

Note: These minutes are not official until approved by the Economic Development Committee at a subsequent meeting. Please refer to the meeting minutes when these minutes are approved to obtain any changes to these minutes.

DeKalb County Government
Sycamore, Illinois

**Economic Development Committee Minutes
October 7, 2014**

The DeKalb County Economic Development Committee met on Tuesday, October 7, 2014 @ 7:00p.m. in the Administration Building's Conference Room East. Chairman Whelan called the meeting to order. Members present were Mr. Brown, Mr. Oncken, Mr. Pietrowski, Mr. Metzger and Mr. Reid. Mr. Deverell was absent. A quorum was present.

Others present were Gary Hanson, Paul Borek, Dianne Leifheit, Christine Johnson, Robin Brunshon, Alex Nerad and Peter Stefan.

APPROVAL OF THE MINUTES

It was moved by Mr. Oncken, seconded by Mr. Pietrowski, and it was carried unanimously to approve the minutes from September 2, 2014.

APPROVAL OF THE AGENDA

Mr. Oncken moved to amend the agenda to have items #3 and #4 go first instead of the Enterprise Zone. Mr. Borek said that he needed to leave right after his section as he had another meeting to go to this evening. Mr. Oncken withdrew his motion to amend.

It was moved by Mr. Oncken, seconded by Mr. Pietrowski, and it was carried unanimously to approve the agenda as presented.

ENTERPRISE ZONE: POLICIES

Mr. Paul Borek, Executive Director of the DeKalb County Economic Development Corporation, updated the committee on the Enterprise Zone project.

He first announced that he needed to know if any committee members would be available to cover some of the various cities and towns council meetings in October and November to explain the Enterprise Zone to. If any member is available to please let Mr. Gary Hanson know via email in a couple of days.

Mr. Borek handed out the draft Unified Enterprise Zone Program. He said that across the State is a 5-year program. It is recommended that the county-wide Tax Abatement Program should be the 5-year program and for the Interstate Competition Market it would be the 5-year tax abatement program *plus* a 5 year bonus. This would be for companies that locate 3.5 miles from Interstate I-88. He said that some of the school districts want their abatements to begin in the 2nd year and extend to year 6. He also said that clawbacks are included and are demanding a 100% refund. Mr. Borek said that the Administrator of the Enterprise Zone would require a signed affidavit for the clawbacks, too.

After further discussion it was moved by Mr. Pietrowski, seconded by Mr. Oncken, and it was carried unanimously to approve the preliminary Unified Tax Abatement Program.

DEKALB CITY TAX ABATEMENT REQUEST

Mr. Hanson approached the committee about a tax abatement request from the City of DeKalb. He explained that this is unusual that the County is asked to approve these at the end of the process. Right Pointe has already made the expansion and now that it is all fulfilled they are asking for the tax abatement. He explained that the County has always supported tax abatements like this in the past.

It was moved by Mr. Pietrowski, seconded by Mr. Oncken, and it was carried unanimously to approve the tax abatement request from the City of DeKalb regarding Right Pointe and to forward this recommendation to the full board for approval.

DEKALB COUNTY CONVENTION & VISITOR'S BUREAU ANNUAL REPORT – MS. DEBBIE ARMSTRONG

Ms. Debbie Armstrong presented her annual report to the committee. She first thanked the committee and the entire County Board for their contribution each year to her agency. She said that they are seeking the same amount as last year.

Ms. Armstrong said that the revenue generated from tourism in 2013 was \$81.58 million. The economic impact generated from tourism revenue has gone up 5 years in a row. The hotel sales tax revenue for their service area is also on the rise producing more than \$384,000 in hotel/motel tax.

Ms. Armstrong also pointed out that one of their biggest accomplishments was hosting the successful IHSA State Football Championship in DeKalb County. This event alone had an estimated economic impact of \$800,000 for the area and resulted in \$200,000 in free publicity.

She also said that the area has added 80 more hotel rooms with the addition of the new Hampton Inn.

Ms. Armstrong said that their website has generated 37,790 visits so far in 2014 or 19,700 more visits than in 2013. She has featured an article in Group Tour Management on DeKalb County that saved her agency \$6,300 in advertising costs. KiteFest was the largest one to date, which was just held in September.

