



Illinois Department of Commerce & Economic Opportunity

Bruce Rauner, Governor

Enterprise Zone Board Meeting Minutes

Event/Meeting:

2018 Enterprise Zone Board Meeting

Date/Time:

August 29, 2018 at 9:00 am

Locations:

(Springfield)
Department of Commerce & Economic Opportunity
Illinois Building
607 East Adams Street, IL-12, Conference Room
Springfield, Illinois 60601

And

(Chicago, via video conference)
Illinois Department of Commerce & Economic Opportunity
James R. Thompson Center
100 West Randolph Street, Suite 3-400
Chicago, Illinois 60601

Board Members Present:

Sean McCarthy (Chicago), Lawrence Falbe (Chicago), and Larry Ivory (Springfield), Constance Beard designee Kevin Conner (Springfield)

Illinois Department of Commerce and Economic Opportunity (DCEO) Staff Present:

General Counsel Justin Heather (Chicago), Victor Narusis (Springfield), Brad Tietz (Chicago), Ben Denney (Springfield), and Chris Albert (Springfield)

Illinois Department of Revenue (IDOR) Staff Present:

Marty Johnson (Springfield)

Other Attendees (Members of the Public):

Brad Cole, Illinois Municipal League (Springfield), Joe McCoy, Illinois Municipal League (Springfield), Ray Forsythe, City of Moline (Springfield), Steve McClure, Bi-State Planning (Springfield), Jeff Torricelli, TLC LLC (Springfield), Keith Moran, Moran Economic Development (Springfield), Craig Coil, TDC (Springfield) and Gary Bradley, Henry County (Springfield)

Call to Order and Introductory Remarks from Chairman:

The meeting was called to order by Chairman McCarthy at approximately 9:05 am. Chairman McCarthy introduced himself, welcomed everyone to the meeting and reminded all attendees to sign-in on the provided sign-in sheets. Chairman McCarthy then asked members of the public to hold comments until such time that the floor was opened for public comment.

Chairman McCarthy requested Ben Denney to conduct the official roll call.

Ben Denney read the board members names. Board members Sean McCarthy, Lawrence Falbe, and Larry Ivory responded that they were in attendance. Kevin Conner, in attendance, was recognized as the representing designee for board member Connie Beard as she was absent.

Following the roll call, Chairman McCarthy recognized a quorum was present.

Reading and Approval of the Minutes:

Chairman McCarthy asked if there were any questions or comments concerning the minutes of the September 6, 2017 meeting. Hearing no questions, Chairman McCarthy asked for a motion to waive the reading and approve said prior board meeting minutes.

Motion was made by Board Member Falbe, motion seconded by Board Member Ivory. Motion passed by unanimous decision.

Report from the IDOR:

Chairman McCarthy recognized Kevin Conner of the Illinois Department of Revenue (IDOR) and ask that IDOR present that portion of the Annual Report from IDOR.

Kevin Conner introduced himself and introduced Marty Johnson as being an IDOR staff member and assisting in the presentation.

Ms. Johnson provided an overview of IDOR's 2017 Annual Report for Enterprise Zone, River Edge Redevelopment Zone and High Impact Business. Ms. Johnson presented details on tax incentives, job creation and capital investment data that was reported to IDOR by those business entities receiving Enterprise Zone tax incentives. Ms. Johnson stipulated that this was the sixth published report and that the report represents only the data which has been provided to IDOR. Ms. Johnson indicated that while IDOR is continually improving its procedures and obtaining more complete and accurate data, the report does not possess data to be a basis for the Board's determination on the approval of the Enterprise Zone decisions. Ms. Johnson stated that the report was complete.

Chairman McCarthy asked if there were any questions. Hearing none, Chairman McCarthy thanked Ms. Johnson for providing the report.

Report from the DCEO:

Chairman McCarthy stated that the Board may consider designating up to four (4) zones and that four (4) applications had been submitted for consideration.

