

H110614

PUBLIC HEARING

IN RE THE MATTER OF:)
 PROPOSED DEKALB COUNTY)
 ENTERPRISE ZONE APPLICATION.)

REPORT OF PROCEEDINGS had at the hearing of the above-entitled matter before Linda D. Hansen, CSR No. 084.003027, RDR, CRR, taken at the Sycamore Center, 308 West State Street, Sycamore, Illinois, on the 9th day of November, 2014, at the hour of 7:04 p.m.

PRESENT:

- MR. GARY HANSON, DeKalb County Administrator;
- MR. PAUL J. BOREK, DeKalb County Economic Development Corporation, Executive Director;
- MR. CRAIG COIL, The Development Consortium, Principal.

ALSO PRESENT:

- MR. BRIAN GREGORY, Sycamore City Manager.

1 COUNTY ADMINISTRATOR HANSON: At this
2 time, I call the public meeting to order. It's
3 7:04 p.m. on Thursday, November 6th, 2014.

4 My name is Gary Hanson, and I'm
5 the County Administrator for DeKalb County. It is
6 important to note that this public hearing is
7 being held, as required, in the application for
8 the new Enterprise Zone designations issued by the
9 Illinois Department of Commerce and Economic
10 Opportunity.

11 The statute and the application
12 process requires a minimum of five days' notice
13 for the public hearing and that the notice appear
14 in a newspaper of general circulation within that
15 five-day window prior to the hearing.

16 The notice was first published in
17 the DeKalb Daily Chronicle on October 31st and
18 again on the weekend of November 1st as an
19 additional reminder. Notice was also posted on
20 the DeKalb County Government website.

21 The notice of the public hearing
22 read as follows: "Notice of public hearing
23 concerning establishment of the DeKalb County
24 Enterprise Zone. Notice is hereby given to all

1 interested persons that a public hearing will be
2 held by DeKalb County at 7:00 p.m. on Thursday,
3 November 6th, 2014, in the Sycamore City Council
4 Chambers at 308 West State Street in Sycamore,
5 Illinois. The purpose of the hearing is to
6 discuss the proposed application for new
7 Enterprise Zone designation in accordance with the
8 procedures outlined in the Illinois Enterprise
9 Zone Act. Subject matter for the hearing will
10 include the question of whether to create the
11 zone, what the proposed boundaries of the new zone
12 should be and what local plans, tax incentives and
13 other programs should be established in connection
14 with the Enterprise Zone. Copies of the proposed
15 legal description of the zone and/or proposed maps
16 and related information will be available at the
17 hearing and are or will be available at the DeKalb
18 County Administration office in the Legislative
19 Center at 200 North Main Street, Sycamore,
20 Illinois, 60178, or online at
21 www.dekalbcounty.org.

22 "In said public hearing, all
23 interested persons will be given the opportunity
24 to present both written and oral comments and

1 testimony regarding the aforementioned Enterprise
2 Zone subject matter. Any person wishing to appear
3 at such public hearing and be heard may do so in
4 person or by attorney or by other representative
5 communication in writing in relation to such
6 proposed application. Such public hearing may be
7 adjourned or continued from time to time to
8 another date and/or location within the Enterprise
9 Zone without further notice.

10 "For additional information
11 regarding the public hearing and proposed
12 Enterprise Zone application, contact Paul Borek,
13 Executive Director, DeKalb County Economic
14 Development Corporation, 421 North California
15 Street, Sycamore, Illinois, (or phone
16 815.895.2711) or Gary Hanson, DeKalb County
17 Administrator, 200 North Main Street, Sycamore,
18 Illinois, (or phone 815.895.7125)."

19 Again, that notice was published
20 on October 31st, 2014, and November 1st, 2014.

21 DeKalb County is proud to be
22 working with so many public entities on this
23 important project. While the County is the lead
24 agency for this application project, this is truly

1 a partnership with most public entities throughout
2 the County. It is very exciting to see so many
3 public bodies come together with a common focus of
4 trying to find ways to invigorate our local
5 economy and thereby help to improve the overall
6 quality of life of our citizens.

7 Seeing so many entities working
8 together reminds me of the recent initiative
9 spearheaded by the Community Foundation. Through
10 the process of collective impact, everyone works
11 together, and that collective effort builds energy
12 and ideas where the results have the potential to
13 be exponential in nature.

14 Therefore, on behalf of DeKalb
15 County, I want to thank everyone for their
16 collective efforts in putting this application
17 together.

18 Of course, this application is not
19 an easy process. As many of you know, to assist
20 all of us along the way, DeKalb County has engaged
21 Craig Coil, of the firm The Development
22 Consortium, to provide professional guidance with
23 this important project. TDC has extensive
24 experience in Enterprise Zone applications,

1 management and program development across the
2 State and was extensively involved in the drafting
3 of the Enterprise Zone legislation, which is
4 providing us with this opportunity to apply for
5 the proposed countywide Enterprise Zone.

6 Craig Coil, of the Development
7 Consortium, is present to answer questions and
8 provide technical assistance for this hearing.

9 As I mentioned at the start, Paul
10 Borek, Executive Director of the DeKalb County
11 Economic Development Corporation, has also
12 provided invaluable assistance in keeping this
13 application process moving.

14 At this time, I would ask Paul to
15 give a quick summary of the application process
16 and the issues outlined in the hearing notice.

17 MR. BOREK: Thank you, Gary. Good
18 evening, everyone. Thank you for coming tonight.

19 DeKalb County and DeKalb County
20 communities and taxing bodies together have an
21 unprecedented opportunity to advance our economy
22 and expand our tax base by applying for an
23 Illinois Enterprise Zone. DCEDC, our
24 organization, is pleased to be partnering with

1 DeKalb County {}government to collect data and
2 information and convene meetings required to
3 prepare this application.

4 As just a very brief history about
5 the Enterprise Zone program, the first zones were
6 awarded in 1983. Over the years, they have been
7 expanded to create 97 zones by the year 2013,
8 together with some river edge zones and industrial
9 development authorities.

10 The extension of the Enterprise
11 Zone legislation in 2012 extended the opportunity
12 for all Illinois counties and communities to apply
13 based on criteria established in the legislation.

14 Enterprise Zones are designated
15 geographical areas within communities where new
16 companies or expanding companies can take
17 advantage of State incentives, accelerated State
18 incentives, including a 5 percent investment tax
19 credit, a --

20 MR. COIL: A half percent.

21 MR. BOREK: Oh, a half percent. Sorry.

22 MR. COIL: A half percent.

23 MR. BOREK: Good thing you're here.

24 MR. BOREK: -- a half percent

1 investment tax credit, a sales tax exemption on
2 construction materials used in a building project,
3 a utility tax exemption for qualified businesses,
4 a pollution control facilities tax exemption, a
5 manufacturing machinery and equipment sales tax
6 exemption and an open market natural gas sales tax
7 exemption.

8 Many of these benefits are
9 targeted towards industrial and -- manufacturing
10 and industrial projects, which are the backbone
11 for economic development in all of our
12 communities.

13 In return for these benefits,
14 there is an opportunity for local communities to
15 provide local incentives, and in most communities
16 throughout Illinois and here in DeKalb County, a
17 local property tax abatement program is proposed.

18 Under the Enterprise Zone program,
19 the tax abatement program must be described and
20 prescribed upfront with the desired qualifications
21 in the application. Once adopted and included
22 with -- within an approved Enterprise Zone, the
23 abatement must then be made available to all
24 qualifying companies within the zone.

1 The new Enterprise Zone program
2 makes all 97 zones available for new municipal and
3 County applications. None of the existing 97
4 zones are grandfathered. All must apply, along
5 with communities and counties like DeKalb.

6 As a result, the Enterprise Zone
7 process is a very competitive process. Zones that
8 would be designated -- zones would be designated
9 for a period of -- an initial period of 15 years,
10 with review at year 13 for an additional 10-year
11 authorization.

