



MBA Membership Meeting Minutes, November 9, 2017

Welcome: President Michael Higgins called the meeting to order.

Secretary's Report: October minutes were approved as presented.

Treasurer's Report: As of end of month October 2017: Income \$1,276.93; Expenses 678.66; Balance: \$22,274.90. Estimate of gain from Bites on the Boulevard: \$4,000

Guest Speaker: Abby Powell, City Tax Increment Financing (TIF) Administrator

- A TIF is a municipal redevelopment tool for blighted areas to prevent further deterioration of the tax base in those areas. Under a TIF property taxes are frozen at their current level. Taxing bodies continue to receive the same amount of tax revenue as before the TIF was formed.
- Any increase in property tax revenue beyond the base amount is called the increment and is set-aside in a special fund. The additional funds can be used to acquire property but are more frequently used to rehab existing property. TIF is a reimbursement-based incentive, so money must be spent on eligible costs before any TIF is received.
- The initial "life" of a TIF district is 23 years but can be extended another 12 years. In a very rare case, the downtown TIF was extended for a second 12 years in May of 2016.
- The MacArthur TIF generates about \$120,000 increment annually. At this time, the majority of the increment is rebated back to Hy-Vee. This is due to the fact that Hy-Vee's redevelopment agreement states that any increment generated by a Hy-Vee owned parcel is rebated back to the company until they hit their maximum reimbursement for eligible costs, approximately \$2.5 million.
- The City's other primary economic development incentive is a combined Enterprise Zone with the County. This allows for half a dozen incentives but the primary uses are sales tax abatements on building materials incorporated in the property and a property tax abatement if the value of the property is significantly increased.
- Special Service Areas (property tax-based) and Business Improvement Districts (sales tax-based) are additional tools cities use to increase business investment but are not substantially deployed in Springfield.

President's Report

- President Higgins announced MBA annual meeting will be held next month. He will deliver an annual report at that time.

Local Government Update

Joe McMenamin, Alderman, Ward 7

- Reviewed changes on MacArthur over the past 5 years that he had a hand in: the Lakota Study, the TIF, redevelopment agreement between City and Hy-Vee.

- City budget is in bad shape and is drawing on reserves. He expects as much as \$10M deficit next year.
- Standard Mutual Insurance Company tore down two buildings. The business has been sold but the property is still locally owned. All employees except four took a buyout.
- Plans to discuss the Marketplace Fairness Act at the City Council and urge the City to lobby for its passage. The purpose of the Act is to level the playing field so that businesses with no physical presence in a state must also collect sales taxes.

Kristin DiCenso, Ward 6

- Could not attend because of a scheduling conflict.

Mike Lopez, Mayor, Village of Jerome

- Jerome spent \$190,000 on road improvements.
- Revenue continues to drop because of low sales.
- Mayor said there was a lack of notification and backup during recent bomb threats at schools and expressed an urgent need for communication and coordination among public bodies.

Tami Russell, Neighborhood Police Officer

- Announced that a police substation will locate at The Boulevard Town Homes.

Announcements

- Julie Dirksen thanked Pie's the Limit for providing pizza for more than 35 kids and adults following MacArthur Boulevard Clean-Up Day.
- The 2037 Comprehensive Plan for the City of Springfield will be presented at City Council on November 16.
- Thanked John LeValley for his excellent letter describing positive happenings on MacArthur Boulevard.
- Adjourned at 8:46 a.m.

Respectfully submitted,
Loretta Durbin, Secretary