

Lee-Ogle ENTERPRISE Zone

Draft
 Final
 Amended

Lee-Ogle Enterprise Zone Meeting Agenda

Location: Rochelle City Hall Conference Room

Date: 3/30/2017 | Time: 10 am

Attendance and Call to Order

Approval of Minutes

Amboy Update

RFP Opinion from the City of Dixon

Blackhawk Hills Regional Council (BHRC) Proposal

Board Composition

Other Discussion

Set Next Meeting

Adjournment

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Lee-Ogle Enterprise Zone Meeting Minutes

Location: Rochelle City Hall Conference Room

Date: 3/30/2017 | Time: 10 am

Voting Membership Attendance

In- Person	Remote	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Rochelle Mayor Chet Olson (Chair)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Dixon Mayor Liandro Arellano (Vice Chair)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Ogle County Chairman Kim Gouker
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Lee County Chairman Jim Wentling
<input checked="" type="checkbox"/>	<input type="checkbox"/>	GREDCO President Jason Anderson
<input checked="" type="checkbox"/>	<input type="checkbox"/>	LCIDA President John Thompson
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	

Guest Attendance

In- Person	Remote	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(Acting) Administrator Andy Shaw, BHRC
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Dan Payette, BHRC
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Theresa Wittenauer, Lee County Admin
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Cole O'Donnell, Dixon City Manager
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Greg Sparrow, Ogle County Board
<input checked="" type="checkbox"/>	<input type="checkbox"/>	John Finrock, Ogle County Board
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	

Call to Order

Vice Chair Arellano called the meeting to order at 10:15 am.

Approval of Minutes

Minutes from 2/23/17 were emailed. Gouker motioned to accept the minutes; Anderson seconded after adding that a \$50,000 cap on the .05% (1/2%) project fee is in place under state statute and that Alto and Steward townships in Lee County passed abatement resolutions. Motion carried.

Amboy Update

The advisory board discussed extending the zone to include 73 acres of commercial and industrial property located within the City of Amboy. Beneficiaries would include Sensient, a major employer in Amboy. Failure to incorporate Sensient would mean interrupting benefits currently enjoyed by the company and could impact planned capital expansion.

Joiner's Fee, Annual Fee, Project Fees, Amendments

- Discussed requiring a joiner's fee to acknowledge expenses incurred by the original designating units of government (DUGs). The cost of preparing the application was \$60,000, or \$15,000 per unit. Consensus for a joiner's fee of \$1 per capita or \$3,000 (rounded) for Amboy.
- Discussed setting the City of Amboy's annual fee according to the established formula. Consensus for an annual fee of \$670 for Amboy (1% of total zone acreage = 1% of total zone fee)
- Discussed depositing these fees (City of Amboy-related) in the project fund.
- Next steps include: discussion with new Amboy mayor, City of Amboy accepts proposal, zone hearing, amendments/ratifications by DUGs (including Amboy), and DCEO approval.

Motion by Wentling to proceed as outlined above; seconded by Gouker. Motion carried.

Lee-Ogle ENTERPRISE Zone

RFP Opinion from the City of Dixon

Mayor Arellano reported that the City of Dixon's attorney concluded that no provision or statute appeared to restrict the advisory board from hiring a zone administrator as it saw fit to do so. City legal counsel suggested that the board issue an RFP, allow for thirty days to pass, and then select an administrator based on a review of submitted proposals.

The advisory board discussed LCIDA's payments to the old zone. The City of Dixon and Lee County interpreted previous fees paid as covering more than zone administration. Thompson pointed out that some economic development services were delivered but that these services were provided above and beyond expected zone administration duties and were not required as part of previous zone administration agreements and should be accounted for separately.

Further, the advisory board discussed options for spending project fees, including reimbursement to DUGs, supporting significant projects, supporting economic development in general, and marketing the zone. Discussed historical project fee revenue of the old zone:

2012	2013	2014	2015	2016	Total	Five-Year Average
\$16,960	\$77,651	\$49,568	\$69,185	\$44,624	\$257,988	\$51,598

Thompson motioned to issue an RFP as outlined above and select an administrator at the next advisory board meeting; seconded by Anderson. Motion carried.