12 The size of an Enterprise Zone can
13 be between 12 and 15 square miles and can
14 encompass a number of communities. The areas of
15 an Enterprise Zone must be contiguous. However,
16 they may be connected by three-foot connecting
17 strips.

18 A total of 49 zones will be
19 available during the year 2015. Most existing
20 zones are anticipated to reapply, and as many as
21 20 other counties and communities, like DeKalb
22 County, are anticipated to apply as well.

23 The application requires that we
24 designate -- that applicants designate a local

1 labor market area defined based upon where labor
2 is drawn from and what areas within and
3 surrounding the Enterprise Zone would benefit from
4 increased employment, investment and tax base
5 within the Enterprise Zone.

6 The initial Enterprise Zones
7 established over the years primarily were set up
8 to address areas of high poverty and high
9 unemployment. The new Enterprise Zone program
10 establishes ten qualifying criteria, and we must
11 collect data and information and demonstrate
12 qualifications in at least three of these ten
13 criteria areas. And given the competitiveness of
14 the project, we will address as many areas as we
15 can with as much applicable and qualifying
16 information and data.

17 The ten criteria include:
18 Unemployment levels, the presence of poverty, the
19 presence of Brownfields sites or disaster areas or
20 abandoned coal mines, large business closings that
21 have occurred over the past ten years, the
22 presence of vacant structures within the labor
23 market area.

24 The program also requires that, in

1 addition to these areas of need, that the
2 applicant demonstrate the ability to perform, to
3 successfully attract investment, job creation and
4 tax base.

5 These are demonstrated by the
6 creation of an employment opportunities plan
7 demonstrating the availability of shovel-ready
8 sites upon which industrial and commercial
9 construction can take place, investment can occur
10 and tax revenue generated and jobs can be
11 generated.

12 It also requires a tax -- the
13 creation and preparation of a tax base improvement
14 plan. And we are preparing tax base improvement
15 plan that will include revenue projections from
16 new development and expansion within the
17 Enterprise Zone area.

18 The application requires that a
19 public infrastructure improvement plan be
20 presented, illustrating that all areas articulated
21 or identified for development are served by
22 infrastructure or can easily be served by
23 infrastructure extensions.

24 The application also requires that

1 we demonstrate the availability of career skill
2 programs in our community college and high
3 schools. We have those programs at Kishwaukee
4 College and our high schools.

5 And there's one other area of
6 need. We can demonstrate the decreased assessed
7 valuation within our market compared to other
8 markets or the State average.

9 Overall, this application process
10 involves building consensus with local units of
11 government and taxing bodies, gathering
12 information and data within our local labor market
13 area to document our need and our performance and
14 determining the boundaries of the zone and
15 finalizing maps. And I will cover the -- I will
16 briefly cover the geography, the approach and the
17 incentive programs.

18 Again, DeKalb County is the lead
19 on this endeavor, and we have been meeting with
20 municipalities and local taxing bodies throughout
21 the County over the past months and will be
22 continuing to finalize agreements with
23 municipalities and taxing bodies.

24 The application requires that a

1 Zone Administrator be designated. It is -- it was
2 anticipated by the County Economic Development
3 Committee that the DeKalb County Economic
4 Development Corporation fulfill the role of Zone
5 Administrator. We currently provide similar
6 guidance and services and expertise to developers
7 and investors regarding State and local and
8 regional incentive programs.

9 It is also proposed that DCEDC
10 serve as the Enterprise Zone Advisory Board for
11 the Enterprise Zone, specifically DCEDC's
12 Executive Committee, together with representatives
13 of participating local taxes bodies.

14 The next step in -- in the
15 application process involves finalizing
16 designating ordinances and intergovernmental
17 agreements for the participating municipalities,
18 as well as abatement ordinances and approval
19 resolutions for all of the participating taxing
20 bodies. The application must be submitted to the
21 Department of Commerce and Economic Opportunity by
22 December 31st of 2014. The application will then
23 be reviewed by DCEO between January and June, and
24 the Enterprise Zone Advisory Board appointed by

1 the Governor would make final designations after
2 September 30th of 2015 for the next fiscal year,
3 the next State fiscal year, I believe July,
4 beginning with July of 2016.

5 Is that right?

6 MR. COIL: January 1st, actually.

7 MR. BOREK: January 1st?

8 MR. COIL: 2016.

9 MR. BOREK: January 1st, 2016, okay.

10 With that, I will -- I want to
11 cover why, again, DeKalb County and member
12 communities and DCEDC are involved in this
13 project. We need an Enterprise Zone to compete
14 for investment, jobs and tax base. We have
15 documented several cases in which we have lost
16 projects to competing Enterprise Zones within
17 northern Illinois or Enterprise Zones or -- or
18 communities with Enterprise Zone-like benefits in
19 other states, Wisconsin and Indiana.

20 And the availability of Enterprise
21 Zone benefits would enable us to level the playing
22 field and compete more effectively for the kinds
23 of projects we need and can support.

24 In conjunction with the County, we

1 determined that the Enterprise Zone would be
2 multi-jurisdictional or involve multiple
3 communities within DeKalb County.

4 DeKalb County has a long history
5 of intergovernmental cooperation and regional
6 economic development activity. The DeKalb County
7 Economic Development Corporation is in its 27th or
8 28th year of operation, and through that period of
9 time, the organization, together with the
10 assistance of the County and the active
11 participation of communities and local developers,
12 have established industrial sites and industrial
13 parks in numerous communities throughout the
14 County.

15 In fact, at the beginning of this
16 process, we documented the size of industrial and
17 commercial tax base, jobs and the availability of
18 industrial and commercial development sites within
19 communities in the County and identified the
20 largest communities in terms of commercial and
21 industrial tax base and with the most available
22 land to attract new investment to be the
23 communities that are applying for this zone or
24 have expressed interest in being part of the zone:

1 The City of Genoa, the City of Sycamore, the City
2 of DeKalb, the Town of Cortland, the Town of
3 Waterman and the City of Sandwich.

4 And we have maps within the room
5 and can talk in greater detail or answer questions
6 relative to the specific boundaries identified for
7 the zone and within these communities. But
8 basically, they include three kinds of properties
9 or areas. The primary benefactor of Enterprise
10 Zone benefits would be available industrial land
11 subdivided with infrastructure to accommodate new
12 manufacturing and industrial plants. And these
13 sites have been identified in each of the
14 communities mentioned.

15 Also, we've identified existing
16 industrial areas because many of the State
17 benefits can support expansion of local industries
18 within established industrial areas or the
19 acquisition of significant amounts of equipment,
20 manufacturing equipment, within those areas.

21 And finally, we included
22 commercial sites, new commercial sites or
23 commercial sites that could be -- could anticipate
24 redevelopment or new development because the

1 requirements of -- the program requires that we
2 generate investment, jobs and tax base. And we
3 may utilize commercial and industrial property to
4 accomplish that goal, and so we will be making
5 projections during the application period.

6 And if granted a zone, we, the
7 Enterprise Zone Administration body, would
8 maintain information about the amount of
9 investment, the number of jobs created and the
10 amount of tax base generated in the zone.

11 And finally, the incentives -- the
12 local incentive program that has been crafted to
13 match the State incentives is as follows. We've
14 talked with participating communities, developers
15 and taxing bodies and prepared a unified
16 Enterprise Zone abatement program in conjunction
17 with discussions and also a program that was
18 approved by the County Board's Economic
19 Development Committee.

20 It calls for a five-year tax
21 abatement program throughout the Enterprise Zone
22 in the County, a program that begins with a 90
23 percent abatement in year one, followed by 80
24 percent in year two, 70 percent in year three, 60

1 percent in year four and 50 percent in year five
2 and terminates at that point; meaning that the
3 municipalities and taxing bodies within that
4 community that can attract new investment or
5 significant expansion will benefit from 10 percent
6 of the -- of the new tax revenue in year one, 20
7 percent in year two, 30 percent, three; 40 and 50,
8 and so on.

