

**DuPAGE AIRPORT AUTHORITY
CAPITAL DEVELOPMENT, LEASING AND CUSTOMER FEES
SPECIAL COMMITTEE MEETING
FRIDAY, OCTOBER 7, 2016**

The meeting of the Capital Development, Leasing and Customer Fees Committee of the DuPage Airport Authority Board of Commissioners was convened at the Daniel L. Goodwin Flight Center Building, First Floor Conference Room, 2700 International Drive, West Chicago, Illinois on Friday, October 7, 2016. Committee Chairman Wagner called the meeting to order at 10:43 a.m. A quorum was present for this meeting.

Commissioners Present: Chavez, Posch, Sharp, Wagner.

Absent: Ledonne

DAA Staff Present: Executive Director David Bird; Mark Doles, Director of Aviation Facilities and Properties; Patrick Hoard, Director of Finance and Prairie Landing Golf Club; Pamela Miller, Executive Assistant and Board Liaison.

Others: Phil Luetkehans, Schirott, Luetkehans and Garner; Mark Wrzeszcz, CBEL.

Press: None

NEW BUSINESS

Discussion of Concepts and Alternatives for Development of the DuPage Business Center.

Executive Director Bird began the discussion by saying the Airport Authority has had twelve years of experience with the development of the Business Center and referred to Attorney Luetkehans' memorandum discussing how best to proceed with future development and also outlining the history of the agreement with CenterPoint which is set to expire September 30, 2017. Executive Director Bird stated these meetings will provide an opportunity to review and evaluate the successes and the weaknesses of the development agreement as it is currently structured and to consider other models for development going forward. Executive Director Bird continued that the Business Center has not met expectations with its lack of development after the 2008 recession which brought many properties into the market and stopped anticipated construction in the park. He stated this process will provide an opportunity for the Capital Development Committee to look at successful models across the country. He added that the firm of Gruen Gruen + Associates, who has done work in past years, will provide their findings and assist with evaluating these various models. Executive Director Bird explained that going forward this committee can review and consolidate these ideas into a plan for developing the next phase of the Business Center. Discussion occurred regarding CenterPoint's payment plan since 2005; the marketability of the park and leasing versus selling property parcels. Executive Director Bird continued to explain that initially land could not be sold in the Business Center but in order to provide CenterPoint with additional opportunities to market the park, the Airport Authority went to the FAA seeking a formal land release; that release was obtained in May 2012. This allowed the Airport Authority to sell property with the stipulation that revenues would be utilized solely for aviation purposes. Discussion occurred.

Attorney Luetkehans summarized the most relevant history of the CenterPoint agreement and the history of the buildings currently located in the park. He specifically reviewed the Northern Illinois Proton Treatment Center (NIPTRC) development. He advised that due to a lack of funding NIPTRC was not able to complete the transaction and consequently more than 50 caissons remain in the ground at this site, some over 20 feet below grade. Attorney Luetkehans explained that if this site is redeveloped, these caissons can be removed and \$75,000 was originally escrowed and turned over to the Authority for this purpose.

Attorney Luetkehans asked Mark Wrzeszcz of Christopher B. Burke to discuss the various infrastructure issues within the Business Center since his involvement in 2004 when grant funds were obtained and utilized to install this infrastructure. Mr. Wrzeszcz discussed the aspects of the infrastructure which provides build ready sites for development at the park: A stormwater system; existing roadways and stormwater detention ponds dedicated to the City of West Chicago; fiber placed in duct banks throughout the perimeter of the business center when the park was originally built which is a very valuable asset for the Business Center; environmental issues. He also discussed what is required for development at the South versus the North end of the park and the Airport Authority's maintenance responsibilities.

Executive Director Bird discussed power issues at the Business Center stating there is not enough power at this site. Discussion continued regarding the ongoing process to work with ComEd to bring in the additional power needed.

Discussion continued on securing rail access at the site and Executive Director Bird reported that the Airport Authority had tried to work with FERMI to obtain an easement; FERMI resisted and the effort was stonewalled at the local and national level. Since that time CenterPoint has indicated it is not necessary to continue to pursue FERMI for an easement as they did not feel it important for marketing purposes.

Executive Director Bird stated that a meeting schedule for the Capital Development Committee will be established for each month going forward with the target date of March 2017 for making a recommendation to the full Board for a proposed development plan. He stated this would provide sufficient time to collect ideas and formulate a policy for structuring a future development plan. Discussion followed regarding various types of models being used by other airports for land development. Executive Director Bird stated he felt it very important to be creative with this effort possibly modifying our marketing strategy to reflect a desire to "create tremendous economic benefits to surrounding communities" and not just to decrease the Airport Authority's dependence on the tax levy. Committee Chairman Wagner mentioned that review of Governor Rauner's "Intersect Illinois" for the marketing stage of this development agreement would be helpful.

Executive Director Bird advised that staff will continue to work with Gruen Gruen + Associates on identifying different models for formulating the best deal and development plan for the Business Center and will schedule for the Committee interviews with some of the larger real estate local brokers in surrounding communities. He also stated the John Carpenter of Choose DuPage would be invited to speak with this committee.

The committee agreed that future meetings would be held, one each month on Friday, preferably at 7:00 a.m. or 8 am. The first meeting agenda will reflect interviews with local real estate brokers and possibly *Choose DuPage*. Discussion followed.

RECESS TO EXECUTIVE SESSION

There was no Executive Session.

OTHER BUSINESS

None

Commissioner Posch made a **MOTION** to adjourn the Capital Development, Leasing and Customer Fees Committee Meeting; the **motion was seconded** by Commissioner Sharp and was passed by unanimous voice vote. The committee meeting was adjourned at 12:03 p.m.

Approved at the January 18, 2017 Board Meeting
Daniel J. Wagner, Chairman
Capital Development, Leasing and Customer Fees Committee