EGYPTIAN THEATER UPDATE – MR. ALEX NERAD

Mr. Alex Nerad approached the committee with regards to the Egyptian Theater and what has been happening with them over the past year. Mr. Nerad said that the U.S. Bureau of Economic Analysis reports that the arts and culture sector represents 3.25% of the nation's GDP – a larger share of the economy than tourism and agriculture. The nonprofit arts industry alone generates \$135 billion in economic activity annually (spending by organizations and their audiences) that supports \$4.1 million jobs and generates \$22.3 billion in government revenue.

He further stated that in his research that he did through the Americans for the Arts, it said that the new trend in the U.S. now is that young workers are now moving to a culturally thriving community and then they are finding work.

He said that the Egyptian Theater over the last year has held 130 private and public events. They have hosted 7 different events for NIU and 27 different groups/organizations in the area utilized the Theater from DeKalb, Sycamore, Cortland, Genoa, Kingston and Rochelle. The Theater has participated in every major downtown DeKalb event and had 30,000 patrons last year. Ticket purchasers were from 23 different states and 36 counties in Illinois. The 2013 – 2014 Season Economic Impact equaled \$2 million. He also said that on the average, 30% of the ticket holders were from the local area and 70% were from out of town. So the theater is attracting and reaching a pretty large audience outside of DeKalb County.

Some of their strategic goals are the following: Increase programming with national touring acts, address building challenges that restrict the ability for bigger events and increased programming, address the lack of air-conditioning to allow for year round programming, add much need additional staff to continue the growth of the theater and address current and future programming demands, continue working on sustainable operating model for the Theater, and to continue strategic relationships with local governments and educational institutions to increase programming that increases economic development and educational opportunities in the area.

The committee asked Mr. Nerad how much the air conditioning would cost?

Mr. Nerad said around \$2.5 million.

He also said that they need additional staffing. Their operating budget is around \$350,000.00. He informed the committee that the Coronado Theater in Rockford and the Paramount in Aurora have operating budgets around \$800,000.00. He said that it is hard to compete with these two area theaters with his budget but he is very grateful to the City of DeKalb for providing funds to the Theater through the tax increment financing district (TIF). He did mention that the money that they do receive from the TIF District can't go towards their operational budget.

FY2015 BUDGET APPEALS APPLICABLE TO THE ECONOMIC DEVELOPMENT COMMITTEE

Ms. Christine Johnson, DeKalb County Treasurer and Deputy County Administrator, approached the committee regarding her budget appeal for the upgrade for the Administrative Clerk B position to that of Account Clerk A at a cost of \$3,000. She said that she was changing the funding source from the General Fund for this request to the Tax Sale Automation Fund.

The committee asked Ms. Johnson how much money was in this fund?

Ms. Johnson said a couple of hundred thousand dollars.

It was moved by Mr. Oncken, seconded by Mr. Metzger, Sr., and it was carried unanimously to forward this recommendation to the Finance Committee for consideration.

BUDGET REVIEW FOR DEPARTMENTS REPORTING TO THE ECONOMIC DEVELOPMENT COMMITTEE

Mr. Gary Hanson, DeKalb County Administrator, said that if anyone had any questions pertaining to the departments that report to the Economic Development Committee regarding their budgets, now would be the time to do it.

Mr. Pietrowski asked Mr. Stefan how much money was in the Opportunity Fund?

Mr. Stefan said about \$3 million.

MONTHLY REPORT: MARY SUPPLE

Ms. Mary Supple, DeKalb County Board Coordinator, gave her monthly report to the committee. She mentioned that she had recently attended the Arts Council Meeting. The Arts Council is still working on their 501(c) 3 filing. They have developed a Conflict of Interest Policy and a draft budget. Dr. Holly from NIU is working on getting the by-laws from the Rockford Arts Council soon. Once the membership benefits have been outlined and the rest of the criteria is done then they can register with the Attorney General's Office as a charitable organization. After that is finished they can then file the 501(c) 3.

She also mentioned that Mr. Alex Nerad, Co-Chair of the Arts Council and Mr. Debbie Armstrong, council member, met with a TJ Hicks with NIU about the website. TJ is still waiting to hear from his supervisor about what his clear orders are as to when he can turn this all over to the Arts Council. Dr. Holly from NIU said that if they did not hear anything soon, that he would make some phone calls to find out what is happening.

