

## **Economic Development Committee**

**March 25, 2024**

**4:00pm - City Hall Council Chambers**

Chairman Ptak Called the Meeting to order at 4:00pm

### **ROLL CALL**

**Present:** Chairman Ptak, Aldermen Lavieri, Jeppson, Thompson

**Excused Absence:** Alderman Crane

**Others Present:** Economic Development Director Curt Bedei, Deputy Clerk Brent Bader, City Attorney Jim McPhedran (4:26 p.m.)

**A quorum was present.**

Chairman Ptak asked for a motion to go out of order and address agenda item #2 first to allow for Global Site Location Industries (GSLI) representatives to call into the meeting.

Moved by Alderman Lavieri and seconded by Alderman Jeppson to go out of order and move agenda item #2 to the top of the agenda.

Voice vote, all ayes. Motion carried.

Deputy Clerk Brent Bader GSLI CEO/Chairman Eric Kleinsorge and Community Assessment Director John Pierik on a conference call with the Economic Development Committee. La Salle Economic Development Director Curt Bedei asked the pair to give the Committee an overview of their proposal.

The GSLI representatives detailed the company's 12-month Elite City Membership which is a program that assists connecting communities with businesses that are looking for sites to build on, based on what projects best suit what communities. They said this program is designed to make the process of site selection more efficient to save cities from having to make the right contacts themselves. The company will learn the community's needs and statistics to find the right projects that fit their demographic. The company utilizes artificial intelligence to help match communities to projects. Mr. Kleinsorge went over the history of the company with the Committee as well as other communities they've worked with and how storytelling and marketing help connect with other businesses. They noted they have only recently begun expanding into Illinois. They noted one of La Salle's advantages is its close proximity to Joliet, which they said is set to become the largest inland port in the United States.

Chairman Ptak asked if La Salle is one of the first communities in Illinois they've reached out to for business. They said it's not the first but they've also been expanding in Indiana. They said they've not found a key partner in Illinois yet and said they are selective as they want their partnerships to be long-term successes. They've already gotten interest from Intersect Illinois for a state-wide program as well as Chicagoland Economic Partnership. They said the City could be involved in the overall process of site selection as much as

they'd like to be involved. The groups said they've worked with communities with fewer than 10,000 in population and their "sweet spot" is communities between 15,000 to 50,000 as they help those communities that are understaffed for this sort of work.

Thompson asked where they were headquartered and why they wanted to look at La Salle. They are based in Dallas and had reached out to La Salle as he looked for communities that Mr. Pierik had grown up around, within an hour of La Salle. He noted the Interstate 80 corridor and connection to potential future expansion around La Salle as to why they were interested in La Salle. Alderman Thompson asked if La Salle could potentially be competing for the company's attention if GSLI signs up another community in the area. Mr. Kleinsorge detailed other areas where they have worked with nearby communities. Thompson expressed further concern and Mr. Kleinsorge said the company would be willing to include language in the contract that would ease Alderman Thompson's concerns about competition from nearby cities for the company's work.

Alderman Lavieri asked if the company expects more manufacturing and warehousing coming stateside and they have high confidence it will come back stateside.

Bedei had no further questions for the group. Mr. Kleinsorge ended the presentation saying the City would receive a dedicated 45-minute call every month to educate the City what work has been conducted but they would be available to talk anytime that the City would like to about their progress. Mr. Pierik also added City representatives would have the opportunity to come with the company to trade shows and that they visit shows across the country and abroad.

Alderman Thompson asked for clarification on the cost as the date on the proposal had already passed. MR. Kleinsorge said he would honor that amount if the City can move forward on the agreement at Monday's Council meeting. The pair left the meeting after no further questions from the Committee. (4:34 p.m.)

Alderman Thompson said it's quite a bit of money and he's worked with similar types of companies in his personal life and received zero leads for the money he put in. He was concerned that La Salle's success with the group would only encourage sister cities to jump in with the group and receive the benefits of La Salle's investment early on. Alderman Lavieri said if the company comes into La Salle to look at a site, what's to stop the company from reviewing other cities while here and benefit other cities rather than La Salle. Alderman Thompson said that's always going to be a concern when businesses look at the area. Thompson said it could still be a windfall for La Salle to get in early and he appreciated that they want to get La Salle into trade shows soon as a potential sign they may have someone lined up already.

The group then discussed the various programs and the costs associated with each when bundled together. Bedei said his interest in this group is the marketability they can bring as he feels the City does need this as many businesses or investors don't know that the City exists. Bedei said there is a lot of developmental land in the area but many don't know it exists. He said he only has so many tools to work with, but noted Intersect Illinois which all communities utilize. He said getting into some of these magazines and going to trade shows, which could help the City get recognized for its assets, can cost thousands on their

own without a group like this. Bedei said he was not aware that representatives can go to the trade shows with the company. Alderman Lavieri said that may be beneficial to watch the company work for La Salle and what the conversations are. Bedei said there were roughly seven to eight parcels available in various sizes.