Chairman McCarthy introduced Victor Narusis of the DCEO staff and asked that he provide a review of the applications for the Enterprise Zone designations.

Mr. Narusis introduced acknowledged Chairman McCarthy's request and thanked DCEO Business Development Assistant Deputy Director Ben Denney and EZ Program Manager Chris Albert for their efforts and diligence on this year's application process and review.

Mr. Narusis provided an overview of the DCEO's evaluation process for applicants, indicating that the Department conducts a two (2) step review process for each applicant. This review process consists of initial scoring by DCEO BD staff members followed by a secondary review by two (2) additional DCEO staff members, who focus on any applications that obtained a maximum score or zero (0) score in any one (1) of the individual qualifying criteria. Mr. Narusis further indicated that scoring for the qualifying criteria is contingent upon the applicant's identified local labor market area (LLMA), geographical orientation and subject to a comparative analysis which ranks an applicant against other applicants within the applicant pool. In addition, Mr. Narusis conveyed that the scoring of an applicant's ranking may have significantly different results in the case of multiple-year submissions, depending upon each year's applicant pool and if DCEO determines that an application meets minimum thresholds, it is submitted to the Board for consideration.

Mr. Narusis asked Board members if there were any questions at this point. Hearing no questions, Mr. Narusis proceeded with the review.

Mr. Narusis directed the Board's attention to the prepared binders which included a table showing the summary scores of each applicant and a table listing the units of government for each applicant.

Mr. Narusis asked the Board if there were any questions on the scoring chart.

Hearing no comments or questions, Mr. Narusis indicated that he would proceed with the summarization of applicants in the order of the highest scoring applicant to the lowest and would provide a brief review of the qualifying criteria unless the Board would like further details about each applicant separately.

Mr. Narusis asked Chris Albert to confirm that the application summaries in the prepared binders were organized from highest ranking score to lowest.

Mr. Albert confirmed the order in the binder.

Mr. Narusis addressed the application for the Quad Cities Enterprise Zone indicating that the application was prepared by Bi-State Regional Commission, was received prior to the deadline and that the proposed zone was within size limits and of a contiguous nature. Mr. Narusis then brought attention to the applicant's overall scoring of criteria provided, its capital investment, employment opportunities and potential highlights that may have impact on the zones application. Mr. Narusis indicated that, with respect to the Boards time, he would avoid an in-depth description of each executive summary and criteria unless the Board wanted to discuss the information in greater detail.

Mr. Narusis continued with an overview of the provided EZ and LLMA maps, the application Checklist and the applicants Goals and Objectives before pausing and asking for any questions.

Board Member Falbe commented on the prepared table listing of applicable units of government for the Quad Cities, indicating that the County of Rock Island was listed twice in the chart box on page 13. Further, Falbe indicated he was familiar with the Quad Cities area and he was in support of application.

Additionally, Board Member Falbe presented a question concerning the criteria concerning Brownfields and Coal Mines, as to whether "Priority Status" was a State or Federal designation.

Narusis directed this question to Program Manager Chris Albert.

Mr. Albert replied that abandoned coal mines and brownfield designations must be listed on both state and federal sites, yet the “Priority Status” is established by the federal government.

Narusis asked if there were any questions concerning the Quad Cities application before proceeding with the next applicant review.

With no further comments or questions Narusis proceeded with the presentation of the Kewanee / Henry County application indicating that the application was prepared without assistance of a consulting firm, was received timely, was within applicable size limits and of a contiguous nature. Overall scoring, capital investment, employment opportunities, potential impacts and criteria highlights of the application were presented in the same manner as the previous applicant.

Mr. Narusis continued his summary description to the mapping provided for the EZ and LLMA and the applicants Goals and Objectives.

Board Member Falbi commented he was familiar with this area and was supportive of the applicant.

IDOR designee Kevin Conner commented that the LLMA for Kewanee/Henry County appeared to cover more than one (1) county and was larger than the proposed zone area.