Blackhawk Hills Regional Council (BHRC) Proposal

Payette distributed an updated proposal for zone administration, to be discussed at the advisory board's May meeting.

Zone Administration

- Vice Chair Arellano stated that the advisory board has a responsibility to ensure economical use of annual fees for enterprise zone administration. Introduced for discussion a spectrum of approaches to zone administration, including an approach that represents a purely administrative RFP, rather than a comprehensive approach incorporating website development, mapping products, economic development services, etc.
- The advisory board acknowledged that, contrary to what might be assumed, small towns might require more zone administration resources than larger towns and place a disproportionate burden on a zone administrator.

Wentling excused himself from the meeting at 11:13 am.

Board Composition

Gouker discussed advisory board membership and expansion. In the future, the advisory board could add a county-level economic developer and/or county-level at-large member. Desirable to continue discussion and/or revisit after selecting a zone administrator.

Lee-Ogle ENTERPRISE Zone

Other Discussion

- Shaw was instructed to provide additional structure to the agenda and minutes.
- Mayor Olson reported that he met with the Oregon and Mount Morris economic development groups. He reports that both would like to identify industrial areas to be added to the zone. The advisory board may want to establish a formal process for reviewing zone extension requests.
- Anderson has a business expansion project on the horizon. Anderson and Shaw held a phone conference this week with the project developer to discuss zone benefits.
- Anderson continues to anticipate additional industrial expansion more deeply into Lee County areas at the edge of Rochelle.
- The advisory board discussed apartment development.
 - Projects that meet the zone criteria of 6+ units on a common foundation could receive zone benefits, but the property must still be zoned appropriately at the local level.
 - School districts in Rochelle did not support applying zone benefits to residential projects.
 - Advisory board members are not interested in extending zone territory for residential projects. Additionally, advisory board members would be unsupportive of re-zoning for residential projects.
 - Developers pursuing rezoning for residential projects would need to take up the matter with local governments.

Next Meeting

Scheduled for 5/1/2017, from 10 am - 12 pm, at Dixon City Hall.

Adjournment

Thompson motioned to adjourn the meeting; Anderson seconded. The meeting ended at 11:45 am.



To: Lee County-Ogle County Enterprise Zone of 2017 Advisory Board
From: Daniel Payette, Executive Director
Subject: Enterprise Zone Administration Proposal
Date: March 29, 2017 (updated from February 23, 2017)

SUMMARY

The following memorandum outlines Blackhawk Hills Regional Council's (BHRC) proposal for administering the Lee County-Ogle County Enterprise Zone of 2017.

ILLINOIS ENTERPRISE ZONE PROGRAM OVERVIEW

The Enterprise Zone program is the leading economic development tool in Illinois. It represents a partnership of local and state resources and supports business expansion and retention through various incentives. The newly formed Lee County-Ogle County Enterprise Zone of 2017 is a strong partnership of the cities of Dixon and Rochelle, the counties of Lee and Ogle, and the economic development agencies LCIDA and GREDCO. It follows the success of the original zone – due, in part, to able-bodied administration – which brought notable industrial and other development. In the intergovernmental agreement for the zone, the parties addressed administrative funding with contribution sharing formulas and automatic inflationary adjustments.

BLACKHAWK HILLS REGIONAL COUNCIL OVERVIEW

Daniel Payette, Executive Director

All BHRC activities are coordinated through Payette. Formerly Outreach Coordinator and Planning Manager, he has extensive experience supporting community and economic development, including through implementation of the Economic Development District's Comprehensive Economic Development Strategy (CEDDS). He started at BHRC in 2011, enabling the roll out of the region's non-profit gigabit broadband network, iFiber. Payette received his MS from the University of Wisconsin-Madison (Urban & Regional Planning) and BA from Marquette University. He resides in and is a native of Shannon, IL.

