

**CITY OF MT. VERNON, ILLINOIS
CITY COUNCIL WORKSHOP MEETING
Monday, October 26, 2015**

The Mt. Vernon City Council met in a Workshop Meeting on Monday, October 26, 2015 at 4:00 p.m. at City Hall, 1100 Main Street, Council Chamber Room, 2nd Floor, Mt. Vernon, IL.

CALL TO ORDER

Roll call showed present: Council Members Dennis McEnaney, Donte Moore and Mayor Mary Jane Chesley. Absent: Council Members Jeff May and Todd Piper. Piper plans to meet the group at the Armory. Also present were Interim City Manager Mary Ellen Bechtel, Finance Director Merle Hollmann, Assistant to the City Manager Nathan McKenna, Inspector Kevin Gatewood, Tourism Director Bonnie Jerdon and City Clerk Jerilee Hopkins.

VISITORS/CITIZEN REQUEST/ADDRESSES FROM THE AUDIENCE

No visitors spoke at the meeting.

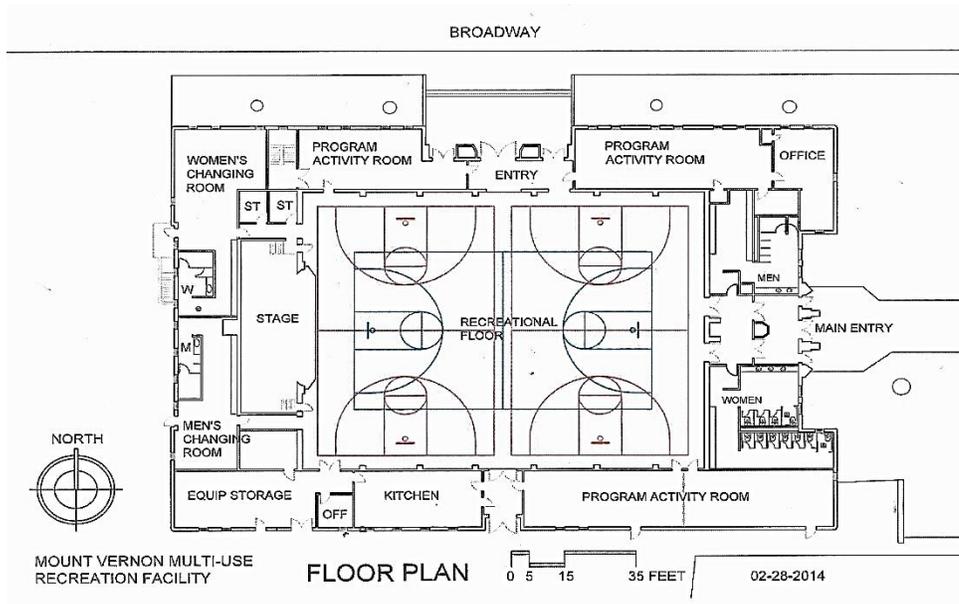
TOUR AND DISCUSSION OF ARMORY

Mayor Chesley announced that the workshop meeting will move to the Armory located at South 7th Street and Broadway for a tour of the facility. McKenna will post this information on the Council Chamber Room doors should a member of the public be running late to attend the workshop.

Council Member McEnaney made a motion to adjourn to the Armory. Seconded by Council Member Moore. Council Member McEnaney requested an update and discussion on the facility before adjourning to the Armory.

Bonnie Jerdon led the discussion as to improvements already made such as a new roof and windows as well as the asbestos abatement in the amount of approximately \$500,000 from a previous Tourism grant. McKenna reminded the Council that the City applied for a Department of Natural Resources grant in the amount of \$1.5 million; however, it is unlikely that the City will receive this grant because Governor Rauner has placed a hold on all State grants. Bechtel noted that the purpose of the tour is to assist Council in determining what next steps will be taken at the Armory.

Yeas: McEnaney, Moore and Chesley. Absent: May and Piper.



