

Pub. Imp. _____
Govt. Grnt. _____
Emer. _____
P. Hrngs. _____
Pgs. 4
Filed: 11-17-09

Sponsored by: Chiles

COUNCIL BILL NO. 2009 - 296

RESOLUTION NO. _____

A RESOLUTION

1 AUTHORIZING the City Manager, or his designee, to take all steps necessary to seek
2 the designation of additional Enhanced Enterprise Zones within
3 Springfield, Missouri, as an incentive to attract and retain jobs and
4 business investments in the community.
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9 WHEREAS, the City of Springfield has successfully utilized Enterprise Zones and
10 Enhanced Enterprise Zones to attract business investments and jobs within the City;
11 and
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13 WHEREAS, the use of such zones is the primary incentive used by the City to
14 facilitate job creation and retain jobs; and
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16 WHEREAS, Springfield is eligible to seek additional Enhanced Enterprise Zone
17 designations because it is located within a county in which the Governor declared a
18 disaster and requested federal assistance within the past year; and
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20 WHEREAS, because of this declaration, new zones may be sought without the
21 need to meet poverty and unemployment thresholds normally required; and
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23 WHEREAS, the ability to apply for designation of additional Enhanced Enterprise
24 Zones is anticipated to assist in employment opportunities for members of this
25 community.
26

27 BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRINGFIELD as
28 follows:
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30 That the City Manger, or his designee, shall take all steps necessary to prepare
31 an application to the State of Missouri for designation of additional Enhanced Enterprise

32 Zones, to submit such application and further to take steps he deems necessary to
33 assist in the consideration of such application by the State.

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Passed at meeting: _____

Mayor

Attest: _____, City Clerk

Filed as Ordinance: _____

Approved as to form: *Mary K Yendes* Assistant City Attorney

Approved for Council Action: *Greg Burt* City Manager

Affected Agency Notified:	Yes
Emergency Required:	No
Budget Adjust. Required:	No
Board Rec. Required:	No
Public Hearing:	No
Sponsor:	
Date:	Nov. 5, 2009

EXPLANATION TO COUNCIL BILL NO. 2009-

ORIGINATING DEPARTMENT: Planning and Development

PURPOSE: Directing the City Manager, or his designee, to take all steps necessary to prepare an application to the State of Missouri for designation of additional Enhanced Enterprise Zones as an incentive to attract and retain jobs and business investments in the community (Staff recommends approval).

BACKGROUND INFORMATION:

Chapter 135 of the Missouri Revised Statutes provides the framework for communities and counties to establish Enhanced Enterprise Zones as a way to encourage business investments and job creation and retention in the community. The Enhanced Enterprise Zone legislation replaced the Enterprise Zone program, which the City participated in since 1984. Since the Enterprise Zone program inception, both programs have facilitated almost \$650 million of new investments and the creation of over 9,800 jobs.

Within the Enhanced Enterprise Zone, qualified businesses may receive property tax abatement for new real property improvements and may qualify for saleable tax credits from the State of Missouri. Special Ordinance 24774 established the abatement level at 50% on new improvements to real property for a period of 10 years. Special Ordinance 25436 amended Special Ordinance 24774 to authorize 75% on new improvements to real property for a period of 10 years for projects that become certified at the Silver or higher level in the Leadership in Energy and Environmental Design (LEED) program.

The following types of businesses are eligible for Enhanced Enterprise Zone benefits in the existing zone:

- Manufacturing
- Mining
- Warehouse and distribution
- Wholesale trade
- Processing material recovery for wholesale trade
- Any other business enterprise that creates and maintains 50 or more full-time jobs

State law prohibits the use of Enhanced Enterprise Zone benefits for retail, eating and drinking establishments, and gaming operations.

REMARKS:

The City's existing Enhanced Enterprise Zone was designated pursuant to Section 135.953.1 RSMo, which provides that an area "must be blighted, have pervasive poverty, unemployment and general distress." The Statutes also provide that zones may be established within counties that have had a federal disaster declaration for a period of one year following the disaster declaration without having to meet the poverty and unemployment thresholds. The Governor declared Greene County a disaster area and requested federal assistance on May 20, 2009.

The Enhanced Enterprise Zone is the primary incentive the City uses to facilitate job creation and retention. With the May disaster declaration, we have the opportunity to make property within a broader area eligible for this incentive. This is important as we compete with other communities and states to attract private investment and job creation because we will have a broader range of properties and existing structures eligible for incentives. Offering 50% abatement on real property tax improvements for a 10-year period is a very standard incentive nationwide and the City will be at a competitive disadvantage if we do not have this available. In addition, by offering a local incentive, we can often trigger greater incentives from the State on several of their programs.

Passage of this resolution will direct staff to prepare an application to the State of Missouri for designation of additional Enhanced Enterprise Zones. Staff anticipates scheduling a public hearing before City Council within the next 60 days on the application and proposed boundaries.

RECOMMENDATION:

Staff recommends approval.

Submitted by:



Planning and Development

Approved by:



City Manager