Ms. Supple then informed the committee that she and Ms. Christine Johnson are working on using the Community Outreach Building space that is available as a possible incubator site for high-tech start-up companies. She said that this will not cost the County anything in capital expense since the County owns the building and that they could immediately lease out the office space once a contact is made. She will inform the committee as soon as they are able to house someone in the space. The County could charge memberships that equal the rent and utilities and suggest a small percentage of the company's eventual profits for sustainability. The ultimate goal is to have the companies remain here in DeKalb County once they move out of the incubator. At that time then Mr. Borek from the Economic Development Corporation can find them a new home here in the County.

She also said that she is currently researching CSA's (Community Sustainable Areas). The closest one that she has found so far is in the Madison, Wisconsin area. She will get back to the committee on her findings in November or December.

NEXT MEETING DATE:

Because the November meeting date falls on Election Day, the committee decided to hold their November meeting on November 10, 2014 @ 7:00p.m.

ADJOURNMENT

It was moved by Mr. Oncken, seconded by Mr. Brown, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

Chairman Jeff Whelan

Mary Supple, Recording Secretary



October 7, 2014

DeKalb County Economic Development Committee
Jeff Whelan, Chair
200 N. Main St.
Sycamore, IL 60178

Dear Committee Members:

Thank you all for your continued support and financial investment with the DeKalb County CVB. Your investment in tourism marketing has helped us continue to grow and contribute to the economic wealth of DeKalb County.

The revenue generated from tourism in 2013 was \$81.58 million. The economic impact generated from tourism revenue has gone up 5 years in a row. Our hotel sales tax revenue for our service area is also on the rise producing more than \$384,000 in hotel/motel tax.

The overall quality of life is improved by vibrant tourism and commerce. Tourism is an economic engine for DeKalb County.

As you know one of our big accomplishments was a hosting a successful IHSA State Football Championship in DeKalb County. This event alone had an estimated economic impact of \$800,000 for the area and resulted in \$200,000 in free publicity. We respectfully ask you to consider the following partnership investment:

- 1) Annual letter of support and a resolution recognizing the DCCVB as the marketing and promotion organization for DeKalb County tourism
- 2) \$15,000 partnership in unrestricted funding to help meet local match

Thank you for your consideration and partnership. We appreciate your investment and your service to the residents of DeKalb County.

Respectfully,

A handwritten signature in black ink that reads "Debbie Armstrong".

Debbie Armstrong, DeKalb County CVB



Mission Statement

The DeKalb County Convention & Visitors Bureau is a non-profit, destination marketing organization that champions efforts to promote and further develop DeKalb County as a preferred convention and visitor destination. DCCVB generates positive economic impact for DeKalb County through strategic tourism marketing, sales and promotion.

Purpose of a Convention and Visitors Bureau

The Convention and Visitors Bureau (CVB) serves as the first point of contact for meeting planners, sports tournament directors, tour operators, special event planners, and leisure travelers. Marketing, advertising, and promotional efforts are focused 50 miles outside the bureau's region to attract new dollars and new business, which results in a positive impact on economic development.

A CVB does not organize meetings, conventions or sporting events. A CVB helps the meeting planners, tournament directors and visitors learn about the destination and area attractions to make the best possible use of all the services and facilities the destination has to offer.

Prime Responsibilities

To encourage groups to hold meetings, conventions, trade shows, and sporting events with participating partners and communities

To assist these groups with meeting preparations in advance of their arrival and also while their meeting is in progress

Keep track of room counts and block rooms for groups, corporate retreats, conferences, and meetings coming to the area

Help planners match properties to specific meeting requirements and budgets

To encourage leisure visitors to visit and enjoy the historic, cultural, retail, dining, and recreational opportunities in our area

