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P. Hrngs. \_\_\_\_\_  
Pgs. 4  
Filed: 11-08-16

Sponsored by: McClure

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

COUNCIL BILL NO. 2016- 256

SPECIAL ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE

1 AUTHORIZING an increased level of property tax abatement from 50 percent to 75  
2 percent on new improvements to real property located in the  
3 Springfield Enhanced Enterprise Zone for the 3M Company in  
4 recognition of the 92 high-quality jobs the company's proposed plant  
5 expansion will bring to the Springfield community.  
6 \_\_\_\_\_  
7

8 WHEREAS, the City of Springfield has participated in the State Enterprise Zone  
9 Program since 1984; and  
10

11 WHEREAS, the Enterprise Zone Program is a state and local initiative designed  
12 to promote investment and create jobs in areas with lower income and higher levels of  
13 unemployment than the state average as well as provide assistance for areas subject to  
14 natural disasters when the Governor has declared such and sought federal aid; and  
15

16 WHEREAS, in 2004 the Missouri General Assembly established the Enhanced  
17 Enterprise Zone Program to take the place of the original Enterprise Zone Program,  
18 under which local jurisdictions may offer up to 100 percent property tax abatement on  
19 the value of new improvements for 25 years to qualified businesses that locate or  
20 expand within an established zone; and  
21

22 WHEREAS, The Springfield Enhanced Enterprise Zone ("EEZ") was established  
23 in 2005 to provide incentives to qualified businesses that locate or expand within the  
24 EEZ at a rate of 50 percent abatement of property taxes on improvements to real  
25 property for a period of 10 years and the City in 2005 established the Springfield  
26 Enhanced Enterprise Zone Program("EEZP"); and  
27

28 WHEREAS, the EEZP is an integral part of the Partnership for Economic  
29 Development's efforts to create and maintain a diversified job base in the Springfield  
30 Metro area and the effort is consistent with Council's policy to promote economic  
31 development and enhanced quality of life; and  
32

33 WHEREAS, it is consistent with adopted City policy set forth in the Economic  
34 Development Incentives Policy Manual (Resolution No. 9855, Resolution No. 10127) for  
35 City Council to consider additional incentives for projects that create or retain quality  
36 jobs that pay wages equal to or higher than the Greene County average wage and offer  
37 competitive benefits; and it is appropriate to amend the level of incentives to further the  
38 goals of the EEZP with those amendments being consistent with the general policies set  
39 forth in the Economic Development Incentives Policy, (Resolution No. 9855, Resolution  
40 No. 10127); and

41  
42 WHEREAS, 3M Company proposes to create 92 new jobs that meet this criteria;  
43 and

44  
45 WHEREAS, 3M Company desires to receive EEZP benefits at a rate which  
46 currently exceeds the 50 percent rate of abatement authorized by Council, (to wit 75  
47 percent), and

48  
49 WHEREAS, the City likewise desires to extend such benefit to the 3M Company.

50  
51 NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
52 SPRINGFIELD, MISSOURI, as follows, that:

53  
54 Section 1 – The City Council hereby authorizes 75 percent property tax  
55 abatement on new improvements to real property within the Springfield Enhanced  
56 Enterprise Zone made by 3M Company for a period of 10 years.

57  
58 Section 2 – This Ordinance shall be in full force and effect from and after  
59 passage.

60  
61 Passed at meeting: \_\_\_\_\_

62  
63 \_\_\_\_\_  
64 Mayor

65  
66 Attest: \_\_\_\_\_, City Clerk

67  
68 Filed as Ordinance: \_\_\_\_\_

69  
70 Approved as to form: Achalot, Wiedner, Assistant City Attorney

71  
72 Approved for Council action: Greg Burnett, City Manager

**EXPLANATION TO COUNCIL BILL NO: 2016- 256**

FILED: 11-08-16

ORIGINATING DEPARTMENT: Planning and Development Department

PURPOSE: To adopt an increased level of property tax abatement from 50 percent to 75 percent on new improvements to real property located in the Springfield Enhanced Enterprise Zone for the 3M Company in recognition of the 92 high-quality jobs the company's proposed plant expansion will bring to the Springfield community.

BACKGROUND INFORMATION: The Springfield Enhanced Enterprise Zone (EEZ) was established in 2005 to provide incentives to qualified businesses that locate or expand within the Zone. Qualified businesses are eligible to receive state tax credits for investment and job creation, and local property tax abatement on new improvements to real property. Special Ordinance No. 24774 authorized the level of abatement offered to qualified businesses to be 50% on new improvements for 10 years. Eligibility criteria for a business to receive EEZ benefits were adopted by Special Ordinance No. 24774 and updated in 2010 by Special Ordinance No. 25713. Because this request is for 75% abatement -- above the level authorized by City Council in Special Ordinance Nos. 24774 and No. 25713 -- Council approval is required. This request is consistent with the general policies set forth in the Economic Development Incentives Policy, adopted by Resolution No. 9855 in February 2011 and amended by Resolution No. 10127, May 2014:

- The City will consider additional incentives for projects that create or retain quality jobs that pay wages equal to or higher than the Greene County average wage and offer competitive benefits.
- Since each project is unique, every proposal will be evaluated under the City's Policies on its individual merit and overall contribution to the local economy and the City's goals.

Staff recommends approval.

This Ordinance supports the following Field Guide 2030 goal(s): Chapter 3, Economic Development; Major Goal 2, Aggressively use Economic Development Incentives to encourage investment in the community and to encourage job creation and retention; Objective 2b, Continue to explore creative and flexible methods to attract and retain jobs and business investment in the community.

REMARKS: 3M's investment would result in the creation of approximately 92 new jobs with an associated average beginning annual wage of \$57,663, or \$82,300 when the value of employee benefits is included. These additional jobs will result in annual payroll addition of over \$5,305,000. The total annual salaries and wages for the Springfield 3M plant exceeds \$28 million. Annual turnover is less than four percent and the average term of service is 14 years. The Greene County annual average wage is \$39,387. Average

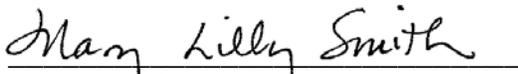
county wage data was obtained from the Missouri Department of Economic Development and is based on Census of Employment and Wages, MERIC. This information is valid through July 1, 2017.

Submitted by:



Sarah Kerner,  
Interim Economic Development Director

Recommended by:



Mary Lilly Smith,  
Planning and Development Director

Approved by:



Greg Burris, City Manager