

MINUTES OF THE AUGUST 1, 2013 SPECIAL MEETING OF THE MOUNT CARROLL CITY COUNCIL

Mayor Bates called the meeting to order at 7:00 p.m.

CALL TO ORDER

Roll call: Mayor Carl Bates, present, Aldermen Tom Charles, present,

ROLL CALL

Jim Rose, present, Bob Sisler, present, Doug Bergren, present, Mike Risko, present, and Joe Grim, present.

Mayor Bates noted that this meeting was called for discussion of various economic development programs and that municipal attorney Ms. Kathy Orr, of Chicago, IL and the city's consulting attorney for the Tax Increment Finance (TIF) District was in attendance to provide some information about the incentives and give more details about the Business District Development and Redevelopment Act.

Ms. Orr addressed the council and stated that she had brought with her a handout titled "Inducing Economic Development What Tools are in the Toolbox Other Than the TIF". She stated the Mount Carroll's TIF so far had not generated a lot of revenue. The handout gave statutory authority and summary information about the following economic development incentives: Real Estate Tax Abatements; Commercial Renewal and Redevelopment Areas; Economic Incentive Agreements; Industrial Jobs Recovery Law (Expired in 1/1/2012); Innovative Development and Economy Act (STAR Bonds "Sales Tax and Revenue" Bonds); Economic Development Area Tax Increment Allocation Act; Business District Development and Redevelopment; and Expenses for Economic Development. This handout she left with the clerk to provide copies to the council. Ms. Orr went into more detail explaining the development of the Business District Development and Redevelopment Act, its qualifications, procedures, powers, a listing of allowable project costs, and incentives. Costs to develop the plan with assistance from a consultant such as Sharon Pepin of Community Funding and Planning Services could range from \$15,000 to \$20,000. Ms. Orr reported the one completed for the Village of Warren cost about \$18,000. Discussed that some projects in town and in the county that have taken advantage of the enterprise zone. Ms. Orr stated that the TIF supersedes the e-zone regarding the real estate tax abatements. Discussed the prevailing wage issue for projects within a TIF district or a BDD district. Mayor Bates stated that the city would be looking at a project in the TIF district and he also wanted to consider whether there could be a way to incorporate a sales tax rebate of a portion of the sales taxes that might be above a certain amount. He also asked what percentages of the TIF increment were projects being negotiated at. Ms. Orr stated that in the last few years they have gone from 50% to 75%, but they could go as high as 90%. Alderman Risko stated he was concerned about how you determine whether you are giving too much to a business, and he felt looking at a new tax for the BDD might not be accepted that easily. The one for the school and the park district as examples have not passed how would the public perception of this type of tax be. Alderman Bergren stated he was very much in favor of pursuing the BDD district as this could help with funding for the (Galena Street) bridge project and many more projects in town. Alderman Sisler asked about the development of the boundaries and where the money would be used. Ms. Orr noted that the city council ultimately would have the final say of the boundaries of the district. Generally the consultant having experience with the area would make suggestions and it would be based on areas that were needing the funding for specific projects. There are two deadlines set by the state when the BDD district is to be approved and certified so that sales tax within the district is established for collection and then distributed back to the municipality to be deposited into a specified account. Mayor Bates stated he felt the council should not rush into this in order to make sure everyone was informed and in support to pursue this. In further discussion Ms. Orr reported what was needed in order to consider extending the city's TIF district time period beyond the 23 years. New legislation allows for all of the taxing districts to approve of the extension. They discussed a repayment clause within TIF District incentive agreements when a business ceases its

operations before the agreement expires.

Alderman Risko moved and Alderman Grim seconded to adjourn the meeting. Roll call vote: Aldermen Charles, yes, Rose, yes, Sisler, yes, Bergren, no, Risko, yes, and Grim, yes. Vote: 5 yeses, 1 no and 0 absent. Mayor Bates adjourned the meeting at 8:02 p.m. ADJOURNMENT

The Mount Carroll City Council approved these minutes at the August 13, 2013 meeting.

Julie A. Cuckler  
City Clerk & Collector