

DRAFT
Economic Development Committee
Minutes
March 10, 2010

The DeKalb County Economic Development Committee met on Wednesday, March 10, 2010 @ 7:00p.m., in the Legislative Center's Freedom Room. 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. Those present were Paul Borek, Dr. Bob Gleeson and Julian Magdaleno.

APPROVAL OF THE MINUTES

Ms. DeFauw asked for an amendment to the minutes on page two under Genoa Tax Abatement Request, second line, word should be whose.

Moved by Mr. Metzger, Sr., seconded by Ms. Vary, and it was carried unanimously to approve the amended minutes from January 13, 2010.

APPROVAL OF THE AGENDA

Ms. Vary asked if she could add an item on Quality of Life Tele-Conference and Ms. Fauci would like to add a report on a conference that she attended in Chicago.

Moved by Mr. Todd, seconded by Ms. DeFauw, and it was carried unanimously to approve the amended agenda as presented.

PUBLIC COMMENT

None.

CHAIR'S REPORT – GRANT WRITER

Chairman Dubin said that she has spoken with a local grant writer, Ms. Jenny Tomkins, who will concentrate on grants for economic development. Chairman Dubin said that Ms. Tomkins could not make it to the meeting tonight, but that she did attend the Health and Human Services Committee meeting the other evening. Ms. Tomkins will be researching grants for social services. Ms. Donna Moulton did provide to Ms. Tomkins copies of the Senior Services Tax Levy applications for her review to help her see what the needs are in the County.

Ms. Dubin also found an article in the New York Times regarding a quote from the head of the N.E.A. who stated that he sees the Arts as an economic engine to help the economic recovery. Maybe this committee could come up with some ideas for Ms. Tomkins on this topic.

ECONOMIC DEVELOPMENT CORPORATION REPORT – MR. PAUL BOREK

Mr. Paul Borek, Executive Director of the DeKalb County Economic Development Corporation updated the committee on what his corporation has been doing lately.

Mr. Borek said that the DeKalb County Economic Development Corporation (DCEDC) did present a position statement on the landfill at the public hearings.

DCEDC does support the NIU Fiber Optics project and we are excited about this project and its potential, he said. They will be working with DeKalb Fiber Optics (DFO) and Northern Illinois University (NIU) to promote opportunities for businesses along the fiber optic route to connect to and access the broadband fiber.

Mr. Borek said that the DeKalb County Economic Development Corporation does continue to advocate Amtrak Inner City Rail through DeKalb County. We need to write some additional correspondence from the committee to the Governor and Department of Transportation. The grant that was submitted to Washington was supportive of other Amtrak work in the State of Illinois. We need to keep the communication alive with our legislators and Amtrak.

Mr. Metzger, Sr. said that he would include this subject in his local newsletter.

DCEDC has completed the Business Retention project and that they met with 80 companies and conducted a detailed survey with 50 of them. He said that mid to large sized companies were included in this survey. The results of the survey indicated that 79% of the businesses introduced new projects in the last five years and 84% will introduce new projects in the next two years. While 49% indicated that they sold products locally or regionally, 51% sold their products both nationally and internationally. Obviously, sales were down considerably, 48% said sales were decreasing severely, but another 52% said that their sales were stable or beginning to increase. The manufacturers in DeKalb County for the most part are prudent and fiscally sound. The best news he said is that 59% of them hope to expand in the next three years and that on a scale of 1 to 7 the likelihood of these companies expanding in DeKalb County is 6.5.

He also mentioned that he recently met with Elegant Research, Inc., and EDC is working with them to help them identify investors. They have prepared all of their documentation for initial offering for their startup venture.

He said that he sits on the River Valley Investment Act Board and that they approved an additional \$378,000 to First Institute for workforce training in DeKalb County, which is sorely needed.

UPDATE ON THE GRANT – DR. BOB GLEESON

Dr. Gleeson said that the project is not finished yet. He said that DeKalb County did experience substantial job growth in the decade prior to the current “Great Recession.” But like most of the U.S., the majority of new jobs tended to be in sectors that pay lower than average wages to employees. This study, he explained is designed to examine what can be done to stimulate new job creation in the county in sectors that pay higher than average wages. The study has two phases. Phase One examined a wide range of the most currently available social and economic data about DeKalb County in order to identify those sectors of the economy that have been creating new jobs and pay wages that are about average. At the end of Phase One, the project’s advisory group chose three sectors for additional analysis: manufacturing, high-end business office and Headquarter operations, and businesses associated with entertainment and creative activities.

