

**ECONOMIC DEVELOPMENT COMMITTEE
MINUTES
April 8, 2009**

The Economic Development Committee of the DeKalb County Board met on Wednesday, April 8, 2009 @ 7:00p.m in the Administration Building's Conference Room East. Chairman Eileen Dubin called the meeting to order. Members present were Sally DeFauw, Julia Fauci, Jeff Metzger, Sr., Riley Oncken, Mark Todd and Pat Vary. Mr. Paul Borek, Aaron Ruder and Roger Craigmile were also present.

APPROVAL OF THE MINUTES

Moved by Mr. Metzger, Sr., seconded by Mr. Oncken, and it was carried to approve the minutes from March 2009.

APPROVAL OF THE AGENDA

Chairman Dubin said that she would like to amend the agenda by moving item #8 up a spot and move item #7 down. Moved by Ms. Fauci, seconded by Ms. Vary, and it was carried unanimously to approve the amended agenda.

PUBLIC COMMENTS

There were no public comments for the evening.

CHAIR'S COMMENTS

Chairman Dubin said that Mr. Bockman had written a letter to the committee explaining the Incentive Agreements with other local governments. He said that the County is currently a participant in two such agreements. One is with the City of DeKalb and one with the City of Sycamore. The County did adopt a resolution in August 2003 with other taxing bodies in a City of DeKalb proposal to provide temporary decreasing term property tax abatements. The proposal called for incentive abatements of 90%/80%/70%/60%/and 50% for the first five full years of occupancy. There is no term specified for this agreement and it remains in effect today.

The County also adopted a similar resolution in January 2005 pledging to cooperate with taxing bodies within Sycamore, Illinois in a three year decreasing term tax abatement agreement providing abatements of 90%/75% and 50% in the first three years of occupancy. Similarly, there is no specified term in the Sycamore Agreement.

He wanted to bring this up so that the committee knew that they were negotiated in good faith and to clarify that the agreements had not expired and are still in effect.

NATIONAL COUNTY GOVERNMENT WEEK UPDATE

Ms. Mary Supple, County Coordinator for the DeKalb County Board, informed the committee on what the County will be doing for the National County Government Week that runs from May 3 – 9, 2009. She said that there will be an event held on May 7th at Kishwaukee College called “New Jobs in a Green Infrastructure” that will run from 3:30p.m. to 5:30p.m. There will be three speakers that will make presentations about green jobs, innovations and technology. Everyone is invited along with several local organizations. There will also be a “Days of the Week” Events Notice that will go out to all of the local press.

TAX ABATEMENT REQUEST

Chairman Dubin explained to the committee that the City of Sycamore has approached the County about a tax abatement request.

Mr. Bockman said that through the City of Sycamore and the County’s agreement with them for tax abatements the request would be for a three-year partial abatement of property taxes as an incentive for Smart Motion Robotics, a firm contemplating relocating from Gilberts, Illinois. It is a small company with strong financials. They are looking at Sycamore, Illinois for relocation along with other sites in the State of Illinois.

The City of Sycamore has said that the firm is an Illinois corporation founded in 1996 that builds automatic or robotic “pick and place” machines typically used for packing a variety of cases or loading pallets. One of the firm’s most profitable machines is called the “Smart Packer.” This machine was invented and patented in 2006, and is used to pack raw eggs in soft cases for retail sale. The company also makes and markets machines that pack pharmaceuticals, feed bags, candies, etc.

The committee invited Mr. Michael Chuipek who works for Smart Motion Robotics to the table to answer any questions that the committee may have about the tax abatement request.

Mr. Chuipek said that the owner of Smart Motions is Mr. Scott Gilmore and his wife, Vicki Gilmore. They currently employ 18 people with 3 of them being part-time employees. They hope to employ between 26 to 30 people when they move into their new location. Those are not going to be all full-time employees, he said. These positions would employ employee skilled to highly skilled people. He said currently there is less than 2% of the their employees that are unskilled. He continued by stating that the majority of their employees are salaried with twenty-five percent (25%) being in the higher salary ranges.

Ms. Vary asked Mr. Chuipek as they are looking at the new locations have they thought about going green with the construction of the new building or other green options? That is, like green roofs, rain gardens, recycling, etc.

Mr. Chuipek said that they use some wattage but not a lot, it is about the same wattage as a hair dryer, and that they have no emissions and no chemicals are housed on their grounds. They have a person that recycles all

the batteries and ink cartridges for their firm. He also said that they are looking at pre-cast concrete for heating and cooling purposes of the new building.