9 Within the Countywide five-year
10 Enterprise Zone program, we've provided the
11 flexibility for school districts that wish to
12 participate in the program to begin in year two,
13 as opposed to year one. Some school districts
14 have found it to be beneficial to capture new
15 construction in year one and begin an abatement
16 agreement with the company in year two.

17 And by the way, I should note that
18 three communities within the County already have
19 rather extensive experience with general tax
20 abatement programs outside of the Enterprise Zone.
21 And much of our experience and the parameters
22 identified in the program have been generated by
23 that -- together with the communities that have
24 existing zones.

1 We are also -- as part of the
2 unified Enterprise Zone program that -- in DeKalb
3 County's application, we are also -- we are
4 proposing a five-year bonus for properties located
5 within three and a half miles of Interstate 88.
6 We refer to this area as the interstate
7 competition market. Within the market that's
8 proximate to I-88, we often compete for large,
9 significant projects involving considerable
10 investment and job creation with not only other
11 communities, but other states and multiple states.

12 And some of those competitions
13 generate rather aggressive incentives from other
14 communities. So it was felt by leaders in DeKalb
15 and the DeKalb School District that we needed to
16 be aggressive to compete for projects within that
17 area.

18 So within -- within the three and
19 a half miles of I-88, a ten-year program is
20 proposed, and it starts with 90 percent and
21 continues down to zero percent, decreasing
22 approximately 10 percent each year. But it varies
23 slightly. There's a more aggressive program for
24 knowledge-based industries, for research

1 development and engineering. That program is 90
2 percent in year one, 90 percent in year two,
3 followed by 80, 70, 60, 40, 30, 20, 10 and 5. It
4 is -- for industrial and manufacturing companies,
5 it's a 90, 80, 70, 60, 40, 30, 20, 10 program.
6 And for logistics companies or distribution, it's
7 slightly less aggressive. It's a 90, 80, 50, 50,
8 50, 40, 30, 20, 10 program.

9 Qualifications include minimum
10 square foot for new development and expansion. In
11 each of these zones, the requirements are more
12 extensive in the interstate competition market,
13 and there are job creation requirements and
14 minimum wage and average wage requirements for
15 projects within this area.

16 That covers kind of a brief
17 overview of the program as developed and proposed,
18 including the three major areas that are important
19 for this public hearing, the need, the geography
20 and the incentives provided.

21 And at this point I'd like to ask
22 Craig to fill in any gaps or make any corrections
23 where I may have misspoke.

24 MR. COIL: No; I think you did a good

1 job, Paul. You covered all the major components
2 and the major components of the application
3 process. So good job.

4 COUNTY ADMINISTRATOR HANSON: Thank
5 you.

6 MR. BOREK: Yes.

7 COUNTY ADMINISTRATOR HANSON: At this
8 point we will turn it over to the public for
9 comments or questions. There is a sign-in sheet,
10 but there's so few of us, I think we'll just let
11 you go up in the reasonable order that you came.
12 I think, Misty, you were probably here first. So
13 we'll --

14 MS. HAJI-SHEIKH: I'm Misty
15 Haji-Sheikh, H-a-j-i dash S-h-e-i-k-h. DeKalb is
16 my home.

17 THE REPORTER: Could you spell your
18 first name, too, please?

19 MS. HAJI-SHEIKH: M-i-s-t-y.

20 Thank you. I appreciate being
21 here. Some of you know me. I think most of you
22 do. I am on the County Board, and I'm here
23 because I'm in favor of the Enterprise Zone.

24 But I may ask a few questions, and

1 they may be hard questions. All of my questions
2 are intended to get us the best outcome because I
3 don't want to get to December 31st and us all pat
4 ourselves on the back, saying we did a great job,
5 and find out that we didn't do something right a
6 few months down the road and have to do it over
7 again. So if I ask some tough questions, that's
8 the reasoning behind it.

9 The first thing -- and I'm very
10 happy to hear Mr. Borek say that it is about
11 poverty. Some of the people that I have dealt
12 with in the last week or so did not seem to
13 understand that the Enterprise Zone does have a
14 major component of poverty. And Mr. Frieders of
15 the City -- he's the City lawyer -- he, even in a
16 letter to me today, did not seem to realize that
17 that was an important factor. It's not the only
18 factor, but it is one that was not readily evident
19 in the maps.

20 For example, they have commercial
21 areas and they have industrial areas, but they
22 don't have anything that identifies poverty areas.
23 So I am interested in making sure that we do
24 identify poverty areas.

1 Another question that I had was:
2 Does the map -- there was one sitting over there
3 on the table -- does that have to match -- that
4 zoning, for example, the City of DeKalb where I
5 live -- does that zoning have to match the City's
6 current zoning that they currently have on their
7 website? And there's been a little back and forth
8 over that.

9 And I talked to Kendalynn today,
10 to verify this with her -- she is the Enterprise
11 Zone manager -- and she said, yes, the two maps do
12 have to match.

13 Now, we know that zoning doesn't
14 stay static. It does change from time to time.
15 That's understood. And we know that there may be
16 a wish list. There may be an area that is
17 currently farmland that might eventually be
18 something else. That happens, too. And that's
19 all common and understood.

20 But in a -- if we're putting out
21 an application, we need to make sure that it's
22 done correctly. And she says that the two do have
23 to match.

24 Another question that I had had to

1 do with NIU. NIU had some property that is on
2 that map over there that was put out by the City
3 as well. NIU is a separate governing body. There
4 is a State statute that states that NIU is in
5 charge of itself and that it has to follow State
6 rules.

7 And so I suggest that NIU produce
8 their own portion of the intergovernmental
9 agreement, that they be in with the County and
10 they do it, but they don't do it on the coattails
11 of the City. Because if you do it on the
12 coattails of the City, would that not open it up
13 to then: Who rules the roost? Who would be in
14 charge of those zones if they were on NIU property
15 but they were under a City or maybe they would be
16 under a County?

17 So these are questions that I'm
18 asking because I want to know the answers.

19 You said that there were three of
20 ten things that we must qualify, and Kendalynn
21 said the same thing; and perhaps when I sit down,
22 Mr. Borek can tell us what three of the ten tests
23 that we must put out for the application that we
24 are striving for. Because I would like to know

1 which three we are targeting.

2 Also, in that map over there, we
3 have a total of 15 square miles, I believe Mr.
4 Borek said, and that looks very close to 15 square
5 miles. It might be 13 or so. When I was at the
6 City Council meeting, they said it was over 13. I
7 want to impress that I don't want to use up all 15
8 miles because we might have some expansion. The
9 whole idea of the State putting forth an
10 Enterprise Zone is so that we have expansion. But
11 if it's been put someplace in a commercial or an
12 industrial zone, it's very hard to take it away if
13 we need more later. So it would be nice to have
14 some buffers, some room in our Enterprise Zone.

15 And that leads me to performance.
16 If we use 13 square miles or something, as in that
17 map over there, what happens if we don't produce?
18 Because to get the ten-year expansion, we have to
19 show performance. If we don't show performance in
20 all of those areas, I need to know how that works,
21 too. Does it have to be some -- if we lump the
22 whole zone together, does it have to perform?
23 Does each area have to perform? I would like to
24 know something about performance.

1 And finally, you mentioned high
2 tech, and I have to give a shout out to NIU
3 because my husband has one of the best labs
4 around. He has a high-tech semiconductor
5 laboratory that Mr. Borek is going to go visit
6 soon. And we do have the fiberoptic network here.
7 I think we need to be our own cheerleaders and
8 make sure that the high-tech industries that are
9 out there know about us.

10 I came from Texas. Richardson,
11 Texas, is the like Silicon Valley in Texas. There
12 are the best and the brightest there from all over
13 the world. It is a little town of 75,000 people,
14 so it's bigger than DeKalb. But they had a 176
15 languages spoken there because of the high-tech
16 people that came there, and they came with them --
17 they wanted to pay taxes, they wanted to be
18 involved.

19 And the high-tech companies, they
20 like to have their own infrastructure. So they
21 don't pull a lot of infrastructure from the City,
22 as some of your retail market does, so they don't
23 need as much policing because they like to
24 self-police. They like to have their own

1 infrastructure within their buildings.

