



Illinois Department of Commerce & Economic Opportunity

Bruce Rauner, Governor

Minutes for the September 6, 2017 Enterprise Zone Board Meeting

Location:

Illinois Building
607 East Adams Street, Floor 12
Director's Board Room
Springfield, Illinois 62701

James R. Thompson Center
100 W. Randolph Street, Suite 3-400
Illinois Conference Room
Chicago, Illinois 60601

Members Present:

(In Chicago) Sean McCarthy, Larry Falbe
(In Springfield) Connie Beard
(Via Call-In) Jovita Carranza, Larry Ivory

DCEO Staff Present:

(In Chicago) Sean McCarthy, Justin Heather, Victor Narusis, Nick Bender, Brad Tietz
(In Springfield) Ben Denney, Sheila Chernis, Teri Whitfield

Others Present:

(In Chicago) Andrew Hamilton – QCREDA, Warren Ribley – WCR Enterprises
(In Springfield) Marty Johnson, (IDOR), Daniel Schmidt (Economic Development Resources), Craig Coil (The Development Consortium), Don Althoff (City of Effingham), Gray Bradley (City of Kewanee), Jeff Torricelli (Lobbying and Consulting, LLC), Shari Albrecht (Jerseyville Regional ED Council), Steve McClure (Opportunity Alliance/Effingham), Jim Arndt (City of Effingham), Sasha Althoff (City of Effingham), Todd Hull (City of Effingham), Keith Moran (Jersey/White Co.), Lisa Kotter (City of Geneseo/Henry County), David Dyer, (Henry County) and Dwaine VanMeenen (Henry County)
(Via Call In) Betty Steinert (IEDA)

1. **Call to Order:** The meeting was called to order by DCEO Director and Enterprise Zone Board Chairman Sean McCarthy at approximately 9:05 am. Roll call of Board members as taken and quorum of Board Members was present.
2. **Introductory Remarks from the Chairman:** Chairman McCarthy introduced himself, welcomed everyone to the meeting and reminded all attendees to sign-in on the provided sign-in sheets.
3. **Approval of Minutes from September 7, 2016 Meeting:** The Chairman asked if there questions or comments concerning the minutes of the August 2, 2017 meeting. Made a motion to approve the minutes from the August 2, 2017 meeting. Motion was seconded by Ms. Beard, with all in favor. Motion moved.
4. **IDOR Report:** Director of the Illinois Department of Revenue (IDOR) Connie Beard provided an overview of the Calendar Year 2016 Annual Enterprise Zone, Rivers EDGE Re-Development Zone and High Impact (HIB) Tax Incentives report. Ms. Beard explained that this report is the fifth year of reporting since the statute change in 2012, and as of now this report is a snap shot derived from was received for this past year with a cut-off date of May 31, 2017. However, this report is a current revised version as incoming information continued to be received. Ms. Beard presented the details on tax incentives, job creation, and capital investment data that was disclosed to IDOR by those receiving tax incentives, along with additional information submitted by purchasers of building materials for eligible projects and by service providers. Ms. Beard explained there has been an uptick in Building Materials Exemption (BME) statistics, yet IDOR saw a decline in businesses reporting. IDOR has increased their efforts to emphasize to project managers, businesses and community leaders the importance of reporting statistics. IDOR continues to increase outreach and seek methods for re-designing reporting procedures to capture information. Comparisons of this year's data to last year's figures were discussed as well as previous years as noted in pages 6- 11 of the report, which includes the breakdown of jobs and investment for each zone, HIB and RERZ statistics. Ms. Beard stated the report is complete and asked if there were any questions. No questions were presented.

Director McCarthy remarked great and Thank You!

5. **Overview of the Application Process:** Director McCarthy introduced Victor Narusis Deputy Director of Business Development to discuss Board member's questions from the previous meeting.

Mr. Narusis – Addressed Question #1: Understanding how scores between Criteria 1 (Unemployment) and Criteria 3 (Poverty) Criterion can show significantly different results.

Narusis explained the differences in potential scoring value for each of the Criteria and the elements of consideration when scoring each Criteria with description on the percentages of weighting for a maximum score.

Larry Falbe asked about whether DCEO is checking the LLMA maps to make sure that the EZ is correct in the drawing of the map.

Justin Heather explained that the area must be contiguous as required and compact to the zone is important. LLMA mapped areas presented have been an issue in past and presented concern, however, this year's applications were better.

Mr. Narusis – Addressed Question #2: Concerning the Jersey-Green application whether application stated that “but for” granting of the EZ that the intermodal would not move forward.

Narusis indicated per the statute there are no requirements for this, but that a letter did express jobs would be created with respect to the Zone's existence.

Mr. Narusis – Addressed Question #3: Concerning Massac County application and Harrah Casino, identifying expansion commitment from support letter. How do we communicate without compromising confidentiality?

Narusis commented, due to confidentiality some information cannot be disclosed, however, we are able to verify that application contents indicate the maintenance of over 500 jobs and \$8 million dollars of investment.

Mr. Narusis – Addressed Question #4: Pertaining to Vandalia application and identify if the biodiesel commitment is new or expansion.

Narusis commented, confidentiality would exist, however, staff has done a search within application and were not able to identify any provided biodiesel company information.

Mr. Narusis- Addressed Question #5: Concerning Kewanee application in verifying “0” score for Criteria 3 and (b) Zion Criteria 9:

- a. Narusis explained that the application was checked and the information provided was not sufficient to accumulate a weighted score.
- b. Zion Verify “0” score for Criteria 9

Narusis commented, Zion has 3 schools that do not provide the skills programs therefore, they did not receive any points. The only college is 20 miles south of the zone. Zion did not provide any letters, business or non-business. Application only provided a paragraph memorializing the projects; this makes only a general commitment due to no backup letters.

Larry Falbe asked about the John Deere letter and its content.

Vic Narusis stated that they only mentioned past commitments.

No changes were made to the scoring from the questions asked.

Mr. Narusis concluded his presentation and gave the floor to Sean McCarthy. Sean asked for a motion to approve the top six zones for designation. Larry Falbe made the motion to award, Connie Beard seconded and all in favor, the motion was carried.

Public Comments: Chairman McCarthy opened the floor to the public for comment.

Andy Hamilton stated that QCREDA can certify an enterprise zone that would not be counted into the number of zones and will be seeking a re-designation.

Craig Coil introduced himself on behalf of working with the Illinois Enterprise Zone Association Board and wanted to that this year's members of DCEO staff that put together the EZ information and commented of its improvement over previous years and thanked Ms. Beard for her continued efforts to make the case for the program.

Keith Moran, representing Carmi/White thanked DCEO for its efforts and the challenging work on the process and review. Moran questioned if there will there be more to be awarded and/or any determination of awarding for next year.

Justin Heather commented that we should finalize this year before we can move on.

Adjournment: With no further public comments, Chairman McCarthy asked for a motion, Larry Falbe moved to adjourn the meeting. Connie Beard seconded the motion. No objections, all were in favor.