Andy Shaw, GIS Mapping and Enterprise Zone Specialist

Shaw is experienced in business development, GIS mapping, demographic analysis, and stakeholder outreach. He recently assumed the acting administrator role for the new zone, following his training and work with previous zone administrator John Thompson. Since joining BHRC in 2013, he has participated in the Illinois Enterprise Zone Association and worked with local zones on expansion proposals, eligibility testing, and new applications. He received his MS from Northern Illinois University (GIS & Urban Geography) and BA from Western Illinois University. A native of Carroll County, he worked in the family grocery business and served on the former Carroll County Economic Development Corporation board. He resides in Dixon, IL.

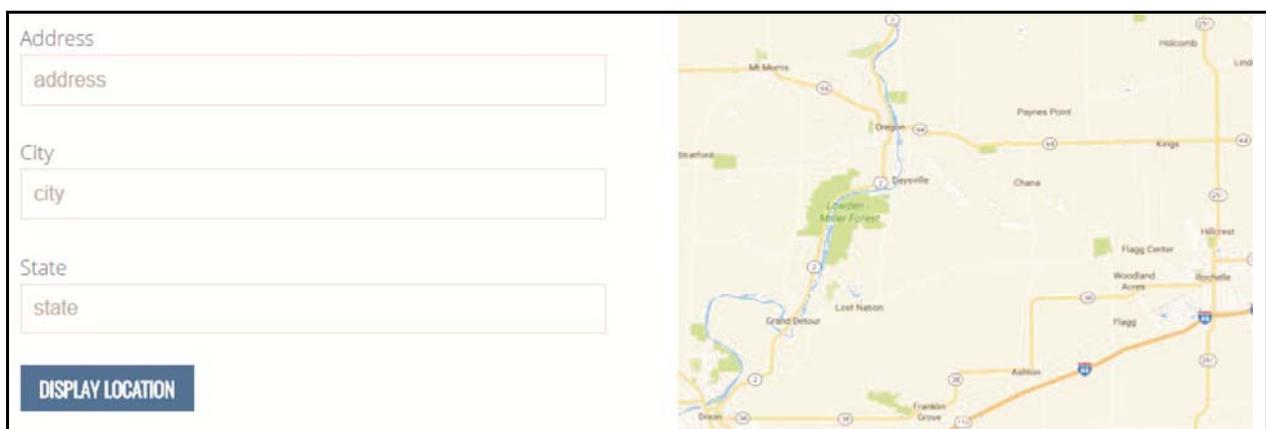
Julie Jacobs, Office Manager

Jacobs has been with BHRC since 1987 and has extensive knowledge of and experience working with community and economic development stakeholders in all six Blackhawk Hills counties. Her current duties include grant administration, budgeting, bookkeeping, environmental issues and economic development support, and marketing activities. She resides in Sterling.

ZONE ADMINISTRATION DUTIES & RESPONSIBILITIES

The new zone commenced on January 1, 2017. Since 2016, BHRC's GIS Mapping and Enterprise Zone Specialist Andy Shaw has trained and worked with former zone administrator John Thompson through a contract with LCIDA to support a seamless transition of administrators for the benefit of zone stakeholders. The following administrator duties & responsibilities are anticipated:

1. Comply with all program requirements and requests for information from Illinois Department of Revenue (IDOR) and Illinois Department of Commerce and Economic Opportunity (DCEO).
2. Function as liaison between participating cities, counties, economic development organizations (EDOs), taxing districts, IDOR, DCEO, any other state agency, and any federal agency in matters affecting the zone.
3. Collect data and issue reports requested by the advisory board, state government, and other entities as appropriate.
4. Act as public affairs liaison between the media and the advisory board.
5. For new projects that meet local zone and state program requirements:
 - a. Run suitability analyses upon request;
 - b. Issue Building Material Exemption Certificates (BMECs);
 - c. Coordinate with county tax and assessment officials to ensure that abatements are granted as promised;
 - d. Assist applicants with submissions for other zone benefits when applicable, such as Expanded MM&E and Utility Tax Exemptions;
6. Develop a stakeholder marketing plan and support strategy for the zone and implement it. Address the following components (in-zone properties only):
 - a. Initiate strategic Business Retention & Expansion (BR&E) visits and calls, whether or not such properties use zone benefits. Target at least 15 properties per year;
 - b. When invited and scheduling permits, accompany economic development professionals on BR&E visits and encourage the use of all appropriate zone benefits;
 - c. Create and maintain a website for zone promotion. The website will include the following:
 - i. General information;
 - ii. Interactive mapping and address search feature; zone and TIF overlay (the latter only if available);