Promote events with a comprehensive calendar of events for tourists

2013 Travel Statistics



STATE OF ILLINOIS vs DEKALB COUNTY

Category	** State of Illinois	* Chicago & Beyond Regional Tourism Office	Cook County	DeKalb County
Travel Expenditures:	\$31.85 (billion)	\$5.74 (billion)	\$21.12 (billion)	\$81.58 (million)
Money spent by travelers on such things as public transportation, food service, auto transportation, lodging, retail, and entertainment / recreation.				
Payroll:	\$8.55 (billion)	\$1.31 (billion)	\$6.28 (billion)	\$12.30 (million)
Wages and salaries paid directly to employees directly serving the traveler, in such areas as: public transportation, food service, lodging, entertainment / recreation, travel planning, retail, and auto transportation.				
Employment:	277,400	50,290	190,020	500
The actual number of jobs supported by Illinois tourism. Jobs vary from executive / management to service-oriented occupations.				
Tax Receipts:				
Travel tax receipts are the taxes generated from revenues attributed to travel spending in Illinois. Travel-generated tax revenues are a significant economic benefit as governments use these funds to support the travel infrastructure and other public programs.				
Total Tax Receipts	\$2.39 (billion)	\$440.58 (million)	\$1.54 (billion)	\$6,760,000
State Tax Receipts	\$1.66 (billion)	\$329.19 (million)	\$1.03 (billion)	\$5,480,000
Local Tax Receipts	\$ 734 (million)	\$111.39 (million)	\$506 (million)	\$1,280,000
*** Federal Tax Receipts	\$3.67 (billion)			

* Chicago & Beyond Regional Tourism Office encompasses 17 Northern Counties of Boone, Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, LaSalle, Lee, McHenry, Ogle, Putnam, Stephenson, Will, and Winnebago.

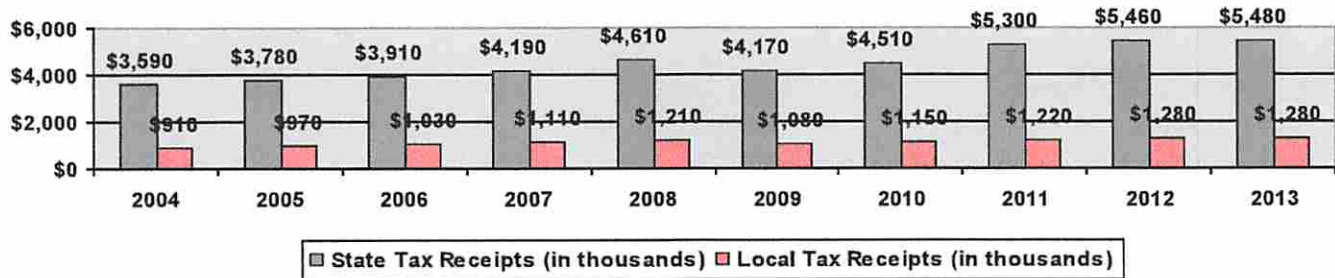
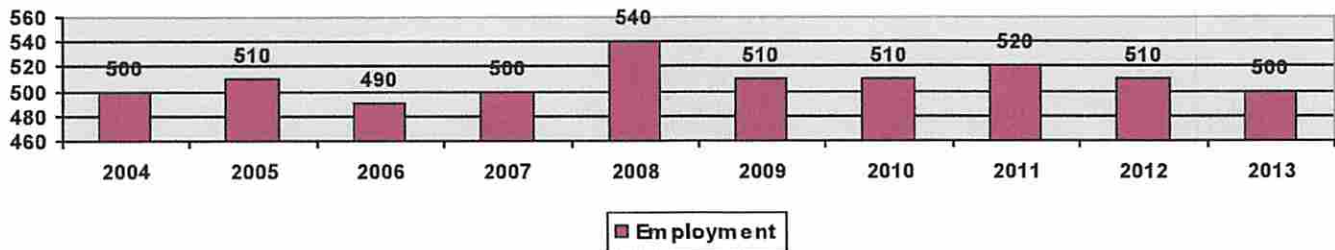
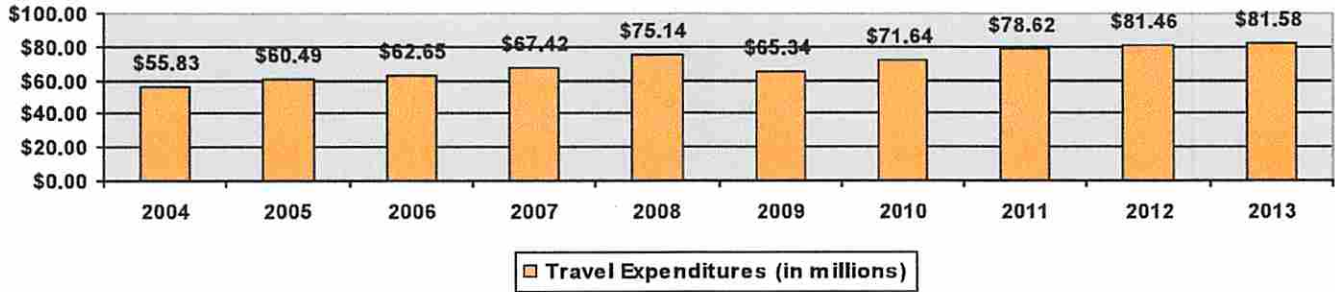
For a complete total of the 17 county northern region, add Chicago & Beyond Region and Cook County Region together.