He said that they are looking at the Sycamore location because of the I-88 and I-39 corridor that is attractive to them.

Mr. Borek, Executive Director of the Economic Development Corporation, asked Mr. Chuipek if they would get involved in the community?

Mr. Chuipek said, yes they would be very interested in getting involved in the community and looking at internship programs at Kishwaukee College and Northern Illinois University.

After a brief discussion, Mr. Metzger said that this is the type of business that the County is looking for to relocate here.

Ms. Vary agreed with him.

The committee thanked Mr. Chuipek for attending the meeting and answering their questions.

It was moved by Ms. Vary, seconded by Mr. Todd, and it was carried unanimously to recommend the tax abatement request to the full board for approval. Mr. Metzger, Sr., abstained.

PROPOSAL FOR COUNTY-WIDE FIBER OPTIC NETWORK – PRESENTATION BY NIU’S HERB KURLIOW

Mr. Herb Kuryliw, Chief Network Architect for Northern Illinois University, approached the committee tonight about the DeKalb Advancement of Technology Authority (DATA).

He said that in 2007, on average 95% of medium and large businesses were using the Internet and that 85% of businesses with 10 or more employees had Internet connection. He also said that over 30% of citizens used the Internet for interacting with public authorities in 2007 and 27% of the U.S. citizens use the Internet to seek medical advice.

In the U.S. almost three times more citizens are broadband subscribers than in the entire world. The U.S. ranked 14th in 2007 in broadband and that now it has slipped to the 17th place worldwide. Forty-five percent of Japanese citizens are broadband connected while the U.S. has 3%.

Mr. Kuryliw said in his presentation that he asked, what is your Techconomy? Do we have enough Internet bandwidth to meet our needs?

He said no, not in Illinois or DeKalb County. He said that we are going to start seeing E-archives starting soon. Kane County has actually started this now. Long term, the State will have to start looking at this and get records stored in a large archive.

He then mentioned how our hospitals will need bandwidth to send information faster. He said that radiologists, especially would need this technology to transmit X-rays, MRI results and CT's scans.

Do we have what it takes to deliver low cost connectivity throughout our region to businesses?

We could get a small business to flourish by getting their advertising on the web with large amounts of bandwidth and be able to communicate back and forth. We need to deliver inexpensive broadband in this area.

Mr. Kuryliw then explained the broadband initiatives in Illinois to the committee. What is NIU doing in the region? They are going door to door here and as a result they have created a network that connected all of their outreach centers with "dark" fiber. They own the fiber over 20-years with unlimited bandwidth which enables NIUNet to be in touch with anyone at any time. The technology just keeps growing. He is working with a person at Northwestern University now on broadband.

NIUNet started, in partnership, with a small organization called IMBCA (Illinois Municipal Broadband Communication Association). These are cities that had a need to connect since they are all local power plants and the need to exchange information. He explained that the fiber runs from Rock Falls down I-88 to Oak Brook through dark fiber. This is a great partnership because it helped NIUNet to control their costs. This is a needs initiative that NIU helped bring to the table. It started out as talking to Rochelle Economic Development Committee about bringing fiber down I-39. A consortium formed then with Ogle, Boone, Winnebago, Rochelle, Rockford and NIU called the Northern Illinois Technology Triangle to use as an economic development tool to connect technology parks.

He further explained that NIUNet has formed partnerships with TriLight Net (a hospital network) and formed a non-for-profit organization out that runs from Freeport to Rockford. They have fiber access that runs all the way to Dubuque, Iowa, now.

NIUNet is bringing in School District 300 from Elgin and Carpentersville, the City of Elgin, Village of Hoffman Estates and Village of Schaumburg to take advantage of the low costs for broadband. They will co-locate in the old Monsanto building and if there is a disaster, they can set up a temporary shelter in one of NIUNet's centers in another city and still be up and running.

He further explained that what he is proposing tonight is a fiber optic network that will run from Kirkland down south to neighboring counties, Leland and Earlville. The Illinois Century Network that they are in reaches further. It stretches from Rockford to Rochelle down I-39 to Starlight in downtown Chicago and back up to Rockford. A lot of the fiber lies along the Illinois Toll Highway Authority and the Tollway maintains the system.

