

Lee-Ogle ENTERPRISE Zone

Ogle County-Lee County Enterprise Zone Agenda

Location: City of Dixon Council Chambers, 121 W 2nd St, Dixon, IL
Date: TBA, Originally Scheduled for 5/1/17, Rescheduled to 5/17/17

10:00 a.m.	I. Call to Order and Attendance	Chair
10:05 a.m.	II. Minutes	Chair
10:10 a.m.	III. Finances	Andy Shaw, Acting Administrator
	IV. Unfinished Business	
10:15 a.m.	a. Administrator's Report	Andy Shaw, Acting Administrator
10:30 a.m.	b. Administrative RFP & Consideration for Acceptance	Chair
11:00 a.m.	c. Other	Chair
	V. New Business	
11:15 a.m.	a. Update on Rock Falls Area School District Abatement	Chair
11:30 a.m.	b. Work Plan for 2017	Chair
11:40 a.m.	c. Municipal Expansion Criteria	Chair
11:55 a.m.	d. Next Advisory Board Meeting & Location	Chair
12:00 p.m.	VI. Roundtable Discussion	Advisory Board
	VII. Adjournment	Chair

Lee-Ogle Enterprise Zone Meeting Minutes

Location: Dixon City Hall Council Chamber

Date: 5/17/17

Voting Membership Attendance

In- Pers on	Rem ote	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Dixon Mayor Liandro Arellano (Vice Chair)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rochelle Mayor Chet Olson (Chair)
<input type="checkbox"/>	<input type="checkbox"/>	Lee County Chair Jim Wentling
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Ogle County Chairman Alternate John Finrock
<input checked="" type="checkbox"/>	<input type="checkbox"/>	GREDCO President Jason Anderson
<input checked="" type="checkbox"/>	<input type="checkbox"/>	LCIDA President Cole O'Donnell
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(Acting) Administrator Andy Shaw
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
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Guests in Attendance

In- Pers on	Rem ote	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Greg Sparrow, Ogle County Board
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Theresa Wittenauer, Lee County Admin
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Dan Payette, Blackhawk Hills RC
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Greg Cross, Guest from City of Polo EDC
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Call to Order

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

Approval of Minutes

Minutes were emailed. Motion to approve by Arellano and 2nd by Anderson. Motion carried.

Finances

Shaw discussed options for handling of project fee finances. Issue is not settled yet and he is holding three checks for project fees for proper deposit and holding by the zone. Options would include legal incorporation of the zone (very complicated), having funds held by one of the units of government, or having funds held by the administrator under an MOU spelling out terms of holding the funds as a fiscal agent. Consensus is for the Dixon City attorney to write/recommend an MOU for the zone to enter with Blackhawk Hills as its fiscal agent.

Administrator Report

Report was distributed and attached here at end of minutes.

Comments during report included: The zone office needs a list of running incentives and abatements that have been done outside of the EZ so we can make sure previous projects are being handled since questions inevitably come up. Further discussion of residential in-zone development continued, this could be done for very large commercial scale apartments.

Blackhawk Hills Regional Council (BHRC) Proposal

The proposal carried forward from previous meeting/RFQ was discussed. This proposal has the administrator securing abatement from schools and other tax districts, as well as pushing for full use of the natural gas use tax exemption that is available in the zone. He will also assist in response to RFI's given to zone EDO's and share any received with those EDO's. Contractual services and marketing expense is for website development, legal expenses, and consulting. He commits to being readily

available and on-call to serve the zone. Discussion emphasized that having an administrator who knows what he is doing and that having a level of trust and confidence with companies is very important. BHRC's Andy Shaw and Dan Payette excused themselves to allow a frank discussion. Upon returning, Arellano made motion to accept the proposal with one change noted, that it would be a 12-month period rather than 36-month. (May 2017-May 2018) Finfrock 2nd. Motion carried.

