



## Special Meeting of the DeKalb County Enterprise Zone Advisory Board

DeKalb County Community Foundation (Freight Room)  
475 DeKalb Avenue, Sycamore, IL 60178

Thursday, April 5<sup>th</sup>, 2018 @ 3:30 PM

Attendees: Cohen Barnes, Paul Callighan, Dan Curran, Gary Evans, Dr. Lisa Freeman, Brian Gregory, Gary Hanson, Chuck Kaiser, Greg Millburg, Craig Coil, Jennifer Groce, Dan Olson, John Heckman & Bill Ganek

DCEDC Staff: Paul Borek, Jan Kinczewski & Dominique Watson.

Absent: Jay Anderson, Laurie Borowicz, Jim James, Mike Milano, Jennifer Barton, Darryl Beach, Jesse Butz, Cindy Carpenter, Jamie Craven, Mark Eddington, Emily Faulkner, Jim Hanson, Jennifer Jeep-Johnson, Rick Olson, Brad Shortridge, Russel Stokes, Chad Willis

### MINUTES

President Chuck Kaiser called the meeting to order at 3:39 pm. The agenda was approved after a motion by Paul Callighan, seconded by Dan Curran. On a motion by Cohen Barnes, seconded by Greg Millburg, the Minutes of the February 15, 2018 meeting were approved.

#### President's Message/Public Comments

There were no public comments.

#### Open Meetings Act / Freedom of Information Act

The DeKalb County Enterprise Zone Advisory Board was defined as a public body under the Illinois Freedom of Information Act (FOIA) by the Public Access Counselor of the Illinois Attorney General's Office. Paul Borek briefly discussed the of the requirements of the Illinois Freedom of Information Act (FOIA) including notification of meetings, publication of minutes and required online Open Meetings Act training for board members. There were no questions.

#### Consideration of Potential Enterprise Zone Modifications

Borek referenced discussions of Enterprise Zone program modifications to address potential developments encountered during the past two years of operation and introduced Consultant Craig Coil (of The Development Consortium) to provide guidance on how these matters have been addressed in other Enterprise Zones and describe how they could be addressed here.

Speculative (Spec) Building Development – Borek stated that a developer has proposed construction of speculative building to encourage development by providing space for industries that cannot allocate time or resources to build new. A major portion of the industrial market relies on existing building inventory. DeKalb County has not attracted spec buildings because the demand hasn't yet warranted investment in spec construction. Development of spec buildings would help attract investment, industries and jobs to the available space. He added that the Enterprise Zone Tax Abatement program is needed to help attract users to the spec buildings and to enable the spec buildings to compete with tax abatement programs in other markets.

Coil indicated that DeKalb County is very specific in their criteria requirements compared to other Zone communities. Fewer requirements afford these communities greater flexibility in addressing development situations. Building occupants are responsible for fulfilling the job creation requirements of the DeKalb County Tax Abatement Program. With a spec building, the occupant is not known until the building is completed, or sometime thereafter.

Borek and Coil indicated that spec building development could be accommodated by extending the timeframe allocated for the job creation requirements to be met, currently 24 months from the execution of the Memorandum of Understanding between the Enterprise Zone Administrator and developer. Borek stated that the developer requested consideration of 48 months, to allow for development planning, construction and post-construction marketing, build-out and move-in. Callighan noted that developers need a longer term to market the space to industrial users that can commit to job creation. Coil also indicated that that a special category could be created to address spec buildings, specifically. Members cautioned that the simplest, most flexible approach would be best.

Borek asked how much time it would take to implement amendments addressing the spec buildings and other matters to be discussed today? Coil responded that the timeframe is dependent on the sequencing of local board and council approval processes, plus allowance for drafting of amendments on the front end, and agency review and approval from the Illinois Department of Commerce. It could be 4-5 months if all goes well. Borek noted that this schedule would be reviewed with the developer to determine whether this would be acceptable or not, given a potentially limited window of opportunity.

Coil pointed out that our documents currently afford us the flexibility to accommodate this request. The developer could enter into the MOU with the DeKalb County Enterprise Zone Administrator, enabling the project to commence, while at the same time the Designating Units and Taxing Bodies could pursue amendments addressing the matter for the long term, with an effective date that accommodates this project. The MOU could be transferred to the occupant industry with approval of the Administrator and concurrence of Advisory Board. If per chance the amendments are not approved and the building is not yet leased or sold to an operating industry, the Administrator and Board may waive enforcement to allow for delayed occupancy and job creation and avoid hardship, in accord with the following provision:

“The Administrator of the DeKalb County Enterprise Zone, with the advice and consent of the Enterprise Zone Advisory Board and the Parties to this Agreement within which an abated property is located, may elect to waive enforcement of any performance measures outlined in the MOU based on a finding that the waiver is necessary to avert an imminent, demonstrable and material hardship to the entity that may result in such entity's insolvency or discharge of workers,” (DeKalb County Enterprise Zone Intergovernmental Agreement, Section III, Subsection I. a., December 5, 2014).

Data Centers – Borek pointed out that data centers were not explicitly noted within the definitions of eligible Tax Abatement uses: Logistics, Industrial and Knowledge-based Industries. Lisa Freeman noted that data centers were relatively recent facilities designed to accommodate the data storage and distribution industry. Other specialty uses that we are not currently aware of are likely to emerge. Board members observed that the definition of Logistics Companies as “warehousing and distribution businesses that are engaged in ... the transfer of product from point of origin to point of consumption” does indeed embrace the function of data centers. Coil reinforced the ability of the Enterprise Zone Administrator to interpret evolving intended uses.

Build-out, Rehabilitation and Renovation of Existing Facilities – Borek highlighted how other Zones enable build-out, rehabilitation and renovation of existing facilities to qualify for tax abatement based on new valuation attributable to improvements. While our language recognizes this as an eligible improvement, we require the construction of new physical space to qualify.

Abatement Criteria – While there was some past discussion of reducing criteria to qualify for abatements in the Countywide Enterprise Zone, it was not viewed as a priority at this time.

Boundary Expansion / Project Related – The proposed boundary amendment to accommodate the Gjovik Auto expansion in the Kendall County portion of the City of Sandwich was delayed to relocate the building on the site to avoid problem soils. This project is ready to proceed now.

Boundary Expansion/Non-Project Related – Potential boundary expansions that were not project related were discussed, including areas inadvertently omitted from the original application and areas being prepared for development. Gary Hanson indicated that it was important to maintain space in the DeKalb County Enterprise Zone to accommodate future project-related. (Approximately 1.9 square miles/1,216 acres are currently available.)

As the discussion concluded, the Advisory Board agreed that that staff should reach out to the developer and the City of DeKalb, as well as the school districts, municipalities, and taxing bodies that were not in attendance to secure their input regarding the speculative building project and other modifications discussed. In addition, Callighan requested the consultant to submit a Scope of Work to implement the desired modifications.

There being no further business to discuss, a motion to adjourn was made by Freeman and seconded by Callighan, motion carried and the meeting was adjourned at 4:55 pm.

Respectfully submitted;

Dominique Watson  
DCEDC Graduate Research Assistant  
&  
Paul Borek  
DeKalb County Enterprise Zone Administrator