

**EEHW COMMITTEE SPECIAL MEETING
DECEMBER 10, 2012
5:30 P.M.**

MEMBERS PRESENT

Chair Tim Dudley
Jay Dunn
Kevin Greenfield
Phil Hogan
Kevin Meachum
Gary Minich
David Williams

COUNTY PERSONNEL PRESENT

Randy Waks, Asst. State's Attorney
Mike Baggett, State's Attorney's Office
Jeannie Durham, County Board Office

This meeting was called to order by Chair Dudley at the Macon County Office Building.

David Williams made a motion to approve the minutes from the prior meeting, seconded by Jay Dunn, motion carried 7-0.

Enterprise Zone

Chair Tim Dudley introduced Craig Coil, who was in attendance to explain the two resolutions. Craig Coil began with a brief history. The Enterprise Zone was originally certified in Macon County in 1983 for a 20 year period. It was subsequently extended by State Statute in 2003. It is scheduled to expire in 2013. As president of the Illinois Enterprise Zone, a statewide association of enterprise zones, Mr. Coil works with the legislature to get additional legislation passed to allow us to extend the enterprise zone another 25 years. As a part of that process, the program is changing pretty significantly in terms of reporting and some of the incentives that are available at the state level. It is going to take some time to ramp up all of those state processes. So, what they did is, they gave our zone and seven other enterprise zones across the state that expire the same time we do in 2013 an automatic extension to December 31, 2016. Then, during that period of time, we have to reapply for the 25 year renewal which will probably happen sometime in 2015. So, there are two resolutions that are before you today. One is a resolution of which is an intergovernmental agreement between the City of Decatur and the County of Macon which allows us to extend the Enterprise Zone into the unincorporated area of Macon County. The reason we did that, as you might recall, in the early 2000's, I guess 2004, was to extend the zone out to PPG in Mt. Zion so that they could take advantage of some Enterprise Zone cost savings to help keep that plant viable. We also extended it north to TCR Systems which is on the NE side of town in an unincorporated part of the County. Without taking it any further than that, we have a project that has come up that made it necessary to do that. But, in order to accommodate those two projects, we had to do the intergovernmental agreement between the City and the County. As you read through that document, you will see that the Enterprise Zone itself, although I am the administrator of the zone, is also overseen by an Enterprise Zone Advisory Board. That Board, by agreement with the City and as a part of this intergovernmental agreement, is composed of my Board of Directors which includes a number of businesses and local government officials including Jay Dunn who is currently on the Board of Directors and serves on the Enterprise Zone Advisory Board. Essentially what we do is we run projects that request property tax abatement

and have other Enterprise Zone related business through that Enterprise Zone Advisory Board for approval and concurrence. So, the intergovernmental agreement spells all that out and is essentially unchanged from the agreement that is currently in place. The only thing we did was change some names. It was formerly called the Decatur Enterprise Zone and it is now called the Decatur Macon County Enterprise Zone. We changed some Statute numbers to reflect the new legislation that was recently passed. The second document is a resolution requesting property tax abatement at the county level for enterprise zone projects meeting certain job development and investment criteria. It is also essentially unchanged in terms of the office distribution logistics and manufacturing section. Those particular projects are eligible to receive property tax abatement over a five year period if they create and / or retain a minimum of 25 full time jobs and make a capital investment of \$150,000. We document and track their performance during the period of abatement to make sure they have kept those job numbers in place during that abatement period. The new piece to this is a request that was made by the City of Decatur which we have implemented and integrated into this particular resolution. Under Section E of the document, we are adding a proposal to abate property taxes for retail, restaurant, hotel, motel, and commercial properties located along Pershing Road from Oakland on the west to 27th Street on the east and on Eldorado from Oakland on the West to 23rd Street on the East, which is just past the Pine Shopping Center. Businesses would be eligible for abatement under the retail commercial scenario if they make a capital investment in the business that results in increased assessed valuation of \$25,000 or more. So, the only way that they can get property tax abatement is to actually make an investment in their property and improve their property in those particular sections. You will see that the City's goal in this is to try to spur development along those two retail corridors. Beyond that, the document is essentially the same. We have excluded some particular uses for property tax abatement and that has not changed from the last, prior document that is currently in place.

Questions:

Kevin Meachum: Is the added language from the city already in the existing enterprise zone?

Craig Coil: Yes, it is already in there. We just did not allow retail and commercial property tax abatement. That is the change.

Kevin Meachum: What kind of tax growth and job creation do you anticipate?

Craig Coil: We really don't know. It is a plan to spur development. So, we would anticipate that. One of the obstacles is that when people try to start those types of businesses, they typically take a lot of upfront cash, so the intent of this is to try to offset some of their startup costs. We are hoping that this type of incentive will spur additional investment a great deal.

