



## REPORT TO TOWN BOARD

**FROM:** Andy Quanstrom, City of Champaign Township Supervisor

**DATE:** December 2, 2014

**SUBJECT:** TOWNSHIP PARTICIPATION IN CITY OF CHAMPAIGN/CHAMPAIGN COUNTY ENTERPRISE ZONE

**A. Introduction:** The purpose of this resolution is to authorize the City of Champaign Township to participate in the proposed City of Champaign/Champaign County Enterprise Zone. This zone is contingent on State of Illinois Approval.

**B. Action Requested:** The Town Board is requested to approve this resolution.

**C. Prior Town Board Action:**

- There has been no prior action on this matter

**D. Background:**

**1. General Purpose of the Enterprise Zone.** In 1982, the State of Illinois approved the Illinois Enterprise Zone Act. The purpose of the Act was to stimulate economic growth and neighborhood revitalization in economically depressed areas of the state. Businesses located (or those that choose to locate) in a designated Enterprise Zone could become eligible to obtain special State and local tax incentives, regulatory relief, and improved governmental services, thus providing an economic stimulus to an area that would otherwise be neglected.

**2. Goals of the Enterprise Zone.** In the process of developing the application for a new Enterprise Zone, the following goals were established to guide the development of new boundaries and programs:

- a. Promote job growth;
- b. Encourage reinvestment in declining commercial and residential areas;
- c. Encourage infill development and reinvestment in existing building stock; and
- d. Design economic development programs to ensure measurable outcomes and benefits to the community.

Promoting job growth has long been the primary goal of Enterprise Zones. Locally the revised property tax programs aim to encourage employment as a program qualifier, especially in the commercial and industrial programs. Additionally, the new programs will attempt to assist in the

improvement of distressed and declining commercial and residential areas and encouraging infill redevelopment. Finally, the revised program applications will be improved to include more detailed information about the project and its impact on the community. This data, such as employment figures, average salary, total investment and return on investment, will be included in an annual review of program impacts.

**2. Taxing Agency Partnerships.** The application process will be competitive with Champaign competing for a designation along with all expiring Enterprise Zones statewide as well as communities that do not currently have a zone and wish to apply for a new one. There will be no preference given for communities with previously designated Enterprise Zones. DCEO and the Governors Panel has the authority to designate up to half of the 96 new zones in the first reapplication cycle in 2015, with only a small number of zone designations allotted for each subsequent cycle year. To be competitive, it is important that the application show support from area taxing partners and the ability to leverage economic development tools to accomplish regional growth. The following taxing agencies have agreed to join the application as program partners. By doing so they are agreeing to abate a portion of their tax revenue along with the City and County to strengthen the incentive programs and provide greater economic impact. All agencies will be participating in all programs unless otherwise noted.

- City of Champaign (Pending)
- Champaign County (Pending)
- Champaign Park District
- Champaign-Urbana Mass Transit District
- Parkland College (*Commercial District Improvement and Employment Expansion Programs Only*)
- City of Champaign Township (Pending)

**E. Alternatives:**

1. Approve this resolution
2. Do not approve this resolution

**F. Discussion of Alternatives:**

**Alternative 1.** Alternative 1 would approve this resolution enabling the City of Champaign Township to participate in the City of Champaign/Champaign County Enterprise Zone by abating increased property taxes under the proposed incentive programs.

**a. Advantages**

- Assists in promoting Economic Development in declining areas of the City.
- Promoting cooperation among taxing agencies on common economic development goals.
- Township partnership strengthens the Enterprise Zone application to the State of Illinois.

**b. Disadvantages**

- Abatement of taxes on new projects means the Township is forgoing any increased tax revenue for a given period of time based on the incentive program.

**Alternative 2.** Alternative 2 would not approve this resolution

**a. Advantages.**

- None

**b. Disadvantages**

- Lack of participation by local taxing agencies may hurt the City of Champaign/Champaign County competitive application for an Enterprise Zone.

**G. Community Input:** Community input will be taken at this Township meeting.