

DRAFT
Economic Development Committee
Minutes
June 13, 2012

The DeKalb County Economic Development Committee met on Wednesday, June 13, 2012 @ 7:00p.m., in the Legislative Center's Freedom Room. Chairman Pat Vary called the meeting to order. Members present were Julia Fauci, Jeff Metzger, Sr., Riley Oncken and Jeff Whelan. Mr. Brown was absent. Others present were John Acardo, Roger Hopkins, Robin Brunschon, Karen Cribben, Tim Cherney, Sarah Lief, Jennifer Diedrich, Jeff Engelhardt and Greg Morrison.

APPROVAL OF THE MINUTES

Moved by Mr. Oncken, seconded by Ms. Fauci, and it was carried unanimously to approve the minutes from May 9, 2012.

APPROVAL OF THE AGENDA

Moved by Mr. Metzger, Sr., seconded by Mr. Whelan, to approve the agenda.

CHAIR'S COMMENTS

Chairman Vary said fellow county board member, Dan Cribben, came back from Lee County and gave her a placemat that he got from one of the restaurants. It is from the Lee County Tourism Council. She passed it around and said that she would be sharing this with Deb Armstrong.

Chairman Vary notified the committee that NACO is doing a Webinar on the Arts and how they can jump start your economy in your community.

Chairman Vary mentioned the Drug Court Graduation and she shared a newsletter that they passed out to everyone.

Mr. Metzger asked if this was on our website.

Ms. Supple said that she would check on it and let him know.

TAX ABATEMENT FOR RIGHT POINTE PROJECT

Chairman Vary said that the City of DeKalb, representative, Jennifer Diedrich, will approach the committee this evening regarding a tax abatement request from Right Pointe Company, a manufacturer of

products for the concrete and asphalt industry. They have been operating out of their current facility on Harvestore Drive since 1996.

Ms. Diedrich said that Right Pointe Company is a local company and that they have been seeing additional growth. Because of this additional growth, Right Pointe is considering 2754 Wagner Court, DeKalb, IL, as the location for the construction of a new 30,000 square foot manufacturing facility. The company plans on investing approximately \$1,000,000.00 to construct the facility, and estimates creating 12 to 18 positions over the next two years, paid at an average wage of \$14 to \$16 per hour. She said that the Right Pointe Project meets the manufacturing facility requirements for property tax abatement per the Intergovernmental Property Tax Abatement Agreement of 2010.

They will be leasing the building but Right Pointe Company will be responsible for the payment of property taxes, said Ms. Diedrich.

Mr. Whelan asked what happens after the 5th year?

Chairman Vary asked Ms. Diedrich if there was a claw back clause written in the agreement because in all of the other projects that the County has done in the past, that is one issue that we place in the agreement.

Ms. Diedrich said that the City of DeKalb will be drawing up a property tax agreement with them and yes, there are claw backs in them.

Chairman Vary said that she was wondering about our resolution.

Ms. Fauci said yes, we should add that to our resolution.

Moved by Ms. Fauci, seconded by Mr. Oncken, and it was carried unanimously to add the language for a claw back to the Right Point Company Tax Abatement Resolution and forward it to the full board for approval.

COUNTY CLERK'S UPDATE REPORT – MR. JOHN ACARDO

Mr. John Acardo, DeKalb County Clerk and Recorder, said that at the January committee meeting he mentioned that he would be looking for a new land records management system for the County sometime this year. He has selected a vendor and is moving full-steam ahead on the project. To implement this, they are looking at February 1, 2013. The companies that submitted quotes ranged from \$12,000 to \$702,000. They selected the lower vendor at \$12,000. The company that they selected is called I.T. Stability located in Elgin, Illinois. They are the

company that currently has designed the land records system in Kane and Kendall Counties. It is one of the favored systems out there by title companies and real estate professionals. They will have to redact all 3.5 million documents. During that time they are looking at equipment that will cost \$6,000 and the purchase of the software at \$12,000 for the implementation.