Example of an interactive mapping application



- iii. A list of available industrial properties in the zone, including embedded Location One Information System (LOIS) or similar platform;
- iv. Blog posts and press releases announcing successfully applied incentives;
- v. Agendas and meeting minutes;
- vi. Zone financial reports.
- d. Create and oversee targeted education and outreach on social media and news outlets.
- 7. Coordinate with EDOs and communities on external opportunities as follows:
 - a. Contribute GIS and demographic data analysis for the pursuit of appropriate DCEO and Intersect Illinois RFQs, as well as general site selector inquiries.
 - b. Strategically approach entities outside of the zone that might consider new enterprise that would prompt a zone entrance application.
- 8. GIS and demographic data analysis for the pursuit of appropriate DCEO and Intersect Illinois RFQs.
- 9. Manage .5% project fee collection and only disburse collected funds as authorized by the advisory board.
- 10. Conduct ongoing evaluations of the zone program, in consultation with the advisory board, and submit reports concerning the effectiveness of the zone on a semi-annual basis to all participating agencies in the designating ordinance.
- 11. Assist expired zone users in the issuance of new BMECs for ongoing projects in the new zone and with the filing of mandated reports of zone activity for prior calendar years. *Note: While we can assume no liabilities for projects initiated prior to January 1, 2017, we will make all reasonable efforts to assist those clients with issues arising from the expired zone, including reporting for projects from the expired zone.*

ZONE ADMINISTRATION BUDGET & BILLING

Entity	Annual Contribution	Anticipated Use
Lee County	\$11,146.00	Zone administration, support staff, travel, equipment, supplies, marketing, contractual, overhead, etc.
Ogle County	\$8,416.00	
City of Dixon	\$23,080.00	
City of Rochelle	\$24,504.00	
Total	\$67,146.00	

Expense	Annual Cost	Notes
Personnel	\$35,600.00	Expense line items are approximate and may not represent exact distributions. Other/indirect considers administration and overhead, as well as supplies, equipment, and software/hardware. Contractual/marketing includes consulting & legal expenses, as well as zone-specific development/marketing (e.g., website development & deployment).
Fringe	\$10,150.72	
Travel	\$1,765.49	
Other/Indirect	\$6,714.60	
Contractual/Marketing	\$12,915.19	
Total	\$67,146.00	

BHRC will bill each entity for its respective contribution each year, as early as April 1. GIS Mapping & Enterprise Zone Specialist Andy Shaw will be assigned administrator duties. Office Manager Julie Jacobs will be tasked with supporting the administrator.



2017's Q1 will be split equally between LCIDA and BHRC in recognition of the extended training/acting administration period that has occurred beyond the 2016 training agreement. BHRC will collect the entirety of the committed annual contributions and remit to LCIDA according to the following approach:

Annual Fee	Monthly Fee	Equal Share	Q1 2017 to LCIDA	Q1 2017 to BHRC
\$67,146.00	\$5,595.50	\$2,797.75	\$8,393.25	\$8,393.25

Funds collected as project fees, as set by the advisory board at .5% of estimated building materials for a project, will be reserved and spent at the discretion of the advisory board for special projects.

ZONE ADMINISTRATION TERM & RENEWAL

BHRC's official administration of the zone will commence on the date of proposal acceptance on April 1. It will continue for an initial term of thirty-six months and be renewed automatically for subsequent terms of thirty-six month until the zone is terminated, as long as the advisory board and BHRC see fit to maintain the administration arrangement. At the beginning of each new term, contributors will escalate the total budget by the most recent rolling thirty-six month average CPI index.

If the advisory board or BHRC wishes to discontinue this arrangement, advanced notice of sixty days is required to be given by either party to allow for proper transition.