STATE OF ILLINOIS / DEPT OF NATURAL RESOURCES
PARC PROJECT APPLICATION

PARC-4 / DEVELOPMENT DATA

Project Sponsor: City of Mt. Vernon

Project Title: Mt. Vernon Multi-Use Recreational Facility

DEVELOPMENT ITEM	UNIT AMOUNT	ESTIMATED COSTS
sports flooring	1	\$197,110.00
heating and air conditioning	1	\$128,800.00
Fire suppression system	1	\$143,750.00
interior lead paint removal and painting	1	\$172,500.00
parking lot and sidewalks	1	\$150,000.00
plumbing upgrades	1	\$315,100.00
electrical upgrades	1	\$178,250.00
flooring - exterior rooms	1	\$55,200.00
Basketball backstops	2	\$10,000.00
Kitchen equipment	1	\$15,525.00
exterior cleaning and repairs	1	\$202,400.00
Ceiling tile installation	1	\$143,750.00
3 Phase electrical service	1	\$75,000.00
CPA Report Costs (REQUIRED)	1	\$1,000.00
A/E Design Fees	1	\$272,576.00
(✓) Potential Archaeological Survey		
TOTAL ESTIMATED COST:		\$2,060,961.00

(✓) Projects approved for PARC funding may require the completion of an archaeological reconnaissance survey on the project site. Estimated cost for such a survey may be included in the project budget.

Provide a quarterly expenditure schedule for the grant funds to the best of your knowledge or ability. Use quarterly time increments. Example: Year 1, Quarter 1 = \$10K (engineering fees). The project sponsor is not bound to this schedule and revisions can be made during the course of the project as necessary.

Year 1, Quarter 1 = \$136,288.00 Year 1, Quarter 2 = \$136,288.00
 Year 1, Quarter 3 = \$568,350.00 Year 1, Quarter 4 = \$445,050.00
 Year 2, Quarter 1 = \$396,060.00 Year 2, Quarter 2 = \$378,925.00

Roll call was again taken at the Armory as follows: Present for the tour were Council Members McEnaney, Moore, Piper and Mayor Chesley. Council Member May was absent. Also present were Interim City Manager Mary Ellen Bechtel, Finance Director Merle Hollmann, Assistant to the City Manager Nathan McKenna, Inspector Kevin Gatewood, Tourism Director Bonnie Jerdon and City Clerk Jerilee Hopkins.

The tour ended at approximately 5:05 p.m.

Council Member McEnaney made a motion to adjourn the Armory tour and return to the City Hall to finish the Workshop. Seconded by Council Member Piper. Yeas: McEnaney, Moore, Piper and Chesley. Absent: May.

The City Council Workshop Meeting reconvened at City Hall after touring the Armory. The following were present: Council Members McEnaney, Moore, Piper and Mayor Chesley. Absent: Council Member May.

DISCUSSION ON ENTERPRISE ZONE BENEFITS

Bechtel noted that the City recently was awarded a renewal of the Mt. Vernon/Jefferson County Enterprise Zone. The old Enterprise Zone expires June 30, 2016. The new Zone includes a parcel for Waltonville, Dix, Mt. Vernon and Jefferson County. Property chosen to be in the Zone is limited to 13 square miles. It was necessary to carve out some residential area in order to get all of the industrial areas in the Zone. Three maps of the zone were presented. The following is a list of zone benefits. *Bechtel suggested proposed changes in red and italicized.*

Enterprise Zone Benefits:

- Building Permit Fee Waiver
- Sales Tax Waiver on building materials purchased within the State of Illinois

Property Tax abatement on improvements determined as follows:

Manufacturing/Distribution:

- Definition: Warehousing and Distribution which includes examples such as Walgreens Distribution and NAPA. Benefits are not extended to distribution which consists of a terminal for transferring goods from one form of transportation to another form of transportation.
- Projects valued at \$5 million or more or projects creating 100% or more jobs, 100% property taxes on the improvements will be abated for ten (10) years.
- Projects valued at under \$5 million and more than \$1 million, 100% property taxes on the improvements will be abated for three (3) years.
- Projects valued at under \$1 million receive 100% property tax abatement the first year and 50% property tax abatement the second year.

