

**DeKalb County Enterprise Zone Advisory Board
DCEDC Conference Room
Thursday, June 27th, 2019**

MINUTES

Attendance/Voting Members: Paul Callighan, Jill Hansen (Proxy for Dr. Laurie Borowicz), Brian Gregory, Gary Hanson, John Heckmann (Proxy for Dr. Lisa Freeman), Chuck Kaiser, Mike Milano, Greg Millburg and Dan Templin.

Attendance/Ex-Officio Members: Art Osten and Ted Strack

Staff: Paul Borek

Approval of Agenda

The Agenda was approved by voice vote on a motion by Paul Callighan, seconded by Brian Gregory.

Approval of March 21, 2019 Meeting Minutes

The Minutes were approved on a motion by Brian Gregory, seconded by Gary Hanson.

Public Comments

Borek asked whether there were any comments for the public. Noting that no public comments were made, Borek moved onto the next agenda item.

Review Proposed Draft Tax Abatement Incentive Amendments

Borek referenced the Draft Enterprise Zone Amendments Template prepared by consultant - The Development Consortium. He also distributed a Proposed Draft Enterprise Zone Amendments summary document to help structure discussion around the four proposed revisions.

Enable build-out, rehabilitation and renovation of existing buildings that generate new assessed value.

Borek reviewed this purpose and language of this amendment and asked the Advisory Board if there were any questions or concerns regarding this amendment. There being none, Borek noted that there were no objections to this amendment and moved on to the next Amendment.

Enable Data Centers to be defined as eligible Knowledge-based Industry Use for Property Tax Abatement.

Borek corrected the Sample Ordinance Template Amending the Property Tax Abatement Qualifying Criteria for the DeKalb County Enterprise Zone by noting the following. It is

recommended that Data Center be defined as an eligible Knowledge-based Industry Use for Property Tax Abatement, not Logistics as indicated in the Draft Template. Data Centers are technology-based operation essential to support the knowledge-based economy. Borek reviewed this purpose and language of this amendment and asked the Advisory Board if there were any questions or concerns. There being none, Borek noted that there were no objections to this amendment and moved on to the next Amendment.

Enable NIU Research Park Projects to be defined as eligible uses for Property Tax Abatement.

Borek reviewed the language defining NIU Research Park Projects as “research and development projects which support research, investment, and educational goals of NIU and include data centers, research and development facilities, business and innovation incubators, and emerging technologies focused on knowledge-based industries, logistics-based industries and Industrial companies.”

Art Osten questioned how a project within the NIU Research Park project could qualify for tax abatement since public buildings aren’t taxable. Borek said private improvements in real property were taxable and there are numerous examples in other public research parks. The proposed amendment language includes the follow explanatory language: “Private contributions to these research and development projects which result in an increase in assessed valuation qualify for abatements.”

Borek also reviewed the minimum size requirements: 10,000 square feet for new construction or 5,000 square feet for expansion of an existing building. In addition, he described the value of attracting Research & Development (R & D) projects and the inability to predict employment associated with various such facilities. Consequently, it was recommended that Research Park projects have no minimum job creation requirements. We do not want to inadvertently preclude development of an innovative R & D facility with job creation requirements established without the benefit of experience with such highly desirable facilities.

Ted Strack expressed concern regarding the lack of minimum job creation requirements. His concern was echoed by others. John Heckmann highlighted the highly variable nature of jobs associated with research facilities. Borek offered to have further dialogue with NIU to address this concern.

Enable Speculative Development to qualify for Property Tax Abatement by extending the job creation performance period.

Borek described the proposed Speculative Building Exception whereby “should an Industrial-based, Logistics or Knowledge-based development locate in a building developed as a speculative venture by an independent developer, employment threshold requirements may be extended from two years to four years. This exception must be requested by the developer or building owner and approved by the Enterprise Zone Advisory Board and the Zone Administrator prior to initiation of a lease, purchase or lease to purchase agreement being

executed between the developer and the lessor and/or employer. All other terms of the abatement program remain as described in the Ordinance and the MOU between the Zone Administrator and the end user and/or owner/developer.”

Borek asked the Advisory Board if there were any questions or concerns. There being none, Borek noted that there were no objections to this amendment and moved on to the next agenda item.

Minimum Wage Requirements

Borek noted that Development Consortium consultant Craig Coil asked whether we wanted to eliminate the Enterprise Zone Minimum Wage Requirements, considering the State of Illinois’ adoption of an increasing Minimum Wage Schedule. This schedule was distributed to the Advisory Board. Gary Hanson indicated that rather than eliminate the minimum wage requirements, he would prefer to adjust (increase) the requirements to reflect wage increases or the increased cost of living. He noted that wage requirements were very important in County Board discussions when the Enterprise Zone program was created. Others expressed their agreement.

Paul Callighan noted that the Enterprise Zone minimum wage requirement was (\$11.00) was 33% above the Illinois minimum wage. This could be a benchmark for adjustment as well as cost of living data.

New Enterprise Zone Projects

Paul Borek made a report of the new projects. He summarized the new Home2 Suites Enterprise Zone project.

Adjournment

There being no further business, the meeting was adjourned on a motion by Callighan, seconded by Gregory.



Respectfully submitted,

Paul Borek