forward the request to the full board for approval.

Chairman Dubin said that she felt that most of the work is done at the committee level on any issue, and then it is sent to the whole Board for a vote. She felt that it should come back to this committee for a vote. Therefore, this item was brought back to this committee and opened for further discussion.

Mr. Walt said in 2003 it says that they are participating in the tax abatement and that's it, we don't have to do anything, it's cut and dry.

Chairman Dubin said that's right, but we didn't know that.

Ms. Fauci said that since that resolution has passed there have been abatements approved. They were forwarded from the committee level to the full County Board and they were voted on. She feels what is happening here is that the County Board Chairman is the figurehead of all of us.

Mr. Walt said, so I am misreading it?

Mr. Andersen said that he feels that we still have to make a recommendation from this committee. Ms. Fauci agreed with Mr. Andersen.

Ms. Vary said that we need to dot the "i's" and "cross the t's" and then move on.

Ms. Vary said that back in 2003 the issue was controversial and that the vote was 14 to 20 originally on the agreement and the motion passed. She voted no on the resolution.

Chairman Dubin said that the work is done at the committee level and this is coming back for discussion. At a later date we will come back to this issue and have a full discussion about what we want done for the County with regards to the tax abatements.

Moved by Ms. Vary, seconded by Mr. Andersen, and it was carried unanimously to approve the tax abatement as stated in the resolution and approved by the City of DeKalb for the 3M project and to forward this recommendation to the full board for approval.

The committee agreed that they will revisit this issue and resolution #R2003-52, the original agreement, in the near future.

List of Standard Questions Submitted to Committee

Chairman Dubin stated that from previous discussion the committee would like to see a basic list of questions on the tax abatement that will be used

in all cases that come before this committee. She continued by saying that the committee will not finalize this evening, but it's a starting point. With Mr. Hopkins response back to some of our previous questions, we have more information to work with.

Chairman Dubin said that we will be looking at previous agreements and other documentation we have gathered in developing the relevant questions. She has some information from Grundy County that was provided by Mr. Walt.

Ms. Vary said that she passed out information last month and she mentioned the URL for the members to review. The URL is: www.iedconline.org.

Mr. Andersen asked, if the committee is to critique every towns tax abatement agreements and adopt that policy for the County or are we setting a policy for the County as a whole?

Chairman Dubin said that it is her understanding that we would develop its own policy. The only reason to look at these other abatements is to get ideas about what other parts of the County or what other counties, besides Dekalb have done, so that we come back with well thought out idea and as much flexibility as possible in the resolution that we pass.

Mr. Andersen felt with that being the case, if a unit of local government thinks that it's in their best interest with the policies that they have, we as the County, are not competing against the other municipalities. We should be working with them. If that is their incentive or abatement program to bring jobs and economic development to the County, he feels as a County we should just go along with it. It seems that as a County we are here to support our municipalities, like we do with planning and zoning and stormwater retention.

Mr. Walt said that Kishwaukee College has one, the City of Sycamore does, etc.

Mr. Walt said well, that was adopted twenty years ago.

The committee said no, why can't we adopt our own policy.

Chairman Dubin said that we want to work closely with all cities and towns in the county. When they bring tax abatements to this committee we want to know that it is appropriate to bring them here and that we feel these are the kinds of jobs and industries we want for our community. We also want flexibility, she said. I'm not sure that we want something so written in stone that we can't have the flexibility needed to attract a variety of businesses.

Mr. Andersen, said that they will add to that in their abatement. Then the cities will have that opportunity to negotiate it with the corporations. Isn't that right?

Mr. Rasmussen said that working with the various taxing bodies, units of government, and agencies. We look at what their needs are and worked out a

set of criteria. What is needed in Rockford is job creation and what is needed in DeKalb is tax increases. Everyone approved the criteria. The way that we are trying to set this up is the same way that Kishwaukee College is. There will be a central clearing house in Rochelle with their economic developer. Do the same thing that he does, contacting municipalities that the “XYZ” company wants to move in and do you support this or not? If the majority of the taxing bodies say that they do not want to support it, then they don’t provide the incentive.

Ms. Fauci said, then you are the lead agency?

Mr. Rasmussen said yes, we are.

Ms. Fauci said, why don’t they tell us who they are, who the company is?

Mr. Rasmussen said because someone could tell someone, who tells someone, etc., etc., and then everyone will come forward and say come to us. This will drive the company interested in moving to our community crazy.

Mr. Andersen said well there has to be some trust. We need to trust our Economic Development Corporation and the City of DeKalb , City of Sycamore, etc.