Rock Falls School Districts

Abatement for parts of the zone in Rock Falls schools districts was discussed. These districts have a dispute with the abatement for Invenergy, a power plant in Nelson. In one case, the high school district had a very old general abatement agreement with the previous company developing the project while another school had an enterprise zone abatement resolution consolidated with another district so they don't see the obligation to abate as a different district that did not make the resolution. Both were given relief from abatement by the Lee County State's Attorney. It may be further disputed by Invenergy at this point. These districts are invited to my upcoming meeting for school superintendents to better understand how abatement in EZ interacts with General State Aid (most districts are made whole for their EZ abatements).

Next Meeting

Scheduled for 6/21/2017, from 10 am - 12 pm, at Rochelle City Hall.

Adjournment

Arellano motioned to adjourn the meeting, Finfrock 2nd.. The meeting ended at 11:45 am.

To: Enterprise Zone Advisory Board
From: Andy Shaw, Acting Administrator
Date: 5/17/2017
Subject: Report of Activities

1. **Financial:** We have collected zone project fees from two projects so far. The former Sandy's restaurant (1127 N Galena) in Dixon is being rehabbed, with a fee of \$400. Also the new Liquor n Wine store in Rochelle paid a fee of \$1450. *I have one uncollected fee from TPR Rentals in Rochelle for \$135.* The collected ones are still uncashed checks that will go in the project fund that can only be set up after I have the authority as administrator. Total project fees for 2017 are \$1985. We see 3 scenarios for handling project funds:
 - a. Handle it at BHRC and distribute as directed by the board and spelled out in an MOU
 - b. Incorporate the zone and establish bank accounts
 - c. Keep in one municipality
2. **New Projects** for 2017
 - a. Liquor n Wine Rochelle New Store
 - b. 1127 N Galena Dixon Remodel
 - c. TPR Rentals Rochelle Remodel
3. **Carried over Projects** started in 2016 with new 2017 certificates:
 - a. M & R Farms Nachusa Area Grain Bins
 - b. Mighty Vine Rochelle Addition
 - c. Willett Office Dixon Office remodel
 - d. Invenergy Nelson Area Ongoing construction
 - e. Touch of Thai Dixon Move to new location
4. **Inquiries** continue, with many in Rochelle. Outreach is planned to check in with some projects I have seen, such as Zigler, that did not apply for zone benefits to see if I can help them out still with anything.
5. **New project applications and BMEC applications** that now include the information required to open and close projects with DCEO/IDOR are now available. I will soon be creating informational packets for building and zoning officials as well as EDC's and Chambers.
6. **Amboy:** I will be meeting the new mayor and existing clerk in the next couple weeks and have tentatively planned to put the proposal before their board on June 19th. Hearing and other work to follow.
7. **Reporting season** has begun with many calls from businesses for assistance with the state's confusing system. Each year, businesses utilizing zone benefits of any kind, as well as contractors who had BMECs (Building Materials Exemption Certificate) for zone projects, must report by June 1st the activity in the previous calendar year. The

Department of Revenue gave a 30-day extension last year before revoking certificates. They will give me a list of unfiled reports that I will work through starting next month.

8. Enterprise Zone Conference:

- a. There are 12 applications for the 9 zones to be awarded this year. Eight are re-applying, including Whiteside-Carroll next to us.
 - b. The closing project procedure that was set for 2016 and newer projects was made “not-required” of administrators, which was a big relief since the data required to close, including FTE jobs, among other things were not collected up front, so would have been a huge undertaking to go back and collect this data.
 - c. School District Tax Abatement Strategy **(more on this below)**
 - d. The association is watching a bill, SB-2023, that makes technical changes to the program.
 - i. Pro-rate application points for job creation/investment that is below the threshold.
 - ii. Adjusted single-county application points for county with population under 300,000
 - iii. Provisional certification for substantially complete applications.
 - iv. May consider written comments or other information after the deadline.
 - v. A five-year vs the current 2-year application period.
 - vi. If 80% of businesses do not report annually to the Department of Revenue, the zone can be decertified.
 - e. DCEO staff told of ongoing slowdown in the department where applications like we are about to do for Amboy will have about an extra month of processing, beyond the typical one-month timeframe (This follows local passage by all of your boards and a public hearing).
- 9. Rochelle’s Lake Lida Apartment Area** landowners continue to inquire. I let them know the stance of the board on residential use of the zone.
- 10. Ogle County Community Efforts** to join our zone continue. Oregon, Mt Morris, and Polo have been mentioned so far. I have met with and spoken to various local leaders and the economic development consultant that is working to assist them. Some of you have also met or spoken with them. The Zone Board needs to find a fair and logical pathway for them to follow. Polo mentioned an undeveloped location outside the city in the hundreds of acres that is strategic for rail shipping but with no imminent project. I have suggested that we may be looking for a key, significant project to extend to a new municipality, but can’t speak for the board without your action. **(more on this later in agenda)**
- 11. School Superintendents:** I am scheduling a meeting in mid-June with our zone area school superintendents to educate them on abatement. Another zone at the conference held one to get the abatements from school districts. They invited the NIU Center for Governmental Studies Assistant Director that is expert on government finance to speak to their school superintendents to educate them on the impacts of