Mr. Acardo said that he will be presenting to the county board as part of his budget proposal, a cost study that they will be conducting over the next few months to ask for a raise in their recording fee. The recording fee is at the lower end now, but he will be asking for an increase of \$3.00, which will help pay for the system in perpetuity. This will impact the users that record documents, who are predominately homeowners. This would eliminate \$30,000 from our taxing budget on an annual basis. It is a user fee rather than a tax.

The capital to do this is coming from the Micrographics Funds. We should be able to pay for this system in one year's time, he said. Because of security reasons, both hardware and software, his office is adopting a cloud-based type of solution. There will be 3 separate levels where our records will reside on servers that have 3 separate layers of security and are backed up every 15 minutes.

Mr. Metzger asked if it will be hosted outside?

Mr. Acardo said that there will be a piece of hardware here in the County, a piece of hardware in Arlington Heights and a piece of hardware in Elgin. Every single one of those systems has 3 separate layers of security. They have redundant systems for power options, network options, and security options. So, if something catastrophic should happen to our offices here, we could be up and running again in less than an hour. The nice thing about this system is that it also introduces the recording features, so title companies, realtors and lawyers will be able to record documents from the comfort of their offices. The public will be able to use credit cards and, they can actually email the document to his office. This new system will make it easy for the public to do this.

He said that it should go online in March 2013. The new fee will begin January 1, 2013. His staff will be trained on the new system in December 2012 and January 2013.

Ms. Fauci asked Mr. Acardo if there was any action that the committee needed to take this evening?

Mr. Acardo said not, that it will be going through his budget.

SUPERVISOR OF ASSESSMENTS ANNUAL REPORT FOR 2011 – MS. ROBIN BRUNSCHON

Ms. Brunschon, Supervisor of Assessments for DeKalb County, presented her 2011 Annual Report to the committee. (This report is on file in the Supervisor of Assessments Office.)

Ms. Brunschon commented on some highlights from that report to the committee. She said that the Office of Assessments processed 1,313 Board of Review instruments of which 461 were taxpayer-generated assessment appeals. The 2011 assessment year presented another year of overall decrease in the assessment base. Preliminary sales ratio studies results indicate that this will continue into the 2012 assessment year as the real estate market remains sluggish with short sales and bank-owned sales still very much a part of the residential real estate market. Hopefully, the residential real estate market will stabilize in the short term rather than the long term after the final round of pre-foreclosures and foreclosures make their way through the real estate market in 2012.

Ms. Brunschon said starting on page 4 of her report, she wanted to highlight the people who work in her department and their duties.

The commercial real estate market is still struggling, especially the older shopping centers. Vacancies rose in office spaces. They are seeing more short sales and foreclosures in office buildings. (See page 23 for the charge on percentage of foreclosures.)

In suburban DeKalb County, there has been some demand in the industrial real estate market helping it to keep its' head above water.

Farmland will increase 10% in 2012 and 2013 as certified by the Department of Revenue. However, the farm increase will not offset the decrease in all other areas.

New construction figures found on page 21 of her report show that they were down in 2011 and 2010. However, if you do not include the value from the wind farms in 2010, the value was only down approximately 105,000 in assessed value. That is, in 2010 the new construction figure was \$37,326,923.00. If you do not include the value of the wind farms, which equaled \$24,000,000.00, then you are looking at a total figure of \$13,326,923.00. This figure is only slightly higher than the 2011 figure of \$13,221,281.00 or approximately \$105,000.00 in assessed value difference.

New construction will be relatively slow in 2012 as it was in 2011.

On page 17 her reports reflects how late the books are coming in from Township Assessors.

Chairman Vary said that there should be a penalty for to turn them in on time. She suggested that Ms. Brunshon continue with helping them out but that notices should be sent out with a “zinger” in the letter that there will be a consequence if late.

The committee thanked Mr. Acardo and Ms. Brunshon for their reports.

ECONOMIC DEVELOPMENT CORPORATION UPDATE

Chairman Vary asked everyone to read the one-page report from Mr. Borek since he was not present this evening.

Before adjourning Ms. Supple and Ms. Brunshon wanted to thank the County Board Administrative Intern, Tim Cherney, for all of his hard work during his 6-month internship.

ADJOURNMENT

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

Respectfully submitted,

Patricia Vary, Chairman

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