Ms. Vary said that there is something else to think about is, did we aggregate all of our responsibilities to our constituents to make decisionswe are not the Economic Development Corporation – we are the County Board and we have a different set of constituents that are looking at it in a different way. In the mix of everything that’s going on, we can either rubber-stamp whatever comes in here or we can at least make sure that we have set criteria that is what we believe are constituents want. One of the things that I hear from them is that the taxes are too high. And that there are two ways in which they can be high. One of them is that we don’t’ have enough of an industrial base and that we do not have enough retail and commercial tenants coming in and we have got to get more in. The other thing is if we get them in and give away all of the taxes for five years, it’s the difference not just for the county but overall. She said that she thinks what the Economic Development Corporation calculation was is that it winds up being, in the first five years, 60% of the taxes. Our constituents are paying for this, she further stated. Let’s make sure that we are all on board with the criteria of what we want in a company.

Mr. Hopkins said that we do ask these questions.

Mr. Rasmussen said that the only thing that we are not seeing at this point is brand new office buildings. We are seeing the early stages of an office park developing where people are using existing buildings.

Chairman Dubin said that it seems to her that what we are trying to do, with these questions is to get a balance. Yes, the money is important and we need to get our taxes down, but we also have to have a quality of life and bring in other types of businesses. We want to keep some of our graduates in town. We have a University in town and we should be doing much more with them.

What she would like to see come out of this committee is a strategic plan similar to the Regional Planning Commission. Such a committee would have broad representation and an opportunity to explore new ideas.

Ms. Fauci said that the tax money could be going to a lot of infrastructure development to make our community more desirable for the knowledge-based businesses. Right now it's just desirable for warehousing. To bring in knowledge-based companies you need to have a good quality of life. They like to do things in the evening, like go to nice restaurants, forest preserves, and things to do besides working. They want a place that is desirable to live.

Ms. Vary said in the studies that she has read they stated that attracting high end jobs need a community that has good schools, quality of life where you can go out in the evening, telecommunication, transportation, and an educated work force, marketing resources (which we have), we have a business school, which is one of the top ones in the nation. Encouraging business somehow, as far as planning goes you (Mr. Hopkins) have been in this business for a long time, but high efficiency of heating, air conditioning, insulation, day lighting are a lot of new things that are coming out of these studies. They are having solar panels, eco roofs, in which they say it increases the costs by 10% putting up something like this, but it saves about \$58,000 a year in energy bills. Somehow is the whole thing we are not going to just be talking about tax abatements, but also about giving incentives to companies that are doing this sort of thing. We also need to think about what we need to do about retention.

Mr. Hopkins said that he went to the Biotech Show in Chicago and Northern Illinois University was the only university that was not present at it. All the other university biology has representatives of their faculty and students at the show and use it as a networking outlet. Those initiatives have to come out of the departments at the university and they need to market more. He said that one of the reasons that he got involved in warehouse logistics was through the Associate Dean for the College of Business. He was the education chair for the logistics association and said that he would lend you all of these membership booklets and help put you in contact with a lot of these companies to facilitate communication with their corporate offices. That was in Oak Brook and it is still there. He needs more people to come and volunteer their time and talent.

Mr. Rasmussen said that companies want to move into communities where things are happening. Twenty percent of the City of DeKalb's downtown needs to have national chains then the boutiques will come.

Ms. Vary said that is competing with Route 23 and Sycamore. What about the boutiques type shops.

Mr. Rasmussen said that it would come after the national chains come in. You would need to have residential development - it needs to be a 24-hour city. This is happening all of the United States, it's a proven formula.

Ms. Fauci asked, what attracted 3M to DeKalb?

Mr. Rasmussen said the infrastructure support, fire protection, highway access and trains. Plus the site was not expensive and we have a better-trained workforce.

Ms. Hulseberg said that he wondered if the committee could look into WiFi technology.

Mr. Rasmussen said that they are looking at providing free WiFi service for 22 blocks in downtown DeKalb.

Ms. Vary said that we need a bus to Elburn so that our people can take use the Metra Station.

The committee said that the university has a bus during the weekends, but not during the rest of the week.

In conclusion, Chairman Dubin stated that she and Mr. Metzger will work up a list of questions with suggestions from the members for the standardization of tax abatements and will get them out to the committee. She continued by stating that at the next meeting they will ask if there are any changes or additions to it. Then they could use it as the basis of the questions that they will ask for standardization of tax abatements. They will also look at the Mr. Hopkins seventeen-page submittal and all the information that they have from various cities' agreements.

ADJOURNMENT

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

Respectfully submitted,

Chairman Eileen Dubin

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