Kevin Meachum: I represent people that are unemployed and are looking for a job and I think you need to look at what the growth potential is for this development. If we are going to give tax abatements, they need to show us what kind of growth potential for jobs and tax revenue this is going to generate. Give us an incentive as to why we should vote for this to help our community. Any company within the community needs to state where their growth potential for jobs and how they are going to help the community with this development. I am very reluctant to vote for this if you guys can't give us some hard data on what you anticipate on growth. Growth is jobs.

Craig Coil: Growth is also Capital Investment. We anticipate significant growth or we would not be putting it forward and the reality is that this exact same abatement program is used around the state and it has been very successful in spurring development which is why we patterned ours after theirs.

Kevin Meachum: I understand and appreciate that, but you ought to be able to put a multiplier or some sort of calculation to help give you a tool to give you a direction on job creation and growth potential for additional revenues for the governmental bodies that are involved. I think you are shooting yourself in the foot by not selling that point of it to help get it across to governmental agencies that have to vote on this.

Craig Coil: If you look at the manufacturing part of it, it is job and investment related. The retail is not because retail commercial tends to have a different category of development. If you put job development criteria on a retail establishment, you stand the chance of locking out potential smaller business types. If a guy says he wants to open a shop that is only going to have 2 or 3 people and then you may have someone that is going to open something that may have 50 people, it creates the potential for unfairness for the smaller guy. That is why we did not attach the job criteria to retail.

Kevin Meachum: I understand that since the City of Decatur added it, but I am concerned with the big developments, the RR yard we're talking about.

Craig Coil: The RR yard is not receiving property tax abatement nor was it requested.

Kevin Meachum: But I would still like to see what the potential is in jobs and taxes for all this in the other area – the manufacturing area.

Craig Coil: We've done an economic impact model from Western Illinois University. They've shown the spinoff effect of the previous enterprise zone investments over the last 8 years and I'd be happy to share that with you. It is pretty significant.

Kevin Meachum: Yes, I would because jobs are important to this community and until we start demonstrating to the people of this community that we are making a gallant effort to try to find jobs and bring jobs to this community, we are shooting ourselves in the foot. I'm not saying I'm against it, I just think we need to provide data that we are doing everything we can.

Craig Coil: I understand.

Kevin Greenfield: How did you pick this area?

Craig Coil: It is the primary corridor based on traffic counts. In talking to the City about this, they said the high traffic counts are typically what retailers, hotel/motel folks want to see. So, we took those traffic count numbers and took a look at where the actual concentration of commercial / retail areas are and the ones that provide the greatest opportunity for development and redevelopment and that is where they fell.

Kevin Greenfield: You also mentioned PPG. Does that mean that we can count on PPG staying there?

Craig Coil: We will have to talk to PPG as time goes on about their future plans, as we do on a regular basis. I can tell you that the reason PPG is still there is because of the extension we did for them in 2003 because this made the difference between that plant, at the time, being profitable and not being profitable.

Dave Williams: As we do an extension out into the rural areas, and if we have some development out there, what participation would it require from township government?

Craig Coil: We have had in the current abatement scenario, a couple of townships that have participated. Long Creek Township's abatement schedule is still in place as well as Hickory Point Township's. The reason we were able to include Long Creek and Hickory Point Township in the previous abatement program was because it was within the corporate boundaries of the City of Decatur. So, if we go to townships outside of the city, there are additional qualifying criteria that the state puts on you to justify that you are able to add that territory into the zone. There is a mileage restriction on it, but there is qualifying criteria on it as well that relates to poverty levels and a whole host of factors, but primarily poverty levels and unemployment rates within certain census tracts outside of the primary city boundary. The enterprise does have to be continuous and contiguous and connected.

David Williams: We had a couple of rumblings of wind initiatives in the county and I noticed that there wasn't anything included on that. That's probably because of the fact that they would not be contiguous?

Craig Coil: Wind farms around the state have been brought in to individual enterprise zones, but the reality of it is that there is now new legislation at the state level that provides a high impact business designation for wind farms which gives them a lot of the same benefits as an enterprise zone without actually having to move the boundaries around to hit all those wind towers. There's a way to help them without having to be in the zone.

Chair Dudley stated he would entertain a motion to approve the Intergovernmental Agreement between the City of Decatur and Macon Count pertaining to the Decatur Macon County Enterprise Zone. Motion was made by David Williams, seconded by Jay Dunn and motion carried 7-0.

Chair Dudley stated he would next entertain a motion on the revised Enterprise Zone Property Tax Abatement Resolution. Motion was made by David Williams, seconded by Jay Dunn, and motion carried 7-0.

CITIZEN'S REMARKS

None

CLOSED SESSION

None needed

NEXT MEETING

12-20-12

ADJOURNMENT

Motion to adjourn made by Jay Dunn, seconded by David Williams, and motion carried 7-0.
Meeting adjourned at 5:40 p.m.

Minutes submitted by Jeannie Durham
Macon County Board Office