enterprise zone abatement on schools. (Spoiler: They are made whole by the General State Aid formula, but some administrators need a little extra help understanding it.) I am inviting Gary Camarano from Whiteside County to share the meeting since we share the Rock Falls area districts across two zones and we both need to get abatement agreements from them. There are a total of 14 districts that will be invited to the meeting. It will be in the Blackhawk Hills office, time and date TBA. **(more on the Rock Falls area school abatement later in agenda.)**



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.

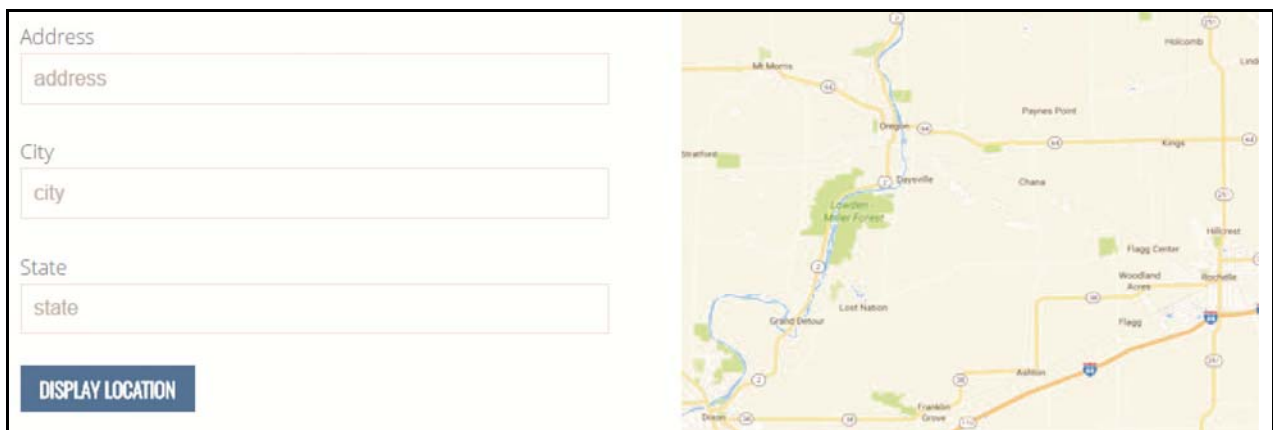
Julie Jacobs, Office Manager

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);



The image shows a screenshot of an interactive mapping application. On the left side, there is a search form with three input fields: "Address" (containing the placeholder "address"), "City" (containing the placeholder "city"), and "State" (containing the placeholder "state"). Below these fields is a blue button labeled "DISPLAY LOCATION". On the right side, there is a map of the Blackhawk Hills region, showing various towns and roads. The map includes labels for towns such as Mt. Morris, Paynes Point, Kings, Hillcomb, Lind, Stephenson, Oregon, Chana, Hillcrest, Woodland Acres, Rockelle, Flagg Center, Flagg, Franklin Grove, Ashton, and Lost Nation. The map also shows major roads like I-55 and I-74.

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.