2 And so I do think that that is a
3 very valuable market, and I do hope that we go
4 forward with that.

5 And I will sit down and listen to
6 your comments. Thank you.

7 COUNTY ADMINISTRATOR HANSON: Thank
8 you.

9 Do we want to respond now or get
10 through all the comments and then respond at the
11 end? Do you have a preference?

12 MR. COIL: I don't care, however you
13 would like to do it.

14 MR. BOREK: There's so few here, we
15 might --

16 MR. COIL: We may need you to just go
17 back through the questions one at a time.

18 COUNTY ADMINISTRATOR HANSON: How about
19 if we go through the audience and then come back
20 and answer questions, if that's okay?

21 MS. HAJI-SHEIKH: That's fine. I wrote
22 down notes.

23 COUNTY ADMINISTRATOR HANSON: Might
24 give us time to research as we're listening.

1 MS. HAJI-SHEIKH: Not a problem.

2 MR. NYQUIST: Keith Nyquist, DeKalb,
3 K-e-i-t-h N-y-q-u-i-s-t.

4 I'd like some clarification,
5 please, on the -- I heard you speak about the
6 relaxing of environmental and pollution rules, and
7 I was hoping I could understand a little bit more
8 about what that is.

9 And my second question after that
10 would be: What would be the economic incentive of
11 encouraging more pollution in the community?

12 COUNTY ADMINISTRATOR HANSON: Thank
13 you.

14 Next? Either one of you gentlemen
15 want to comment? Roger?

16 MR. HOPKINS: I will. I'm Roger
17 Hopkins. I have been working with the City of
18 DeKalb -- it's R-o-g-e-r H-o-p-k-i-n-s -- on their
19 effort to support the Enterprise Zone application.
20 And having worked as part of DeKalb County
21 economic development and even working with
22 Enterprise Zone-like programs, such as the
23 high-impact business designation for projects both
24 here with Target in DeKalb County and with

1 Navistar in DuPage County, I can tell you how key
2 those programs are to being competitive when
3 you're attempting to compete with both in-state
4 and out-of-state options for both jobs and
5 investment.

6 We've lost projects in DeKalb. I
7 can name several in Dixon, Rockford, Ottawa,
8 throughout Will County that could have been
9 companies that could have been key employers in
10 DeKalb with key investment here, but were lost
11 because those other communities had more
12 competitive economic development incentives. So I
13 would encourage the County to go ahead with the
14 application, and hopefully it will be successful
15 and give DeKalb County additional tools to be
16 competitive in the future.

17 COUNTY ADMINISTRATOR HANSON: Thank
18 you.

19 MR. BOREK: Thanks, Roger.

20 COUNTY ADMINISTRATOR HANSON: Anybody
21 else like to talk? Going once, going twice.

22 (No response.)

23 COUNTY ADMINISTRATOR HANSON: Okay.
24 Then we will go back to trying to answer some

1 questions.

2 Paul, do you want to --

3 MR. BOREK: Okay. Misty mentioned
4 identifying poverty areas and also asked which
5 three areas within the required criteria we were
6 targeting or applying under.

7 Actually, we will be seeking as
8 many points as we can secure within each of the
9 ten criteria areas. We certainly have
10 unemployment levels that have been higher than
11 normal in the past, and even though they're
12 improved recently, we can demonstrate the ability
13 to generate employment opportunities based on past
14 history and competitive opportunities recently.

15 Relative to poverty, we are --
16 we're working with Craig's firm on identifying
17 areas within our labor market area that are high
18 in poverty based on income or based on
19 participation in the school lunch program, and
20 those need to be identified and mapped, and they
21 will be.

22 We have identified several
23 Brownfields sites throughout the County, as well
24 as a disaster area. We will be identifying those.

1 We've identified more than five, maybe ten or
2 more, large-scale business closings that have
3 occurred throughout the various communities in the
4 County.

5 We have significant and somewhat
6 maybe notorious vacant, abandoned and demolished
7 structures within the community, and so we will be
8 applying and documenting qualifications in all of
9 those areas, and not least of which we will be
10 identifying the five to ten or so projects that we
11 have lost to other Enterprise Zones to illustrate
12 the competitiveness.

13 MR. COIL: Can I just add one thing to
14 that?

15 MR. BOREK: Please.

16 MR. COIL: I think it's important to
17 clarify that especially on poverty, it doesn't
18 necessarily mean that the zone itself has to
19 encompass high-poverty areas. Poverty is a
20 qualifying criteria, as Paul alluded to, based on
21 the local labor market area, the self-definable
22 local labor market area. And so that's, generally
23 speaking, an area that is outside of the
24 boundaries of the zone. So anywhere in that

1 self-defined local labor market area where there
2 will be high-poverty tranche, we will be using
3 those for qualifying, so we can hit the qualifying
4 criteria threshold.

5 MS. HAJI-SHEIKH: May I ask: We are at
6 over 50 percent free and reduced lunch in DeKalb
7 alone.

8 MR. COIL: Right.

9 MS. HAJI-SHEIKH: And we're close to 54
10 percent, and it fluctuates, 52, 54, somewhere
11 right in there, and there are areas in the
12 Enterprise Zone Act that talk about residential.
13 Is there any -- are we going to do anything about
14 residential poverty at all or is this strictly
15 going to be commercial areas trying to get jobs
16 and that sort of thing?

17 MR. COIL: Residential is an allowed
18 use for Enterprise Zone incentives. I'll let Paul
19 talk about the methodology, I guess, behind why
20 we're not making those incentives available
21 locally to homeowners; but at the end of the day,
22 it's a question of what the local units of
23 government wish to do, and they did not express an
24 interest in that.

1 MS. HAJI-SHEIKH: Okay.

2 MR. BOREK: Our focus and our goal is
3 to address poverty and the upgrade and creation of
4 economic opportunities and tax base within our
5 County by doing as much as we can possibly do to
6 create jobs and attract investment and tax base to
7 employ residents and also member -- residents
8 within the County and necessarily residents within
9 the labor market area that we would define.

10 This zone -- and I understand
11 maybe most zones within the State -- focus on
12 economic development to generate jobs, incomes,
13 local spending and purchasing by businesses
14 attracted to a zone to build -- we're trying to
15 build an economy and feel that the income
16 generated by primary jobs and manufacturing and
17 industry, as well as technology and even
18 commercial, will increase the ability to upgrade
19 our entire community, provide services for
20 government and then community organizations.

21 Is that fair, Gary?

22 COUNTY ADMINISTRATOR HANSON: Yes.

23 MR. COIL: The other thing that I would
24 add related to your comment about school lunches.

1 Again, that's a local labor market, 30,000-foot
2 view. And so we're tabulating all that data for
3 assisting -- I guess to assist us with making the
4 case for that particular qualifying criteria.

5 MS. HAJI-SHEIKH: Will the local labor
6 market be available so that one can look at your
7 data?

8 MR. COIL: It will be a part of the
9 application.

10 MS. HAJI-SHEIKH: Okay. So will that
11 be on a website, like the County's website or
12 something, as the maps are?

13 MR. COIL: Once the -- it certainly is
14 the County's prerogative to put the full
15 application up; and then during the actual review
16 process, when it's submitted to the State, there
17 will be a public comment period -- and I can't
18 tell you those dates off the top of my head,
19 sometime --

20 MS. HAJI-SHEIKH: That's okay.

21 MR. COIL: -- in 2015, right? But you
22 can make comments about that if you would like.

23 MS. HAJI-SHEIKH: Uh-huh.

24 MR. COIL: And the process for

1 identifying the local labor market area is fairly
2 straightforward. There's a definition of what
3 that kind of has to be; but Northern Illinois
4 University, on contract with the Department of
5 Commerce and Economic Opportunity, has developed a
6 mapping program where you can go and pull data
7 tied to census tracks.