** Statewide numbers reflect both Domestic & International from D.K. Shifflet & Associates data, 2013. Numbers for individual counties and those included in the 17-county Northern Region reflect only Domestic expenditures. *** Federal Tax Revenues, which include Domestic and International together, are not included in Total Tax Receipts.

Information compiled by Chicago & Beyond Regional Tourism Office.

Information contained in ten (10) studies prepared for the Illinois Office of Tourism by the US Travel Data Center, U. S. Travel Association which reviewed the Economic Impact of Travel on Illinois Counties for 2004 through 2013.

DeKalb County Tourism Statistics – 10 Year History



Travel Expenditures- Money spent by travelers on such things as public transportation, food service, auto transportation, lodging, retail, and entertainment/recreation.

Payroll- Wages and salaries paid directly to employees directly serving the traveler, in such areas as: public transportation, food service, lodging, entertainment/recreation, travel planning, retail, and auto transportation.

Employment- The actual number of jobs supported by Illinois Tourism. Jobs vary from executive/management to service oriented occupations.

Tax Receipts- Travel tax receipts are the taxes generated from revenues attributed to travel spending in Illinois. Travel-generated tax revenues are a significant economic benefit as governments use these funds to support the travel infrastructure and other public programs.

Information compiled by Chicago & Beyond Regional Tourism Office.

Information contained in ten (10) studies prepared for the Illinois Office of Tourism by the US Travel Data Center, U. S. Travel Association which reviewed the Economic Impact of Travel on Illinois Counties for 2004 through 2013.

DCCVB BOARD OFFICERS/EXECUTIVE COMMITTEE

NAME	ORGANIZATION	EMAIL ADDRESS
Kevin McArtor – Chair	Jonamac Orchard	kevin@jonamacorchard.com
Vicky Torres – Past Chair	Red Roof Inn & Suites	i0318@redroof.com
Brad Hoey -- Vice President	NIU Marketing & Communications	bhoey@niu.edu
Pat Zilm – Treasurer	Kishwaukee College	pzilm@kishwaukeecollege.edu
Mark Pietrowski, Jr. – Secretary	DeKalb County Board	mpietrowski@dekalbcounty.org
Debbie Armstrong – Executive Director	DCCVB	darmstrong@dekalbcountycvb.com

DCCVB BOARD OF DIRECTORS

NAME	ORGANIZATION	EMAIL ADDRESS
Jennifer Diedrich	City of DeKalb	jdiedrich@cityofdekalb.com
Jeff Dobie	Fatty's Pub & Grille	jdobie@aol.com
Matt Duffy	DeKalb Chamber	matt.duffy@dekalb.org
Claudia Hicks	Village of Shabbona	chicks211@aol.com
Mark Kerman	Siepert & Co. LLP	mkerman@siepert.com
Mark Muhlhauser	NIU Athletics	mmuhlhauser@niu.edu
Alex Nerad	Egyptian Theatre	alex@egyptiantheatre.org
Rose Trembl	Sycamore Chamber	rtrembl@sycamorechamber.com

DCCVB EX-OFFICIOS

NAME	ORGANIZATION	EMAIL ADDRESS
Bonnie Heimbach	Chicago & Beyond	bonnie@visitnorthernillinois.com