Medical:

- Definition: Hospitals, doctor's offices, medical clinics.
- Hospitals will receive 100% property tax abatement on the improvements for three (3) years.
- Doctor's offices and Clinics will received 100% property tax abatement upon the improvement for the first year and 50% property tax abatement on the improvements the second year.
- *Medical Offices and clinics receive 100% property tax abatement on the improvements for five (5) years.*

Commercial:

- Definition: Any industry not described above, including but not limited to wholesale and retail (selling goods or services directly to the public); such as, restaurants, storage facilities, financial services, outside sales, clothing stores, food stores, insurance, pharmacies, medical appliances stores, lumber yards, gas stations, hotels/motels, auto sales, furniture stores, entertainment establishments, bars, grocery stores, and *market rate multi-family with 10 more units*, etc.
- Commercial projects are eligible for 100% property tax abatement on the improvement the first year and 50% property tax abatement on the improvement the second year.

- Commercial projects investing up to \$2,999,999 million receive three (3) years 100% property tax abatement.
- Commercial Projects investing \$3 million and over receive 5 years 100% property tax abatement.

Jonathan Hallberg, JCDC Director, prepared the following comparative analysis of enterprise zones in the region:

Comparative Analysis of Southern Illinois Enterprise Zones
(Compiled 8/21/15)

Enterprise Zone	Jurisdiction	Property Tax Abatement		
		Commercial	Industrial/Warehouse/Dist.	Residential
Olney/Richland & Jasper County	extends into Jasper Co. to assist Newton	Wholesale Trade of Durable and Non Durable Goods Only	Specific SIC Codes Only	n/a
		Years 1 and 2: 100%	Years 1 and 2: 100%	
		Year 3: 80%	Year 3: 80%	
		Year 4: 60%	Year 4: 60%	
		Year 5: 40%	Year 5: 40%	
		Year 6: 20%	Year 6: 20%	
Greater Centralia Enterprise Zone	Centralia, Wamac, Central City	Ten years at 100% (must result in job creation)	Ten years at 100% (must result in job creation)	n/a
Salem/Marion County Enterprise Zone	Salem and nearby parts of Marion Co.	wholesale only: 12 years at 100%	12 years at 100%	n/a
Effingham/Effingham Co. Enterprise Zone	Effingham with a few isolated county properties	3 years at 100%	10 years at 100%	n/a
Flora/Clay County Enterprise Zone	Flora, Clay City, and some adjacent county property	10 years at 100% (City, County, Airport Authority, Harter Twp.)	10 years at 100% (City, County, Airport Authority, Harter Twp.) 10 years at 50% (Stanford Twp., Unit 35 Schools, College Dist.)	5 years at 100% (City, County, Airport Authority)
Jackson County Enterprise Zone	Carbondale, Murphysboro, some high-potential sites in county	Must have market value of = or > \$10k	Must have market value of = or > \$10k	n/a
		Years 1-5: 100%	Years 1-5: 100%	
		Years 6-10: 50%	Years 6-10: 50%	
Williamson Co. Enterprise Zone	Marion, Carterville, Johnson City, Herrin, parts of Williamson Co.	Must have market value of = or > \$10k	Must have market value of = or > \$10k	n/a
		Years 1-5: 100%	Years 1-5: 100%	
		Years 6-10: 50%	Years 6-10: 50%	
Mt. Vernon	Mt. Vernon/Jefferson County/Waltonville, Dix	Year 1: 100%	Up to \$ 1 Million- Yr. 1 - 100%; Yr. 2- 50%	None
		Year 2: 50%	Up to \$5 million- Yr. 1-3 100%	
			Over \$ 5 million or 100 Jobs - 10 yrs. 100%	

Bechtel suggested that the Council consider adding market rate multi-family housing with ten or more units that could receive a property tax abatement. This could be something to attract residential housing developers.

Bechtel reminded Council that the City is required to obtain approval from each of the 16 taxing bodies in the Enterprise Zone before the end of the year. Time is of the essence. Council Member McEnaney expressed his approval of the proposed changes.

EXECUTIVE SESSION

No Executive Session.

ADJOURNMENT

Council Member Piper made a motion to adjourn. The motion was seconded by Council Member Moore. Yeas: McEnaney, Moore, Piper and Chesley. Absent: May.

The Workshop Meeting adjourned at 5:20 p.m.

Respectfully submitted,

Jerilee Hopkins
City Clerk