8 MS. HAJI-SHEIKH: Uh-huh.

9 MR. COIL: And it will generate the
10 labor market area.

11 MS. HAJI-SHEIKH: Okay.

12 MR. COIL: So that's just kind of the
13 methodology, just for your information.

14 MS. HAJI-SHEIKH: Okay.

15 MR. COIL: And they're doing that for
16 all zone applicants across the State, not just
17 here.

18 MS. HAJI-SHEIKH: Okay.

19 MR. BOREK: And I can quickly answer
20 the question about relaxing environmental and
21 pollution laws and why that's economically
22 beneficial. We're not proposing relaxing any
23 environmental or pollution regulations or
24 requirements in the DeKalb Enterprise Zone, so it

1 -- it will have no impact on the economic
2 development.

3 MR. COIL: Yeah; and it's one of those
4 things that is, again, allowable by statute; but
5 it's one of those things, also, that the
6 designating units of government have to have in
7 ordinances to say that they are going to relax or
8 provide relief for certain environmental
9 regulations.

10 And as Paul alluded to, nobody
11 wants to do that, and we don't intend to do that.

12 MR. BOREK: And if it's not in the
13 application upfront, it's --

14 MR. COIL: It is not in effect.

15 MR. BOREK: -- not allowed.

16 MR. COIL: No.

17 COUNTY ADMINISTRATOR HANSON: And I
18 think one of your questions was miles. I believe
19 our map is now set, and it's 13.1.

20 MR. BOREK: Right here.

21 COUNTY ADMINISTRATOR HANSON: 13.14419,
22 so that should be set in stone at this point. So
23 that does allow almost two square miles for
24 expansion.

1 MS. HAJI-SHEIKH: Okay.

2 MR. COIL: I would add to your
3 statement about that, too; that once you're
4 designated as a zone, there is a mechanism to be
5 able to amend the boundaries in the future --

6 MS. HAJI-SHEIKH: Right.

7 MR. COIL: -- to remove property or add
8 property.

9 MS. HAJI-SHEIKH: Yes, I was aware of
10 that.

11 MR. COIL: And so that's a real easy
12 process.

13 MS. HAJI-SHEIKH: Yeah. And what about
14 the performance factor for the ten years out? Do
15 we have any idea?

16 MR. COIL: We have no idea. The Board
17 hasn't been appointed yet, so their criteria
18 haven't been appointed -- or hasn't been
19 determined in a formal manner yet.

20 The only thing that we do know is
21 that they're going to look at the performance of
22 the zone in terms of compliance and whether it has
23 met the intent of the statute subsequent to
24 designation. And they're going to look at the

1 fiscal impact to the local units of government, as
2 well as to the State, and that's done through a
3 pretty intensive backside reporting process of
4 people that actually get the incentives and have
5 to document to the State what they receive, so
6 that's --

7 MS. HAJI-SHEIKH: My question kind of
8 went to -- and pardon the term; I don't know a
9 better term -- a land grab. In this case, it's a
10 zone grab. And does it help to put a bunch of
11 stuff in there, is really where my question was
12 going with this. Does it make it -- does it help
13 to put things in there now, when we know that they
14 can be added or subtracted later? And if we put a
15 bunch in there now, how would that go toward
16 performance? And that's kind of what I was trying
17 to get at.

18 MR. COIL: Okay. Do you want me to
19 answer that?

20 COUNTY ADMINISTRATOR HANSON: Yes,
21 please.

22 MR. COIL: I think it is a tactical
23 consideration; that at the end of the day, the
24 thing that the agency will be reviewing are the

1 points on the ten tests. That's what they're
2 required by statute to evaluate.

3 That said, it's the
4 as-of-yet-unnamed Enterprise Zone Advisory Board
5 that makes the final designation determination.

6 MS. HAJI-SHEIKH: And how many people
7 would that be?

8 MR. COIL: There are five of them. I
9 can probably tell you who they are in a minute.

10 MS. HAJI-SHEIKH: That would be nice.

11 MR. COIL: They have a bit of
12 flexibility to make the designations based on
13 other criteria, subjective criteria, I would say.
14 And we just don't, frankly, know how that's going
15 to go.

16 MS. HAJI-SHEIKH: Okay.

17 MR. COIL: So the Enterprise Zone
18 Advisory Board, by statute, is the director of the
19 Department of Commerce and Economic Opportunity,
20 the director of the Illinois Department of Revenue
21 and three gubernatorial appointments, one from the
22 City of Chicago, one from the collar counties and
23 one from the rest of the State of Illinois.

24 MS. HAJI-SHEIKH: Okay.

1 MR. COIL: And they have not been
2 appointed, and we will have to wait to see how
3 that shakes out now.

4 MS. HAJI-SHEIKH: And the new Governor
5 will be appointing them?

6 MR. COIL: We don't know yet.

7 MS. HAJI-SHEIKH: Okay. Doesn't hurt
8 to ask.

9 MR. COIL: No.

10 MS. HAJI-SHEIKH: Can you go over
11 briefly -- I know I heard you say it before --
12 there's going to be how many Enterprise Zones to
13 start with the first year and how many the second
14 year and how many the year third year, et cetera?
15 How does that -- can you give me that breakdown
16 again? Somebody was asking me about that.

17 MR. COIL: It was 48 the first cycle,
18 and I can't give you the exact numbers. I don't
19 have those with me.

20 MS. HAJI-SHEIKH: Okay.

21 MR. COIL: It's variable over the next
22 four to five years, and I think maybe 15 per year.

23 MS. HAJI-SHEIKH: Okay.

24 MR. BOREK: I've got that, Craig.

1 MR. COIL: Oh, good.

2 MR. BOREK: Up to 49 zones in 2015, 13
3 in 2016, 9 in 2017, 13 in 2019. Do they skip
4 2018?

5 MR. COIL: Yes.

6 MR. BOREK: And then 8 in 2020.

7 And then five more zones and river
8 edge in the following years.

9 MR. COIL: Right. As rivers -- as
10 these things called rivers edge development zones
11 expire across the State, they will transition
12 those to Enterprise Zone slots, for lack of a
13 better word. The Agency's pretty much been
14 consistent in saying that they will be 48, up to
15 48.

16 MS. HAJI-SHEIKH: So if I have the
17 numbers right, 48, 13, 9, 13, 8 and 5?

18 MR. BOREK: The 8 and then 5 more
19 zones, yes, yes, that's what --

20 MS. HAJI-SHEIKH: Okay. And can you --

21 MR. BOREK: -- I'm --

22 MS. HAJI-SHEIKH: -- talk about rivers
23 edge for just a moment? Can you explain that?

24 MR. COIL: That's just an additional

1 State incentive that's not available here.

2 MS. HAJI-SHEIKH: Thank you.

3 COUNTY ADMINISTRATOR HANSON: I believe
4 you also had a question on City zoning matching
5 the Enterprise Zone; is that correct?

6 MS. HAJI-SHEIKH: Yeah.

7 COUNTY ADMINISTRATOR HANSON: Craig?

8 MR. COIL: I think that I might have
9 misunderstood what you meant by that originally
10 when I responded, honestly. I want to make sure
11 we're talking apples and apples here.

12 MS. HAJI-SHEIKH: Okay.

13 MR. COIL: So by zoning, you mean the
14 zoning designations that are on the Enterprise
15 Zone map currently have to match the zoning --
16 that has to be the same as what the Enterprise
17 Zone is designated? Is that what you meant?

18 MS. HAJI-SHEIKH: No.

19 MR. COIL: Okay.

20 MS. HAJI-SHEIKH: The way I keep asking
21 the question -- and you're right, it may not be
22 apples and apples, which is why I keep asking.

23 MR. COIL: Right.

24 MS. HAJI-SHEIKH: Because I want to

1 make sure, just like you do, that it's apples to
2 apples.

3 When I look at a city's zoning,
4 which I can take DeKalb, for example, they have
5 certain areas that are residential and some that
6 are commercial and some that are -- you know,
7 there's multi -- there's all kinds of residential
8 and there's all kinds of commercial and there's
9 all kind of industrial.

