

**Economic Development Committee
Minutes
Amended
May 12, 2010**

The DeKalb County Economic Development Committee met on Wednesday, May 12, 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, Riley Oncken, Mark Todd and Pat Vary. Mr. Jeff Metzger, Sr., called in on the conference phone to take part in the meeting. Those present were Paul Borek, Mr. Steve Milner and Julian Magdaleno.

It was moved by Mr. Oncken, seconded by Ms. DeFauw, and it was carried unanimously to allow Mr. Metzger, Sr. to participate in the meeting via the conference phone.

APPROVAL OF THE MINUTES

The committee asked Ms. Supple to verify some of the numbers quoted by Ms. Heimbach in her report and make the necessary changes to the minutes if there are any.

Moved by Ms. DeFauw, seconded by Ms. Fauci, and it was carried unanimously to approve the minutes from April 14, 2010.

APPROVAL OF THE AGENDA

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

CHAIR'S REPORT

Chairman Dubin said that she is waiting for Dr. Gleeson to move forward on the Phase III of our grant on the entertainment field. She and Jenny Tomkins went to a grant writing seminar and both came away with some possibilities for next year, especially a National Endowment for the Humanities Grant for the entertainment field, which would be ideal to work on.

ECONOMIC DEVELOPMENT CORPORATION UPDATE – MR. PAUL BOREK

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

He presented to the committee the proposed revisions on the Tax Abatement Intergovernmental Agreement with the City of DeKalb. The revision being proposed would be for 5 years at 90/80/50/50/50. This request is for 3M who intends to move their 350 employees from their Corporate Drive facility to a new facility on Macom Drive in Park 88. To date this property tax abatement agreement has been approved by 5 of the 6 participating taxing bodies. In one of the handouts that Mr. Borek passed out it stated that the three major projects here in the County, Target, 3M Wirsing and 3M Fairview, were required to create a combined total of 650 jobs per their development agreements. As of calendar year 2008, the three projects had created and maintained a total of 776 jobs.

Mr. Borek pointed out that the current three projects, Target and the two 3M facilities tax abatement agreements will expire in 2013. At that time then the County would receive, every year thereafter, \$158,000.00 in tax monies.

Mr. Todd said to remember the economic picture that is dreary and there is a trickle down effect that would affect businesses in the County and employment.

Mr. Borek then introduced Mr. Steve Milner of Milner Commercial Real Estate who represents the owners of Park 88, in the 3M project, and other projects in the City of DeKalb. He is acutely aware of the kind of market that we are currently in, how few new construction projects there are in the market place, and how competitive communities are to attract projects like this, said Mr. Borek

Mr. Milner said that more companies that move to DeKalb County will bring more interesting firms. For example, he said that someone from the committee just mentioned *Upstaging* and he said that he handled that transaction. But another exciting company that moved here is *Nocturn* in DeKalb located on Harvester Drive that manufactures giant video screens all over the United States. He said that he worked on the Target and all 3M projects and a Kellogg's project that we lost even though we were able to get down to the final 3.

In these economic times, distribution is the "name of the game" said Mr. Milner. As of now, we are not attracting any manufacturing businesses of size to come to Illinois. The Counties, cities, and towns need tax abatement agreements to stay competitive.

Mr. Milner said that if you take a look at this new 3M facility, the assessor will come in and tax that building at .81 cents a square foot which is average. For the next 50 or 70 years the building will last, then we could sell these old buildings, like he has done before. He just sold *Upstaging* a 100 year old building to expand next door to their current property. The industrial development is in a depression currently. If we sign this contract with 3M he will almost guarantee the committee that it will be one of 3 or 4 projects in the State of Illinois of this size, in 2010. We are very fortunate to have this here.

Mr. Milner continued by stating that Cushman Wakefield, a large national

commercial real estate company, just finished a survey for Northern Illinois, and based on historical absorption for the last 10 years, the survey stated that we currently have a 60 year supply of industrial land available for absorption for industrial properties. That's how overdeveloped the land market is in Northern Illinois. Chicago is such a huge area and we compete for distribution with all buildings to the East. While we have many things that we are proud in our community, they are closer to the market area. They are distributing to roughly 8 million users in Cook County, up to the Milwaukee area and into the Gary, Indiana area. They have a lot of land there that they can put these distribution facilities on.

Ms. Vary said what about the Kruzynski building?

Mr. Milner stated that the Kruzynski building in Park 88 has been occupied since 2002. Nestle's moved into it.

Mr. Borek reminded the committee that 3M is our largest importer and exporter in the County.

Chairman Dubin asked if they would be eligible for the Foreign Trade Zone?

Mr. Borek said that he would be talking to them about that.

Mr. Milner said that that would be a very good thing if you could get them to participate in that.

Mr. Borek also reminded the committee that out of the 370 something employees that will be moving to the new 3M facility, 220 of them are DeKalb County residents.