Phase Two, which is in progress now, focuses on individual and group meetings with key people in each of the sectors chosen at the end of Phase One. The purpose is to understand the sources of growth in each of these sectors and to determine what can be done to help these sectors grow faster in DeKalb County.

In the manufacturing sector, Dr. Gleeson said that discussions to date have identified a few opportunities to assist this sector by creating an ongoing network of manufacturing company owners and senior managers that is staffed by a professional network manager. Network members would develop specific action plans to address the following issues, and the network manager would be responsible for coordinating implementations.

Some of the potential recommendations for this sector are:

- 1.) How to provide more regular company input into the region’s educational programs that encourage talented students to pursue careers in manufacturing.
- 2.) How can local companies learn better from each other about new and innovative methods, and about opportunities that exist for direct collaboration in development of new methods, new products, new markets and new innovations?
- 3.) How to provide cost-effective executive education for owners and senior executives of manufacturing companies in order to improve their abilities to lead innovation, find new markets, and collaborate better in pursuit of growth? For example: How can we help these individuals become much savvier in growing their companies, said Dr. Gleeson.
- 4.) How can local companies that export their products reach beyond their brokers and middle men to establish more direct ties with customers outside of the U.S.?

In the High-end Business Office and HQ Operations Dr. Gleeson stated

that DeKalb County currently hosts the administrative operations of many small and medium sized companies and non-profits that have only one principal location. But there are only a few examples of multi-location companies that choose to locate their headquarter operations in DeKalb County.

The western edge of the marketplace for corporate office space in the Chicago region is roughly defined as the north-south corridor along Randall Road. The principal exception to this is the campus of “spec buildings” that have been constructed by B&B along Route 64, just east of Wasco.

The structure of the marketplace for corporate office space appears to be changing although the distorting effects of the current economic climate cannot be sorted out entirely.

Some businesses have headquarters here in DeKalb County, like Ideal. Office space has been less available over time, he said. More people now live closer to their workplace. He said that 42% of our population commutes east of here at very high-end jobs.

Those existing companies that have their business and headquarter operations in the County provide excellent insights into our strengths and weaknesses for this sector. Several of them report that the people they are able to recruit for senior positions often do not end up living in DeKalb County because they perceive it lacks the community amenities they seek. They also report that there is a lack of high-quality hotel rooms nearby for business guests.

Dr. Gleeson said that we have a lot of people who live in DeKalb County who have worked in Cook County, Kane County and DuPage County who had high-end jobs. Many of them are exactly the market for entrepreneurial activities. We need to bring two or more of these people together to create an entrepreneurial environment in DeKalb County. The economy is forcing them to find a way of living here. They are an organizable network for entrepreneurial support.

Businesses related to Entertainment and Creative Activities is the third finding and the following are recommendations that Dr. Gleeson discussed with the committee.

DeKalb County, he said, has a small but vibrant cluster of companies that provide specialized products and services to the “live event” market place. This market includes activities that range from large-scale touring entertainment venues (concerts, plays, etc.) to touring trade show exhibits. It does present some opportunities for collaboration that can be explored by hosting some meetings among its principal actors, if they will agree to participate.

DeKalb County has only a handful of performing arts and entertainment organizations as well as limited number of venues for musicians and /or visual artists. But the presence of a large university-based visual and performing arts college adds to

the scale and scope of potential initiatives because it provides a framework in which a relatively large number of creative people from many different cultural backgrounds mix together.

Most creative activities that can lead to commercially viable products that can “spin out” of the visual and performing arts come from teams of creative people who come from different backgrounds, and who blend together their creative energies.

Dr. Gleeson said in his report that the strongest common theme that cuts across all three of these sectors is the need to develop a set of support services to encourage more locally-based, but globally focused, entrepreneurs.

Dr. Gleeson said that we could build on this and research live event businesses in DeKalb County, like trade shows, large event entertainment businesses, like Upstaging. He is proposing that maybe we could see if people are interested in pursuing this idea in the County.

The committee discussed the need for potential venture capitalists or angel investors in the community to help entrepreneurs, too.

Dr. Gleeson concluded that he will get back to the committee after he pursues these ideas more. Dr. Gleeson will present his final report in the Spring of 2010. He further stated that we should then be able to get things happening and implemented, possibly by the end of May 2010.

The committee thanked Dr. Gleeson for his very informative report.

POTENTIAL WORKSHOP FOR SMALL BUSINESSES

It was agreed by the committee to bring this agenda item on the potential workshop for small businesses back to the committee in April. They will discuss Ms. Fauci and Ms. Vary’s items further in April, too.

ADJOURNMENT

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

Respectfully submitted,

Eileen Dubin, Chairman

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