10 MR. COIL: Right.

11 MS. HAJI-SHEIKH: And that's not a
12 problem. But then I look at this map and what's
13 commercial there, what's industrial there, and
14 what's on that map doesn't match the one that's
15 the current City zoning.

16 MR. COIL: Oh, I see.

17 MS. HAJI-SHEIKH: And so I keep asking
18 this question. And Kendalynn -- I've asked her
19 several times, and she keeps telling me, yes, they
20 have to match.

21 Now, I understand that there could
22 also be a wish list and we would like it to look
23 like this other thing. But when she tells me that
24 they have to match, I have to -- I have to take

1 that into consideration.

2 MR. COIL: Okay. That makes sense.

3 Okay.

4 So I think the differentiation
5 here is that from an application perspective, DCEO
6 doesn't care what the zoning is.

7 MS. HAJI-SHEIKH: Okay.

8 MR. COIL: They don't care. They're
9 looking at the perimeter boundary of the
10 Enterprise Zone. But if we're positioning this in
11 the application as these areas, which are zoned as
12 this, are to be designated as part of the
13 Enterprise Zone and we state it that way and it
14 doesn't match that, that would be a problem.

15 But we're not doing that. We're
16 just establishing the boundaries of the zone. And
17 jump in here if I'm going down the wrong track,
18 but we're establishing the boundaries of the zone
19 based on the qualifying criteria and based on the
20 opportunities that everyone locally feels exists
21 in these areas, right, for certain types of
22 property.

23 MS. HAJI-SHEIKH: Uh-huh.

24 MR. COIL: That's a guideline for

1 establishing a perimeter boundary and really
2 nothing else. So when we submit the application,
3 it won't have anything in it about zoning.

4 MS. HAJI-SHEIKH: Okay. And the reason
5 that I asked that is that any realtor will tell
6 you it's location, location, location.

7 So I want to buy a house, and I
8 want to buy a house on, say, Fourth Street.
9 Fourth Street has some commercial and it has some
10 residential. But on that map, the same area is
11 all commercial. It's just one small area, I get
12 that. But now I want to buy a property. Am I
13 going to buy the property on Fourth Street if I
14 know somebody, somewhere, has it as commercial
15 when I want to live in a residential area?

16 MR. COIL: I see what you're saying.

17 MS. HAJI-SHEIKH: Yeah. And so that's
18 why I'm asking: Why do they have to match? And
19 here's why.

20 MR. COIL: Okay.

21 MR. BOREK: The areas on -- designated
22 on the map, we worked with the local communities,
23 and they identified areas of existing use in
24 zoning that would qualify, industrial areas,

1 commercial areas.

2 They also identified areas -- and
3 this map is intended to identify potential,
4 potential use, not necessarily -- not necessarily
5 zoning.

6 And so some areas that were
7 identified as industrial may have been identified
8 -- or most likely were identified as industrial on
9 the City of DeKalb's Comprehensive Plan map if
10 they're not currently zoned or not yet in the City
11 at this moment but contiguous to existing
12 industrial. And for a variety of reasons, the
13 City of DeKalb identified that as a logical
14 expansion for industrial growth near the
15 interstate and near infrastructure and that --

16 MS. HAJI-SHEIKH: And that's --

17 MR. BOREK: -- sort of thing.

18 MS. HAJI-SHEIKH: And that's
19 reasonable.

20 And, again, I asked Kendalynn does
21 it have to match the front zoning. And the reason
22 is, is that some of DeKalb's map goes beyond City
23 boundaries, and she keeps saying it has to match
24 the zone. And that's why I'm asking. I want to

1 make sure that we're talking apples to apples and
2 we're doing it right and we get the application
3 the way we want. That's why I'm asking the hard
4 questions.

5 MR. COIL: The boundary, the proposed
6 boundary of the zone or the proposed boundary of
7 the DeKalb part of the zone, goes beyond the City
8 limits.

9 MS. HAJI-SHEIKH: The ones that -- if
10 you look at the map and it says this is DeKalb's
11 map, okay -- because I only can go with what's on
12 the Internet. I'm not -- I'm not doing all of the
13 hard work that you guys are doing. That's why I'm
14 asking you, because I want to understand.

15 But the map that I see, the one
16 that's placed before me, shows things that are not
17 in the City's footprint, and yet they're on the
18 map that the City is putting forward.

19 MR. COIL: Oh, I see. Yes, because
20 we're putting the master map, which includes all
21 designating units of government property, as a
22 part of the application, as --

23 MS. HAJI-SHEIKH: But the --

24 MR. COIL: -- a part of the designating

1 ordinance.

2 MS. HAJI-SHEIKH: Okay. But --

3 MR. COIL: The City's definition --

4 MR. GREGORY: I think what Misty is
5 referring to is the future land use map, so the
6 areas that might be in farming now --

7 MR. COIL: Okay.

8 MR. GREGORY: -- that the City sees if
9 it was annexed as industrial. Is that what -- on
10 the outskirts or --

11 MS. HAJI-SHEIKH: There is some that is
12 currently farming, but on the map it shows it as
13 industrial.

14 MR. COIL: That's land use.

15 MR. GREGORY: Land use maps.

16 MR. COIL: That's different than
17 zoning; right?

18 MR. GREGORY: Uh-huh.

19 MS. HAJI-SHEIKH: Right. And that's
20 why I'm asking the question. I don't have a
21 problem with saying: We would like it to look
22 like this in the future. That's not where I'm
23 going with this. But I want to make sure that we
24 have all of our I's dotted and T's crossed.

1 MR. COIL: Yes. From an application
2 perspective, based on the boundary, the land use
3 map doesn't come into play. It just doesn't.

4 We do a perimeter map of all the
5 -- of where the zone is going to go, encompassing
6 all jurisdictions; and, in theory, you would hope
7 that the uses match or projected uses match what
8 the zone goals and objectives are. But there's
9 nothing that says that the land use map has to
10 specifically match up to what the Enterprise Zone
11 boundaries are going to be and nothing that says
12 that certain zoning has to occur within the
13 boundaries of the Enterprise Zone. That's -- it
14 just doesn't.

15 MR. BOREK: I think the --

16 MR. COIL: I don't know how to answer
17 the question any other way.

18 MR. BOREK: I think the primary purpose
19 of the -- of the delineation -- the application
20 that will be submitted will simply identify the
21 Enterprise Zone boundaries.

22 MR. COIL: Right.

23 MR. BOREK: The colors that we
24 identified on the map probably help us mostly with

1 projecting economic impact going forward. We use
2 that to identify the acres of industrial land, the
3 square foot that can be accommodated based on a
4 certain land coverage ratio and the investment in
5 buildings, jobs and tax revenue that can be
6 generated from a reasonable projection of
7 development over 25 -- 15 and 25 years.

8 COUNTY ADMINISTRATOR HANSON: Roger,
9 did you have a comment?

10 MR. HOPKINS: One other comment I
11 wanted to make was that's the benefit of a having
12 a partnership with the County, so that as property
13 that is not annexed to the City now, it could
14 develop commercially or industrially by having the
15 County as a partner in the application, that those
16 areas can be predesignated as being eligible for
17 Enterprise Zone benefits, so we don't have to tell
18 an economic development prospect: Well, you've
19 got to wait 60 days before we go through the
20 amendment process. We can tell them: No, that
21 property would be eligible right away; we simply
22 have to annex it and go through the ordinary
23 municipal --

24 MS. HAJI-SHEIKH: Right.

1 MR. HOPKINS: -- industrial zoning or
2 commercial zoning process.

3 MS. HAJI-SHEIKH: Okay.

4 COUNTY ADMINISTRATOR HANSON: Did you
5 have something?

6 MR. NYQUIST: So if I can understand
7 correctly the application, the boundary will just
8 merely be lines and that the colors that are on
9 there are merely strong suggestions that are
10 recommended or part of the -- a part of the
11 planned use. Is that correct then?

