

DRAFT
Economic Development Committee
Minutes
April 13, 2011

The DeKalb County Economic Development Committee met on Wednesday, April 13, 2011 @ 7:00p.m., in the Legislative Center's Gathertorium on the West Side. Chairman Pat Vary called the meeting to order. Members present were Bob Brown, Julia Fauci, Jeff Metzger, Sr., Riley Oncken, and Jeff Whelan. Mr. Borek, Herb Kurlyliw with NIUNet, Dan Halverson with DeKalb Fiber Optics, Gary Hanson and Ed Harvey.

APPROVAL OF THE MINUTES

Moved by Mr. Oncken, seconded by Ms. Fauci, and it was carried unanimously to approve the minutes from March, 2010.

APPROVAL OF THE AGENDA

Mr. Oncken asked to amend the agenda by moving item #7 up to item #5.

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

CHAIR'S COMMENTS

Ms. Vary, Chairman of the Economic Development Committee, said that Dr. Gleeson's report will be discussed at the next committee meeting, but she wanted to get the report to the committee prior to that for their review.

Ms. Vary also said that she attended a meeting held by Lynn Neeley at NIU to speak with three business clubs there. She and Mr. Borek attended and she spoke about the County's Go Green Initiative, the Small Business website page and the workshops and expos that the committee has held in recent years. She also attended the Dixon workshop on FOIA, Parliamentary Procedures, Roberts Rules of Order and Ethics. She went with Ruth Anne Tobias to attend the Metro West State of Counties event recently. Ruth Anne did a great job of presenting. She learned that Kendall County, since the recent census, now has 114,000 people living in their county and we have 105,000 people. She also is gathering grant information for the businesses and people who are involved with the Arts and Entertainment in the County. She is thinking of having a sub-committee of this committee work on this issue.

ECONOMIC DEVELOPMENT CORPORATION MONTHLY REPORT – MR. PAUL BOREK

Mr. Borek, Executive Director of the DeKalb County Economic Development Corporation, briefly reviewed his monthly report for the committee.

Mr. Borek said that H.A. Phillips, a manufacturer and supplier of control solutions for industrial refrigeration systems has signed a contract to purchase a 2-acre site on Enterprise Drive in DeKalb's Airport North Industrial Park. They plan to build a 22,800

sq. ft. building with tall ceilings and a bridge crane to better accommodate fabrication, distribution and expansion of their extensive line of refrigeration control equipment. The site and building are designed to accommodate expansion to 33,500 sq. ft. The company plans to invest approximately \$2 million in this project.

They have outgrown the building that they currently lease in South Elgin and they need the bridge crane to enhance production capabilities. The City of DeKalb approved H.A. Phillips request for a 5-year TIF Tax Rebate Agreement in accord with the Intergovernmental Tax Abatement Agreement with DeKalb taxing bodies. Since the project is in a Tax Increment Financing District, a tax rebate agreement with the City is the appropriate mechanism for implementing the tax incentive.

Mr. Borek also handed out and Industrial Commercial EAV Trends by sector from 2007 – 2010. They use this tool to help increase commercial and industrial assessed valuation relative to other valuations to enable commercial and industrial interests to better help us diversify the tax base. In the 2009 table/2010 we made progress with assessed valuation with the percentage increasing values from 3.75% to 3.80%. As we look at the 2010 to 2011 tables we show Industrial decreased by 2.8% to 2.71% and commercial decreased from 20.80% to 20.40%. However, when you add in the wind turbines it allowed for an increased valuation to around \$24 million, while residential allowed for a slight decrease in valuation from 70.32% to 69.16%.

AMENDMENT TO THE BROADBAND GRANT PARTNERSHIP AGREEMENT

Mr. Gary Hanson, DeKalb County's Deputy County Administrator, said that he was here this evening to approach the committee about the amendment to the Broadband Grant Partnership Agreement and to select Ciena Network Equipment as the specific brand to be purchased for the Fiber Optic Backbone Network for the project. He then passed out the two ordinances to the committee. He introduced the people who are working on the Broadband Grant. Mr. Ed Harvey who helps the county to negotiate the grant, Mr. Herb Kurlyliw with NIUNet who was the principal writer of the grant, and Mr. Dan Halverson with DeKalb Fiber Optics, who is our partner.

Mr. Hanson said that this is a \$14.8 million project for about 140 miles throughout the county of fiber optic. We received 80% of the funds for the project from the Federal Government and the other \$3 million of non-federal funds, came from the State, the County, Kishwaukee Hospital and NIU.

Mr. Halverson gave a presentation regarding the project and the progress that they have made. The construction started on December 27, 2010 for the project. It is being handled by Cantel Communications of DeKalb. They have added ten new positions for the project in December and will be adding 2 more new positions in May. These are good paying jobs ranging from \$40 to \$60 an hour. Eight of the ten current employees are DeKalb County Residents. Construction was averaging about 4600 feet per week. Since March it has increased to 11,000 feet per week. The project should be completed by April 2012.

The fiber installation has started and DeKalb Fiber Optic has added 2 new positions. They have installed 50,000 feet of fiber to date. They will even have fiber going to Russell Woods Forest Preserve.

He did say that the project is on schedule to meet all major federal milestones.

Mr. Halverson said that DeKalb County Economic Development Corporation is getting more inquiries about fiber for commercial use. DeKalb ranked in the top 3 sites in Illinois for a data center in a recent inquiry. They are working closely with the iFiber initiative to interconnect the northwest portion of the State. The schools are excited to get hooked up.

Mr. Herb Kurlyliw with NIUNet, said that we want to make our presence known in DeKalb County and he would like to see fiber everywhere in the County. They will have about 700 miles of fiber over the next two years. They have a connect point in Kirkland that now goes to Rockford.

Mr. Harvey, DeKalb County's Broadband Grant Negotiator said that they are setting up a consortium to run this grant. Herb has talked to the schools and has received favorable responses. He will be going back to them about going on the system next. The Broadband Development Foundation at NIU is helping them and the community anchors. It costs \$7,000 per year per school facility. He said that Mr. Hanson told him that this needs to be self-sustained. They are gaining a "cloud" at the new high school in DeKalb. They are going to be speaking to other governments in the County and libraries. Grants will help small libraries to use the network. They will be working with fire districts to add them on too.

Mr. Hanson said that the first ordinance for the committee to consider sending to the full board would amend the Indefeasible Right to Use Agreement between DeKalb County Government and DeKalb Fiber Optic. This is necessary for the continued approval by the federal government. The agreement provides for the ownership of the fiber network to be with DeKalb County Government and that the County allows for a provision for DeKalb Fiber Optic to use 68 strands of the fiber network for a period of 99 years.

It was moved by Mr. Oncken, seconded by Mr. Whelan, and it was carried unanimously to forward the ordinance to amend the Indefeasible Right to Use Agreement between the DeKalb County Government and DeKalb Fiber Optics Ordinance providing for the ownership of the fiber network to be the DeKalb County Government and that the County allows for a provision for DeKalb Fiber Optic to use 68 strands of the fiber network for a period of 99 years, to the full board for approval.

Mr. Hanson then said that the second ordinance for the committee to consider stipulates that Ciena Network Equipment as the specific brand to be purchased for the Fiber Optic Backbone Network.

It was moved by Ms. Fauci, seconded by Mr. Metzger, Sr., and it was carried unanimously to forward the ordinance stipulating Ciena Network Equipment as the specific brand to be purchased for the Fiber Optic Backbone Network to be forwarded to the full board for approval.

ADJOURNMENT

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

Respectfully submitted,

Pat Vary, Chairman

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