Mr. Narusis replied that yes, the LLMA is larger than the zone.

Mr. Conner asked if it gets defined.

Mr. Narusis replied yes. The applicant defines this area as it can be larger than the zone area.

Mr. Narusis asked if there were any questions concerning the application for Kewanee/Henry County Enterprise Zone. Hearing no questions, Mr. Narusis proceeded with next applicant.

Mr. Narusis addressed the application for the Carmi/White County/Edwards County Enterprise Zone indicating that the application was prepared by Moran Development, the application was received prior to the deadline, the proposed zone was within size limits and of a contiguous nature. Mr. Narusis then directed attention to the applicant’s overall score before providing the capital investment, employment opportunities, potential impacts and criteria highlights of the application.

Mr. Narusis continued his presentation of Carmi/ White County/ Edwards County application to the mapping provided referencing pages 40-44 for the LLMA and the EZ map with its three major pods of area and connecting strips. Description was given for the application checklist and the applicants Goals and Objectives. Mr. Narusis asked if there were any questions for the Carmi/White County/Edwards County Enterprise Zone. Hearing no questions, Mr. Narusis proceeded with the next applicant.

Mr. Narusis addressed the application for the Vandalia/Fayette County Enterprise Zone indicating that the application was prepared by South Central Illinois Regional Planning and Development Commission, the application was received prior to the deadline, the proposed zone was within size limits and of a contiguous nature.

Mr. Narusis then summarized the applicant’s overall score before providing the capital investment, employment opportunities and identification of any highlights of the 10 qualifying criteria. Next, Mr. Narusis then detailed the proposed area of zone and its connecting strips provided in the proposed zone map, commenting on the LLMA map, the application checklist and the goals and objectives of this zone application. Mr. Narusis asked if there were any questions concerning the Vandalia/Fayette County Enterprise Zone.

Board Member Falbe – commented of Vandalia being a former capital site of the State of Illinois.

With no further questions, Chairman McCarthy thanked Mr. Narusis for providing this review.

Authorization of New Enterprise Zones:

Chairman McCarthy asked for a motion to approve all four (4) applications for zone designation.

Motion made by Board Member Falbe, motion seconded by Board Member Ivory. Motion passed by unanimous decision.

Chairman McCarthy recognized the approval of the Quad Cities, Kewanee/Henry County, Carmi/White County/Edwards County and Vandalia/Fayette County Enterprise Zones, effective January 1, 2019.

Public Comment:

Chairman McCarthy opened the floor for any public comment.

Steve McClure introduced himself and asked if a new application for Enterprise Zone designation would be made available by DCEO.

Mr. Narusis directed the question to General Counsel Justin Heather.

General Counsel Justin Heather stated that a new application would be made available.

In unison, multiple attendees asked when the application would be made available.

General Counsel Justin Heather responded that the application should be made available in approximately two (2) weeks.

Chairman McCarthy asked if there were any more questions.

Keith Moran identified himself and asked if data assistance through Northern Illinois University (NIU) would be made available in the next round of applications and how many zones would be available in near future.

Mr. Narusis stated that the NIU contract is being finalized and data assistance would be made available to applicants as previously, before directing the question of how many available zones to General Counsel Justin Heather.

General Counsel Justin Heather responded that it would have to be checked into further before confirming, but that the number of available zones would be dependent upon the number of zones scheduled to expire and how many of those zones would reapply along with additional applicants.

Gary Bradley asked if applicant scores would be made public.

Mr. Narusis indicated that he was unable to confirm at this time whether scores would be made public.

Chairman McCarthy asked if there were any more questions. Hearing none, Chairman McCarthy thanked those in attendance.

Adjournment:

Chairman McCarthy asked for a motion to adjourn.

Motion made by Board Member Falbe, motion seconded by Board Member Ivory. Motion passed by unanimous decision.

Meeting was adjourned.