Mr. Milner said that one other thing about the jobs situation. He said that this development is the equivalent of building one hundred - \$200,000 homes. This project will be adding jobs to the construction industry, like electricians, plumbers, etc., too.

Ms. Fauci said that business retention is very important to the County.

Mr. Borek again reviewed the current tax abatement agreement with the City of DeKalb, which is 90/80/70/60/50. The new tax abatement agreement will be 90/80/50/50/50. Mr. Borek said that he will have the paperwork next month and that now it would be valuable to hear your feelings on this project.

Mr. Oncken said that he supported this project.

Ms. Fauci and the rest of the committee said that they did too.

Ms. Vary said that there were no negatives in this project.

Mr. Borek mentioned that this new facility, in the future, will be able to expand just under 1 million square feet and will be built on a 50-acre site.

Ms. Fauci asked Mr. Milner if Shodeen was going to start any development yet in the County?

Mr. Milner said that he did not think so yet, but that we will be getting a nice hotel soon. He also said that this new hotel won't come without a restaurant along I-88.

Chairman Dubin asked Mr. Borek if there was a resolution that he needed tonight from the committee?

Mr. Borek said that they were looking for a verbal endorsement tonight.

Ms. Supple asked Mr. Borek if he had heard anything yet on the Enterprise Zone and if it had been approved at the State level?

Mr. Borek said yes it has and that currently there is a manufacturer who is looking to move to Waterman under this Enterprise Zone.

FALL CONFERENCE DATE FOR THE NEXT GO GREEN EVENT

The committee discussed what would be the next date for a new Go Green event?

Ms. Vary mentioned that the feedback that the committee had received from the last Small Business and Go Green events was that the public would like to have something held for about 1 or 2 hours and possibly in the evening. Maybe it could be like a seminar series.

Ms. Fauci said that Mr. Curran has volunteered to speak at the event. We could look at solar, geo-thermal, wind, etc., that could be talked about and that this event could be separate from the Small Business Expo.

Chairman Dubin said that she feels that the Go Green idea has been sold to companies. Getting concrete ideas to small, medium and large sized companies is the way to go for the next event.

Ms. Vary said that she had gone on a tour of a business that is near DuPage airport called Aquascape and said that it was very interesting. The building is a LEADS platinum certified building and it has grass on top of it, made out of recycled material and they do tours. Maybe we could do something like this here in the County.

Mr. Todd mentioned that in the Stonehouse Park plans, near Rollo off of Suydam Road, the owner's plans showed that he was putting in geo-thermal in there. He said that he did not know if it is finished yet. Mr. Todd further stated that the owner is putting log cabins in and doing re-enactment events there.

Mr. Borek said that Mr. Kruzynski's company does construct buildings all over the Midwest. They are LEAD certified and they have done LEAD buildings. They just finished a LEAD building in Aurora.

Ms. Fauci said that we should partner with the DeKalb County Economic Development Corporation for the Go Green Event and present green businesses in the County. We want real business people speaking to each other about these issues that will help them save money.

Chairman Dubin said this way we could assist companies in implementing some of the ideas.

SMALL BUSINESS INITIATIVE REVIEW

The committee then discussed the Small Business Initiative proposed by Julian Magdaleno. Mr. Magdaleno had given his proposal to the committee the month before and the committee now would be suggesting ideas to him to implement into his project.

Mr. Magdaleno said that when he first started here at the County he had received some materials from Chairman Tobias to review and he noticed a prize winning article on a project in Georgia. They came up with this Small Business Comprehensive Resource Guide that won a NACo award, he said. They started to distribute hard copies of the Guide to all interested business people and held conferences on it. He noticed by attending this committee's meetings that the County is not attracting the executives out here because we are not that close to Chicago and we don't have the hotels that they want, etc. The only thing that he could think of was the headquartered companies that are already here in the County. They started here in the County and they stayed.

Chairman Dubin said that this portal would be for entrepreneurs from NIU and all over the County to get some ideas of where to go for help and set up their own small business.

Ms. Vary said that it is a great concept and that maybe Julian could title the portal "So You Want To Start a Business." We need to grab the people's attention with something. It needs some graphics, too.

Ms. Supple said that she is having Julian trained very soon in web design software by the County's Webmaster. This way Julian can be putting information out on our Website that is for the County Board Office only and can get it out there faster. He will be servicing the links to the Go Green page, this new small business portal, and other items that the County Board Office puts out on the County's Website. Ms. Supple further explained that she would then like this to be a permanent duty that Julian and future interns will continue to maintain. She said to remember that this portal will not compete with the DeKalb County Economic Development Corporation (EDC), but to enhance it

and work with EDC for entrepreneurs to be able to access our portal and learn the process of starting their own business.

Mr. Oncken said that when we do have another Small Business Expo that he would be willing to sit with the people attending and answer legal questions for them.

Mr. Todd and Mr. Oncken agreed to work with Julian to get the portal up and running.

ADJOURNMENT

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

Respectfully submitted,

Eileen Dubin, Chairman

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