Alderman Jeppson wanted a clarified breakdown of the cost of \$26,500 which does not include a set-up fee and monthly maintenance fee. The cost of the current proposal would roughly be \$47,850 for the full package for one year. Alderman Ptak asked how this differs from Retail Strategies proposal which the Committee reviewed previously. Bedei said that proposal was mainly strictly for retail. Alderman Jeppson said he wants Bedei to have the tools he needs and asked how much Bedei wanted it. Bedei said he likes the marketability, the connections they have and the lists of clients actively looking for sites with them.

Chairman Ptak noted the Committee has turned down some of Bedei's past requests. Alderman Ptak said staff should get a full clarification on prices and what all the City gets for that cost with regard to services or programs and forward this to the Finance Committee for further review.

Moved by Alderman Thompson and seconded by Alderman Jeppson to submit this recommendation for further review to the Finance Committee.

Voice vote, all ayes. Motion carried.

## **ROLL CALL**

**AYE:** Chairman Ptak, Aldermen Lavieri, Jeppson, Thompson

**NAY:** None **Absent:** Alderman Crane **Abstain:** None

## **MOTION CARRIED: 4-0**

Chairman Ptak opened up conversation on agenda item #1, the Commercial Property Assessed Clean Energy (CPACE) program. Alderman Lavieri said the program shouldn't cost the City anything. Bedei said the program is in place by the State of Illinois and he was familiar with it before, but recently was asked about it by CL Enterprises to help their projects. Bedei researched it further and said there isn't any responsibility on the shoulders of the City besides an administration fee which can be passed onto the developer or waived if the City wished to do so. Bedei said it's an agreement between the developer and the Illinois Finance Authority. Chairman Ptak asked if the area they had to select had to be a portion of the City or if it could be the City as a whole. Bedei believes it could be the City as a whole. He is aware that the City of Streator adopted the program for a developer, but it was never made active as the developer's plans had changed. He is not familiar with other local communities at this time that have signed up.

City Attorney McPhedran said the ordinance that is required of the City is quite lengthy and he would like to speak directly with someone from the State to better understand what is needed from the City. He said if it can help potential developers, then it should be further explored. He said it may be similar to a past ordinance the City signed to help residents get loans from banks which facilitated home buying without costing the City. He is uncertain if it

will operate similarly which is why he would like to speak to someone with the State of Illinois to further explore the ordinance. Alderman Lavieri asked which projects would qualify and Bedei said it is for energy efficient projects such as HVAC or EV charging.

The Committee felt further investigation was necessary and they will return to the topic either with this Committee or with the Finance Committee or full City Council.

Moved by Alderman Thompson and seconded by Alderman Lavieri to table the conversation until further investigation has been done.

Voice vote, all ayes. Motion carried.

The Committee then reviewed fiber installation proposals under agenda item #3.

Bedei said they can go with one or the other or both as there is no cap on fiber optics. Alderman Lavieri asked for clarification on that they can't put in franchise fees. McPhedran said while it's not a franchise fee, Geneseo was proposing a right-of-way use fee of 5%. Bedei noted as working from home has become more popular, there's a higher demand for faster internet. Alderman Thompson said the complaints he found about Geneseo were about a \$9.95 "tech fee" in their contract. He said he saw complaints about Surf Internet regarding poor customer service and holes in the yard not being fixed. Bedei said basically everyone on the east side of the county went with Surf Internet, and those on the west side went with Geneseo. Deputy Clerk Bader noted that the City of Oglesby went with Surf Internet. Bedei said Henry County has mostly gone with Geneseo.

The Committee further discussed plans from the companies and the pricing structures for customers. McPhedran noted that the City should speak to these companies about what portions of the City will have fiber service and when if the City is done in phases.

Chairman Ptak said looking at both side by side he feels Geneseo may be the preferable option based on what Alderman Thompson said and Thompson added that we know what the right of way fee is from them. Ptak added that they also plan to have a local office in the community. Ptak said the City should find out what specific areas will have access first.

Bedei reiterated that residents have the option to sign up with a fiber provider, but they can also stay with cable if they wish.

Moved by Alderman Lavieri and seconded by Alderman Thompson to submit the recommendation of Geneseo Communications for further review to the Finance Committee.

## **ROLL CALL**

**AYE:** Chairman Ptak, Aldermen Lavieri, Jeppson, Thompson

**NAY:** None **Absent:** Alderman Crane **Abstain:** None

## **MOTION CARRIED: 4-0**

City Attorney McPhedran said he may not have further input on CPACE by Monday night's Council meeting. The Committee understood it may take longer than next week to return to

the topic. Bedei said it was only on the agenda tonight for convenience as the Committee was already meeting.

Deputy Clerk Bader noted that livestream of the meeting had issues with the microphones, and he will discuss it with the City's IT provider.

**There were no more questions or comments from the public.**

Moved by Alderman Thompson and seconded by Alderman Lavieri to adjourn the meeting.

Voice vote, all ayes. Motion carried.

Chairman Ptak adjourned the meeting at 5:12 p.m.

A handwritten signature in black ink that reads "Amy Quinn". The signature is written in a cursive, flowing style.

Amy Quinn, City Clerk

/completed by Deputy Clerk Bader