

**DRAFT**  
**Economic Development Committee**  
**Minutes**  
**March 14, 2012**

The DeKalb County Economic Development Committee met on Wednesday, March 14, 2012 @ 7:00p.m., in the Legislative Center's Freedom Room. Chairman Pat Vary called the meeting to order. Members present were Bob Brown, Julia Fauci, Riley Oncken and Jeff Whelan. Mr. Metzger, Sr., was absent. Mr. Paul Borek, Mr. Mark Biernacki, Ms. Jennifer Diedrich, Mr. Pankaj Mahajan and Ms. Trish Gibbs with First Rockford Group, were also present.

**APPROVAL OF THE MINUTES**

**Moved by Mr. Whelan, seconded by Mr. Oncken, and it was carried unanimously to approve the minutes from February 2012.**

**APPROVAL OF THE AGENDA**

**Moved by Mr. Oncken, seconded by Ms. Fauci, and it was carried unanimously to approve the agenda.**

**CHAIR'S COMMENTS**

Chairman Vary said that she held a meeting on February 16, 2012 with people who are in the Arts and Entertainment sector trying to see if anyone would step forward to start the organizational process of an Arts Council. After everyone discussed items for a while, seven people stepped forward to volunteer their time to hold their first meeting as the organizing committee to start an Arts Council. She told them that the County was a catalyst to start the process and gave them a complete list that the County compiled of people interested in being included in the Arts Council.

**CITY OF DEKALB ECONOMIC DEVELOPMENT COORDINATOR – MS. JENNIFER DIEDRICH**

Chairman Vary then introduced Mr. Mark Biernacki, City Manager of the City of DeKalb and Ms. Jennifer Diedrich, the City of DeKalb's Economic Development Coordinator to the committee.

Ms. Diedrich shared a summary of economic development projects for the City of DeKalb. The first sheet is on industrial investments and the second sheet involves retail investments.

The industrial investment page includes Nestle, Panduit, Goodyear, 3M, First Rockford Shopping Center, HA Phillips, to name a few. There were 1918 jobs created with these industrial investments, over \$3,000 was the average incentive costs, and it took an average of 6.75 years for the City of DeKalb to recoup its investments.

Ms. Diedrich pointed out that the retail sheet does not show the retail sales tax information because they cannot share that information. The average number of years for the City of DeKalb to see these paybacks is 6.3 years. Only one of the projects had to have a clawback, which was the American Inn project.

She then highlighted some of their projects for the committee. Ms. Diedrich noted that in April 2011 the City hired Economic Development Consultant Roger Hopkins. He has been a welcome addition to our staff and provides us with many years of experience.

Ms. Diedrich said that an interactive premiere developments map has been added to the City's website. The map showcases several of DeKalb's most marketable properties. When you click on a specific site, another window pops up with a site information sheet which details the specifics of the property.

She also informed the committee about certain new retail openings in the City. She said that Aspen Leaf and Oceans Tax opened on the west side of the City, Molly's and Subway relocated into the former Amnesia building; the CVS Pharmacy is currently under construction; the National Bank & Trust construction on Lincoln Highway is progressing; the NIU Gallery 215 opened in Downtown DeKalb and the former Sawyer building is in redevelopment currently. A new updated McDonald's is going up on the east side where they will be rebuilding an improved exterior and dual drive-thru lanes to improve traffic flow and avoid dangerous conditions on the highway. The former Bockman's auto is being redeveloped into a Circle K. Tapalaluna's restaurant is under new ownership; Cracker Jax has expanded into the adjoining storefront; Ross Dress for Less is leasing the former Border's building; and the Aldi is in the process of undergoing a \$500,000.00 remodeling project.

Ms. Diedrich also stated that the City has been experiencing a renewed interest in several properties throughout the city and on Sycamore Road, including the vacated Old Navy store.

She explained also that on the industrial front, HA Phillips has relocated their operation from South Elgin to the City of DeKalb into the Airport North Industrial Park. There has also been an uptick in interest on several of their available industrial sites including Park 88 and DeKalb Business Center.

A much needed 80-room Hampton Inn and Suites has been approved to be constructed by Annie Glidden Road just North of Taylor Street. The planned operation of this new Inn is by the summer of 2013.

