

TIF Committee Minutes and Report to Council
3:00 p.m., November 6, 2017

Roll Call: Scott Day
 Alan Shoemaker
 Tim Hoey
 Mayor Dan Kleiss
 Drew Hoel
 Alta Long
 Brian Moody

ACTION ITEMS

- Financial Statements. Long presented the preliminary October financial statements.
- Delinquency Report. Long presented the end of October delinquency report. Long noted that Boutilier had paid \$900 on each of his two loans, which is slightly more than the amount required under the “catch-up” plan we had proposed. Long also discussed other, shorter delinquencies.

DISCUSSION AND UPDATES

- Joe’s Pizza. Hoel reported that the opening for Joe’s Pizza has gone well, and that owners report that business has exceeded their expectations so far.
- Community Building HVAC. Hoel reported that Air King has continued to be responsive to our calls for service. Mike Salmon has been actively engaged in working with them to fine-tune the controls software, and we hope that the system will now operate as designed.
- Douglas County Enterprise Zone Application. Committee members reviewed a map of the approved Douglas County Enterprise Zone. Hoel distributed the enclosed “cheat sheets” concerning the incentives available to development projects within the zone, and Moody discussed those possible incentives further. There was also discussion of a possible amendment to the geographic boundaries of the zone to include the proposed site of Cronus Chemicals, which is currently within its own High-Impact Business (HIB) Zone, which is very similar to an Enterprise Zone.
- Moore Property Development. Hoel and Moody reported on continued discussions with potential developers of the property north of the I-57/Route 36 interchange. The developers are attempting to secure purchase rights to the property, and they have made clear their desire that the City fund the intersection improvements. Hoel and Moody will continue to gather information concerning the proposed development and the economic impacts, so that you all can determine if the project justifies the public investment that they are seeking.
- Senior Center. Hoel reported that Adkisson Construction’s subcontractor is well underway on the installation of the EIFS/stucco surface to the west wall of the Senior Center. The foam board installation and first mortar coat are complete.

- ADCO. Hoel indicated that ADCO, LLC, the operators of Outlets at Tuscola, have yet to submit the annual request for reimbursement pursuant to the redevelopment agreement that they assumed from Tanger. The reimbursement is normally paid on December 1st for qualifying expenses incurred during the prior October 1st through September 30th. Hoel speculated that he was unaware of any significant qualifying expenses incurred in the prior year, and that he believes it is possible that there will be no request, or the request will be significantly below the \$400,000 maximum. Committee members agreed with Hoel's recommendation to table discussion of the downtown restroom project until the status of that reimbursement request is known.
- Outdoor Venue. Mayor Kleiss led a discussion of possible uses and development ideas for the now-vacant property between the Community Building and the Vault. Mayor Keiss indicated his preference to leave the property vacant and available as an open space for now, but to focus on clean-up efforts for the surrounding areas, including possible paving in the alley and renovations to the building exteriors north of the alley. Committee members discussed other possible uses and ideas, and agreed to continue brainstorming and discussing ideas with others.
- TCED Update. Brian Moody provided an update on his activities, Cronus Chemicals, and current business prospects.

Illinois Enterprise Zone Incentives

Incentive	Amount	Type	Criteria
Sales Tax Exemption on Building Materials	Sales Tax Exemption	State/ Local	6.25% State Sales Tax + Local Sales Tax
Sales Tax Exemption on Personal Property used or consumed during manufacturing process	Sales Tax Exemption	State/ Local	\$5M investment creating 200 FTEs, or \$40M investment retaining 2,000 FTEs, or \$40M investment retaining 90% of FTEs
Utility Tax Exemption on Gas and Electricity and administrative charge on telecom excise tax	5.00% State Utility Tax 0.10% Admin. Charge	State/ Local	\$5M investment creating 200 FTEs, or \$175M investment creating 150 FTEs, or \$20M investment retaining 1,000 FTEs
Investment Tax Credit on Qualified Investments	0.50% State Tax Credit	State	Qualified Property includes machinery, equipment, and buildings, includes a carry forward of 5 years
Natural Gas Tax Exemption for Wheeling	5.0% State Tax Exemption	State	Businesses purchasing natural gas direct from pipeline
Real Estate Property Tax Abatement approved by local units of governments	Varied	Local	Abatement Policy Approved by local units of government

Possible Douglas County Enterprise Zone Abatement Policies

(for discussion purposes only)

OFFICE, INDUSTRIAL, MANUFACTURING AND LOGISTICS/DISTRIBUTION CENTER PROJECTS

1)	For taxes levied in the first year of abatement:	100%
2)	For taxes levied in the second year of abatement:	80%
3)	For taxes levied in the third year of abatement:	60%
4)	For taxes levied in the fourth year of abatement:	40%
5)	For taxes levied in the fifth year of abatement:	20%

QUALIFIERS:

- A) Project must include a minimum capital investment of \$200,000.00 and the creation and/ or retention of at least 1 full-time job.
- B) Project cannot simultaneously receive benefits through a Tax Increment Financing (TIF) district located within Douglas County and Property Tax Abatement in the Douglas County Enterprise Zone.

RETAIL, RESTAURANT, HOTEL/MOTEL AND COMMERCIAL

1)	For taxes levied in the first year of abatement:	100%
2)	For taxes levied in the second year of abatement:	50%
3)	For taxes levied in the third year of abatement:	25%

QUALIFIERS:

- A) Project must result in an increase in the Equalized Assessed Valuation of at least \$15,000.
- B) Project cannot simultaneously receive benefits through a Tax Increment Financing (TIF) district located within Douglas County and Property Tax Abatement in the Douglas County Enterprise Zone.

EXCLUDES: Self-storage /mini warehouse facilities, automobile service stations, automatic or self-service coin operated car washes, commodity scrap processing, convenience food and beverage stores, gasoline stations, package liquor stores, recycling facilities, cash advance, pay day loan and title loan stores and adult entertainment venues including adult bookstores.

Residential projects shall be ineligible for any benefits herein established in the Douglas Enterprise Zone

FOR ALL PROJECTS:

- A) If a building permit is required within the applicable designating unit of government's jurisdiction, then its issuance is also a condition of abatement approval.

- B) Entities receiving property tax abatement for eligible projects must agree to maintain a minimum of 75% of the employment levels at that location as described in the Memorandum of Understanding for the term of abatement. At the discretion of the Douglas County Enterprise Zone Administrator, with the advice and consent of the Enterprise Zone Advisory Board, failure to maintain a minimum of 75% of the employment levels during the agreement period may result in the immediate termination of remaining abatement and/or the pro-rata repayment of previously abated real property taxes to the applicable taxing districts.

TCED 8/4/2016
TDC 10/12/2016