12 MR. COIL: That's my interpretation of
13 it as well.

14 MR. BOREK: Yes.

15 MR. HOPKINS: That's what we used as
16 guidance, was City's land use map. It goes
17 outside of the City's boundaries. And if there
18 are some parcels that appear to, you know, be a
19 little bit, you know, off color or something, that
20 they might be residential, that's probably just to
21 use an existing parcel, rather than dividing an
22 existing parcel that might be a 20-acre piece of
23 land into two sections. You know, it might be on
24 the land use map as 10 acres of residential and 10

1 acres of commercial, and it's just as easy to
2 define the boundary around it.

3 Residential isn't going to be
4 impaired. If that's the zoning that's chosen for
5 it and that's the zoning that the City Council
6 approves for actual use of the property, the zone
7 benefits won't -- won't create any kind of a
8 circumstance that gives anybody the ability to say
9 you can change the use from what the Comprehensive
10 Plan calls for.

11 MS. HAJI-SHEIKH: If that's --

12 MR. HOPKINS: It will stay within that
13 Comprehensive Plan context.

14 MS. HAJI-SHEIKH: Even if that's the
15 case, it's not being communicated. Because the
16 average person goes on there and goes: This is
17 now commercial.

18 And, I mean, this -- this is the
19 pushback I'm getting.

20 MR. COIL: That's a good point.

21 MR. BOREK: Uh-huh.

22 MS. HAJI-SHEIKH: And so it's not being
23 communicated that way. It needs to be
24 communicated: These areas would be eligible

1 should we get the Enterprise Zone; not these are
2 commercial, these are industrial.

3 MR. HOPKINS: That's right. Now, we
4 haven't had anybody on the City Council say or the
5 Plan Commission say that we're changing, you know,
6 the projections included in the City's future land
7 use map at all. That's just a matter of defining
8 a set of boundaries that would encompass those
9 areas and make them eligible, and it's -- it
10 avoids trying to split hairs about: Where do you
11 draw the boundary line?

12 MS. HAJI-SHEIKH: Well, I think I
13 understand what you're getting at, but I'm looking
14 at it from the picture of here we've got all these
15 citizens out there, 105,000 people that live in
16 the County, and out of those 105,000 people, the
17 ones that get on the Internet are going to take
18 one look at it, and it says: Red is commercial
19 and pink is industrial, so, therefore, that's what
20 it is. Because it gives no other definition and
21 no other description and nothing else to say these
22 are eligible.

23 MR. HOPKINS: Right.

24 COUNTY ADMINISTRATOR HANSON: Would it

1 be better to take colors off of the maps? I'm
2 trying to think of a way to change perceptions,
3 so --

4 MS. HAJI-SHEIKH: Well, putting the
5 word "eligible" in there would be a good one.

6 COUNTY ADMINISTRATOR HANSON: That
7 would be easy to do.

8 MS. HAJI-SHEIKH: You know, to say that
9 pink is eligible to be industrial should we get,
10 you know, based on getting the Enterprise Zone,
11 obviously; and red is eligible to be commercial.
12 And to put the word "eligible" in there would be
13 -- would go quite a ways in the communication. It
14 may not be the end of it. It may not be the only
15 way, but that would at least be a start.

16 COUNTY ADMINISTRATOR HANSON: Okay. So
17 we made progress on that one.

18 I also wrote down you talked about
19 NIU and the difference; that they're a separate --
20 separate body.

21 MS. HAJI-SHEIKH: Right.

22 COUNTY ADMINISTRATOR HANSON: And
23 exactly what your question is, if you could repeat
24 that.

1 MS. HAJI-SHEIKH: Okay. NIU, according
2 to State statute, is their own governing body.
3 They do that on purpose so the City can't write a
4 rule that would make the State University have to
5 obey it. And so there are -- there's a reasoning
6 behind it.

7 So if they're a separate governing
8 body, would they not have to do their own
9 intergovernmental agreement, just like the City
10 would or school district or whatever?

11 They are -- according to that map,
12 they're going under the City's coattails. They
13 are not putting their own IGA, their own portion
14 of the application.

15 So if they don't put in their own
16 application, does that mean that they're not going
17 to be in -- governing their own property anymore?
18 Does that mean -- you know, where does that fall
19 into -- it kind of becomes a gray area because
20 they're on the coattails of the City. So if they
21 are -- and this is out there a bit, I get it. But
22 bear with me for a second.

23 If this parcel of land, which is
24 out by the Convo Center, which is farmland right

1 now -- okay, let's say it goes commercial. On the
2 Enterprise Zone, it's commercial. It went under
3 the City's coattails as commercial because they
4 didn't put in their own intergovernmental
5 agreement. Who is now going to govern that
6 property? Would that be NIU because they put the
7 zoning on the -- you see, it just becomes murky;
8 it is not clear.

9 MR. COIL: Well, the Enterprise Zone
10 doesn't impact any of that at the end of the day.
11 All the Enterprise Zone does is establish an area
12 where eligible businesses can locate --

13 MS. HAJI-SHEIKH: But why --

14 MR. COIL: -- and receive those
15 benefits, like qualified abatement if they qualify
16 and if it's a qualifying project and then the
17 State incentives that may apply.

18 MS. HAJI-SHEIKH: But why would they
19 not have to have their own intergovernmental
20 agreement and be part of the application as well?

21 MR. COIL: The statute stipulates that
22 the only applicants can be municipalities and
23 counties, and they're not one of those.

24 MS. HAJI-SHEIKH: Correct, they're not;

1 and the Act never talks about State land or even
2 State Universities anywhere in it.

3 MR. COIL: No, it doesn't. And so I
4 guess for comparison purposes, you can go to
5 pretty much any State University community in
6 Illinois and you will see overlap.

7 MS. HAJI-SHEIKH: I actually looked at
8 some of them, and they -- the University was like
9 a donut hole. It was outside.

10 MR. COIL: Well, it --

11 MS. HAJI-SHEIKH: The Enterprise Zone
12 went all around it, but it didn't go into the
13 University property.

14 MR. COIL: It depends on kind of their
15 use, right? So U of I, for example, had that
16 property on the south side of the assembly hall
17 down there. They owned that land, and they did
18 develop it, and it became taxable property. That
19 land was wrapped into the Enterprise Zone for the
20 benefits, profit tax abatement, sales tax
21 exemption on construction materials, those kinds
22 of things.

23 MS. HAJI-SHEIKH: Uh-huh.

24 MR. COIL: So that's really all it is,

1 is just an overlay to allow businesses that may be
2 eligible, according to local zoning rules and
3 regulations, to set up operations there. And,
4 obviously, they wouldn't do that if Northern
5 didn't want them to.

6 MS. HAJI-SHEIKH: Well, Northern also
7 has the student center in there.

8 MR. COIL: Right.

9 MS. HAJI-SHEIKH: And WNIJ, and, you
10 know, they have some other things --

11 MR. COIL: Right.

12 MS. HAJI-SHEIKH: -- besides just
13 farmland in there.

14 MR. COIL: Right. And it's the same
15 concept. I don't know that too many things that
16 are in the qualifying -- well, in the abatement
17 programs would qualify there at the current point
18 upon University property, right?

19 COUNTY ADMINISTRATOR HANSON: Right,
20 because of the size.

21 MR. COIL: Yes.

22 COUNTY ADMINISTRATOR HANSON: Roger?

23 MR. HOPKINS: I wanted to, you know,
24 make one more distinction. Craig, maybe you can

1 help me with this, too. But when it comes to the
2 benefits that you're accessing of the Enterprise
3 Zone --

4 MS. HAJI-SHEIKH: Uh-huh.

5 MR. HOPKINS: -- there really aren't
6 any municipal benefits except for the property tax
7 abatement where that exists, so it's only the
8 abatement, and it's not --

9 MR. COIL: It's nothing --

10 MR. HOPKINS: It doesn't cover the
11 building codes.

12 And then the other issue it
13 addresses is really more of a County and Township
14 function, and that's assessment of the property
15 and then the collection of taxes from it. And
16 that's not a municipal government jurisdiction
17 anyway. That's a County and Township
18 jurisdiction, as delegated by the State.