The Egyptian Theater has replaced their seats and upgraded their sound system. Currently they are in the process of obtaining quotes for air conditioning.

Ms. Diedrich also mentioned that in October of 2011 the City conducted a retail survey of its residents. The purpose of the survey was to determine what businesses, events, promotional materials, and policies would attract new tenants and a larger share of resident's time and dollars to DeKalb's retail

centers. There were 892 responses received, with 129 of those responses coming from NIU students. The results showed that the top three resident priorities revealed were for more dining, shopping and entertainment venues. Over 50% of respondents indicated that they would spend more at these types of business categories if they were added to the DeKalb market. Almost half of the respondents identified Olive Garden as a specific business they would like to see in DeKalb. They will be using this survey as a recruiting tool for new businesses.

These are some of the highlights that Ms. Diedrich mentioned to the committee. The committee thanked Ms. Diedrich for her very informative report.

### **RETAIL INDUCEMENT PROPOSAL**

Chairman Vary explained that Mr. Bockman had sent a memo to the committee members stating that the County had been asked by the City of DeKalb to join with them in inducing a retail tenant to occupy currently vacant space within the DeKalb Market Square property.

The staff is recommending the Economic Development committee provide a positive recommendation to this request subject to the following conditions mentioned in the materials that Mr. Bockman provided to the committee. Those conditions include: the agreement be for up to 50% of cosmetic business sales taxes for 7 years - up to \$153,125; to be eligible for a rebate, the cosmetics business tenant must remain in business and agree to submit ST-1 documentation directly to the City of DeKalb on a quarterly basis; if the store closes before the end of the agreement, the rebates will be terminated; and sales tax rebate is subject to approval of an amendment to the Intergovernmental Tax Sharing Agreement with DeKalb County in that DeKalb County share 50% of their sales tax revenues with developer First Rockford.

Mr. Mark Biernacki, City Manager of the City of DeKalb, said this project is for a new Ulta cosmetic store to open by the Kohl's store. This location is subject to an Intergovernmental Tax Sharing Agreement (IGA) with the County of DeKalb. Of the 3.00% County and City sales tax collected, 1.25% is collected by and share with DeKalb County.

In the materials that Mr. Bockman sent to the committee it was stated that the City of DeKalb staff is working with DeKalb County Administrator Ray Bockman to amend this IGA so that the County will share taxes proportionately with the developer First Rockford. The total 50% rebated amount agreed with First Rockford Group is \$153,125 over 7 years, averaging \$21,875.00. The estimated maximum 50% City rebate equals \$89,272 over 7 years, averaging \$12,753 a year. The estimated maximum 50% County rebate equals \$63,853 over 7 years, averaging \$9,122 a year. This new store would use 11,000 square feet.

Mr. Biernacki mentioned that the risk is totally on First Rockford and the Ulta store. If they perform as expected then they get the full rebate, if they don't then they get less. There is no money being spent by the County or City.

**It was moved by Mr. Oncken, seconded by Ms. Fauci and it was carried to forward this resolution to the full board for approval. There were 4 yes votes and 1 no vote, that vote being Mr. Whelan's.**

**ECONOMIC DEVELOPMENT CORPORATION UPDATE – MR. PAUL BOREK**

Mr. Borek gave a brief update on what is happening around the County with economic development.

Mr. Borek mentioned an article that appeared in the real estate magazine titled "Real Estate BISNOW" that covers Venture One's and Clayco recent purchase of the remaining acreage in Park 88. Mr. Borek said that this is tremendous news for DeKalb because business prospects are bright. We are fortunate the Citizens National Bank kept Clayco and Venture One as marketing agents on this property and now owners. They have a very strong interest in promoting this property. Mr. Borek said that there has been some interest shown regarding this property in the last couple of months. It is the first large tract of industrial property sold in 5 or 6 years since the downturn of the economy, Mr. Borek stated.

The committee thanked Mr. Borek for his report.

**ADJOURNMENT**

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

Respectfully submitted,

---

Pat Vary, Chairman

pv:mcs

g:Economic Development Committee Minutes for 03142012.doc