NIUNet's objectives is to link NIU campus locations for voice, video and data; obtain Internet 1 & 2 from downtown Chicago; provide redundancy within the University; promote broadband within government; promote broadband within healthcare; promote broadband within education; and serve as a platform to work and learn in new ways.

With cities around them, like DeKalb, Sycamore, DeKalb County, Rockford, Batavia, etc., NIUNet began partnerships and was able to reduce an \$8 million project to \$1.3 million to construct a fiber network (88% savings over projected costs). The agreement runs 20 years with no re-negotiating. The annual costs for Internet have been reduced by 68%.

They are looking for a primary partner who would be willing to take a lead role in this project. The primary partner and NIUNet would work together to identify the needs, develop a high level design and budget, and build a consortium to own and operate the system.

This network is designed to bring high speed services to cities and their businesses, to connect Technology Parks within the region and to provide services not offered by traditional telecommunications companies (10 gigabits or greater) and designed to be part of the development of the local techcomony.

He said that if we look at what investments are made in business parks for broadband it is about \$1 million for a road and \$750,000 for sewers per mile. The investments that have been put into high speed broadband for business parks and the cost of fiber optic mile is roughly \$75,000. The creation of a regional high-speed network has been less than \$2 million.

What are the NITT results then? He said. Currently two data centers are under construction in Rochelle to the amount of two hundred ten million dollars of construction. This will increase the tax base and technical jobs to that area (about 30). There are 3 other technology companies that are actively looking in this region, two years ago this area was never considered. DeKalb is in the prime area for this business.

What they have been planning over the past year is an extensive fiber optic network cooperative for public and private use. They have accelerated this plan because of the Stimulus Plan. They have made a Vision Statement, which says that they want to increase the broadband in this area. They want to connect underserved areas, connect schools, disaster recovery initiatives, connecting medical facilities, connecting farmers, economic development, and create jobs.

The stimulus money would work for DATA by employing between 25 to 30 people over the next year to construct the infrastructure (immediate jobs). DeKalb Advancement of Technology Authority would contract to maintain or partner in the fiber network and would employ 5-6 people over the life of the fiber (long term jobs). Small to medium sized businesses can reduce costs for connectivity allowing retention of employee's. Planting one Date Center in the DeKalb area can result in over \$100 million of construction, over 30 technology jobs and increased tax bases. Broadband for schools will no longer be a

limiting factor creating an education network between schools and the ICN. Expansion of emergency services throughout DeKalb County and interconnecting with other counties creating an extensive emergency communications network. Our hospitals and clinics can be part of a bigger medical network to provide more services and help underserved areas and farmers.

The estimated cost of the fiber proposal is \$13 million. This includes 100 miles of fiber to run north and south in the County. This includes the fiber to all the schools and community centers included on their list. It includes equipment costs for each site, backbone equipments costs and the membership to the NITT.

Mr. Kuryliw said what they need from the participants (the County) would be letters of support for the project written to the Governor. Key facilities in our area that the fiber runs to needs to be included (city offices, industrial parks, libraries, and farms) within a mile of the current fiber backbone. The support of a financial plan would include roughly \$5,500 a year/facility to support this project. So if a school had two schools on the network it would cost \$11,000 a year.

He said that a private company currently is willing to assist with a 15-20% in-kind match, a key component in making this project shovel ready. NIU is willing to contribute \$150,000 to the project. There are three rounds of funds that will be available for distribution. They are April to June, 2009, which is the DATA target date. The second round of funds is from October to December 2009 and then the third round of funds runs from April to June 2010.

He said how might the DATA Consortium work? One entity, such as the County, could manage the project. A committee or organization could be formed to oversee the public resources and future expansion. We could see representatives on the committee or organization from the County, Education, Municipals, Medical and the Private Sector.

Mr. Bockman said that the County, long term, could be the facilitator for all of the communities within the County.

Mr. Metzger, Sr., said then the County would oversee the project?

Mr. Kuryliw said that yes and that a private company would do the installation.

Mr. Bockman said the County would have to take a look at staffing for this project, too.

Mr. Metzger, Sr. said that we would definitely want to do more discussions on this project.

After a brief discussion, the committee agreed to allow the County Board Chairman to sign a letter of support for this project.

Mr. Kuryliw said that he would keep Gary Hanson up-to-date on this project and what the Governor's Office does.

ADJOURNMENT

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

Respectively submitted,

Eileen Dubin, Chairman

ED:mcs

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