19 MR. COIL: Correct.

20 MR. HOPKINS: So it's really just
21 enabling private enterprise that would become
22 property taxable to avail themselves of, if
23 they're commercial or industrial, of the
24 Enterprise Zone benefits --

1 MS. HAJI-SHEIKH: Okay. Let me --

2 MR. HOPKINS: -- without having to --
3 you know, without -- and at the same time, the
4 University would not have to, you know, have to
5 worry about the City regulating that in any
6 fashion, except enable them to access benefits.
7 But it wouldn't be a non-regulatory, you know,
8 function of the City to access benefits.

9 MR. COIL: Correct.

10 MS. HAJI-SHEIKH: Let me ask another
11 question so that I fully understand that. Let's
12 say the Holmes Student Center, which is currently
13 a building that is constructed -- it is not going
14 to be constructed; it exists. It is in the
15 commercial area on that map, okay? How would that
16 work? Because unless they do some other building,
17 if somebody -- if a commercial entity went in the
18 building, would they get benefits? Because most
19 of the abatements are for construction, and -- and
20 that property tax, that wouldn't count. Sales tax
21 -- you know, how would that work?

22 MR. BOREK: If an entity were to
23 totally redevelop the retail or the hotel in the
24 student center and if it were a private entity and

1 the University and the State were to agree with
2 that, they would be eligible for -- they would be
3 eligible for sales tax --

4 MR. COIL: Exemption.

5 MR. BOREK: -- exemption on
6 construction material for a significant
7 remodeling. But not being an industrial or a
8 knowledge-based engineering technology use or a
9 distribution use, they wouldn't qualify for local
10 tax abatement.

11 MS. HAJI-SHEIKH: So they would only
12 qualify -- but let's say that building structure
13 itself, the outside of the building, does not
14 change. It's the inside. They redecorate the
15 rooms and do -- you know, maybe make suites or
16 whatever they do inside the building. What would
17 that qualify for in the Holmes Student Center?

18 MR. COIL: If they -- under that
19 scenario, they'd get an investment tax credit off
20 their corporate income tax based on the CAPEX they
21 were doing -- the capital investment that they
22 were doing; sorry -- and the sales tax exception
23 on the construction materials that go into that
24 building, and that's it.

1 MS. HAJI-SHEIKH: So it can be an
2 existing building that is having remodeling done
3 on the interior?

4 MR. COIL: Right, the exemption of the
5 sales tax, that's it.

6 COUNTY ADMINISTRATOR HANSON: Yes, sir.

7 MR. NYQUIST: Let me ask a theoretical
8 question: Would this Enterprise Zone then create
9 an incentive for NIU in certain situations to sell
10 off some of its properties? In other words,
11 because it's an Enterprise Zone, it becomes more
12 desirable for commercial development? Would this
13 potentially create that incentive for the
14 University?

15 MR. COIL: If it's a qualifying
16 development, I guess it theoretically could. I --
17 you know, at the end of the day, it's up to the
18 developer -- first of all, the --

19 MR. NYQUIST: Sure, but I guess my
20 question is that if the -- if the parcel is in an
21 Enterprise Zone --

22 MR. COIL: Right.

23 MR. NYQUIST: -- in theory, its value
24 becomes greater; correct?

1 MR. COIL: Theoretically.

2 MR. NYQUIST: Because I could build on
3 it and not have to --

4 MR. COIL: If you're a private -- if
5 you're a private developer, private sector.

6 MR. NYQUIST: My question is: Does
7 that not incentivize NIU to sell off some of its
8 properties to private --

9 MR. COIL: I don't -- this is just me
10 talking, all right?

11 MR. NYQUIST: Okay.

12 MR. COIL: But I don't know that it
13 incentivizes the University. It makes,
14 potentially, the property more attractive to a
15 developer, and I don't know that it's an incentive
16 to the University per se.

17 MR. NYQUIST: Okay.

18 MS. HAJI-SHEIKH: Well, an example of
19 that would be the WNIJ properties, which is on a
20 street, and it is also listed as commercial on
21 that map over there. And perhaps they would want
22 to put WNIJ in a different location and use that
23 property because it's on a main thoroughfare, you
24 know. That would be one of those examples, that

1 they might sell it off; it's not just the farmland
2 on the website on the far side of the Convo
3 Center.

4 MR. NYQUIST: Well, I know that
5 specifically the City has been very aggressively
6 trying to create a TIF district for a property
7 along Sycamore Road that did not pass through the
8 Council in DeKalb. And I'm wondering about that
9 specifically, and I'm speaking specifically about
10 the NIU Art Annex building, which is, as I would
11 -- looking at the map, it seems to be in one of
12 the -- seems to be within the boundaries of this
13 Enterprise Zone.

14 MR. HOPKINS: Yes, it is.

15 The University has indicated that
16 that may, you know, be a property that, you know,
17 they would like to bring more of their functions
18 back closer to campus, and that building is
19 getting a little aged; but they've also indicated,
20 you know, that they would like to recover all of
21 their past investment on the property. And right
22 now, that's a challenging financial obstacle for
23 the redevelopment of it, so --

24 MR. NYQUIST: And so the Enterprise

1 Zone would reduce some of those obstacles.

2 MR. HOPKINS: So far, the TIF hasn't
3 been attractive to reducing any of them. The
4 Enterprise Zone probably isn't going to increase
5 it that much. You know, it is -- it's still in
6 the negotiating process, and you have to find the
7 right use.

8 MR. NYQUIST: So the talks are ongoing?

9 MR. HOPKINS: No, I would say they're
10 absolutely dead right now because there's no
11 interest in redeveloping the property.

12 MR. NYQUIST: Okay.

13 MR. HOPKINS: There's no buyer for it,
14 and that's why the TIF district was abandoned.
15 And there was no interest from the University in
16 setting a more reasonable price or cost or even
17 exchange value on the property, and so -- you
18 know, but it is -- it's still a hypothetical
19 possibility in the future, as is the redevelopment
20 of the veterinary property, so --

21 COUNTY ADMINISTRATOR HANSON: Okay.

22 Are there any more comments or questions?

23 MS. HAJI-SHEIKH: I just have one, and
24 I promise it is short. The property across from

1 NIU, there by the NB&T that belongs to Mr.
2 Shodeen, that is also in here, in the Enterprise
3 Zone. Would that -- and going to Keith's
4 question, would that be an incentive to Mr.
5 Shodeen because he would now be in an Enterprise
6 Zone, should it be awarded?

7 MR. HOPKINS: It certainly is going to
8 create opportunities for incentives because the
9 sales tax exemption on building materials would be
10 an advantage and so would the investment tax
11 credit.

12 MS. HAJI-SHEIKH: I mean, that would be
13 a great location for a bookstore.

14 MR. HOPKINS: Yeah.

15 MS. HAJI-SHEIKH: And if you want
16 students downtown, put a bookstore there.

17 COUNTY ADMINISTRATOR HANSON: Okay.
18 Anything else for this public hearing? Going
19 once?

20 (No response.)

21 COUNTY ADMINISTRATOR HANSON: We're
22 done. Then at this point, we adjourn the public
23 hearing on the Enterprise Zone application, and it
24 is 12 minutes after 8:00. Thank you, everybody,

1 for attending.

2 (Which were all of the
3 proceedings had in the
4 above-entitled matter,
5 adjourning at 8:12 p.m.)

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1 STATE OF ILLINOIS)

2 COUNTY OF DE KALB)

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4 I, Linda D. Hansen, Certified
5 Shorthand Reporter, Registered Diplomate Reporter,
6 Certified Realtime Reporter, do hereby certify
7 that I reported stenographically the proceedings
8 in the above-entitled matter and that the
9 foregoing is a true, correct and complete
10 transcript of my stenographic notes so taken as
11 aforesaid.

12 IN TESTIMONY WHEREOF I have hereunto
13 set my hand this 19th day of November, A.D. 2014.

14

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Linda D. Hansen, C.S.R. No. 084.003027

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